# SENATE—*Wednesday, May 17, 1995*

*(Legislative day of Monday, May 15, 1995)*

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, You have shown us that You want to guide what we pray, so that You can grant us the desires of our hearts. We begin this day with King Solomon's response to Your question, "Ask! What shall I give you?" Then Solomon asked for what we desire for the work of this day. He confessed his own inadequacy and need for strength to grasp the challenges of being a leader. Then he asked for an "understanding heart." We are moved by the translation of the Hebrew words for "understanding heart," meaning a "hearing heart." Solomon wanted to hear both Your voice and the voice of the people expressing their needs, and be able to respond and speak to those needs out of the depth of wisdom that came from a heart tuned to Your spirit's supernatural power. May the response You gave to Solomon be the response You give to the women and men of this Senate who long to know and do Your will: "See, I have given You a wise and understanding heart." The heart of the matter is the heart: Your heart speaking to our hearts. Help us to listen, Lord. Amen.

Mr. PRYOR. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

## RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

## MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now 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 to exceed 5 minutes each.

The Senator from Illinois.

(The remarks of Mr. SIMON pertaining to the introduction of S. 811 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Pennsylvania.

## WHERE IS BILL?

Mr. SANTORUM. Mr. President, I appreciate the opportunity to talk about an issue that greatly disturbs me at a time when we are debating in this country how we are going to get to a balanced budget and what steps we need to take and the tough decisions in setting priorities about where Federal spending should go in the next 7 years.

We had a process that went through here in the Senate and over in the House that just came from the conference committee to cut $16 billion, $16 billion of funding that has been appropriated by this Congress over the past year or two—a truly minor downpayment on reducing the Federal budget deficit. It is about 1 percent of what we will spend this fiscal year. We are talking about cutting 1 percent, not just in this fiscal year but this fiscal year and the next combined. About $16 billion is what the rescission package will do.

I see the headline in the Washington Post, not the one I am particularly proud of, which is "Capitals Dismantled by Penguins," which I am happy to see that, but one which greatly disturbs me under that which is, "Clinton To Veto $16 Billion Rescissions Package." The President—who has presented a budget that is going to add almost $2 trillion to the national debt over the next 7 years, who refuses to come to the U.S. Congress and present a balanced budget, who says there is no problem in Medicare, who says that everything is just fine—now decides he cannot support cuts in spending. He cannot support cuts in spending: That $16 billion is too much. We just cannot do it. We cannot tighten our belt to do that.

So he is going to go to some group. I am sure he will wrap himself—I do not know, I did not read this completely—wrap himself with either a group of seniors or a group of children because that is what you do when you do not want to change things. You hide behind children or you hide behind seniors, and you say: "We cannot hurt these vulnerable in our society." But the fact of the matter is this is a drop in the bucket. These are spending cuts, many of which he advocated, to programs many of which do not work.

Sure there are some tough cuts in here, things I am uncomfortable with. We cut, in this bill, low-income home energy assistance, not this year which I am happy to see, but next year, by $300 million. I think that is a painful thing. But we have to share. We cannot do everything. We cannot continue to spend everything we are spending now. I think that is a good compromise.

There are other things in there that cause me some problems. They may be good programs but we have to be able to say we are going to tighten our belts a little bit. And here you have a President who is holding dialogs with himself about his relevancy, showing he is not going to be relevant to balancing the budget, he is going to stand in our way every step of the way to block any kind of reducing the size of Government or cutting spending here in Washington, DC.

Mr. President, $16 billion out of $1.6 trillion and we cannot do that. It is too tough. I think the American public should see this for what it is, a President who just wants to blame the other side for being mean and being cruel and offers nothing in return, who offers no balanced budget to this body, who says he is not for the balanced budget amendment to force us to get there, who says there is no problem in Medicare when it is going to go broke in 7 years. His own trustees say it is going to go broke in 7 years. Denial, denial, denial; no, no, no.

Where is the President? You know, we had the great debater from the State of Massachusetts, Senator KENNEDY, stand up and say, "Where is George? Where is George?"

Where is Bill? Where is Bill? Where is he going to be if we are going to balance this budget? Where is he going to be if we are going to put this country back on sound footing again? Is he going to continue to hide behind the status quo, to be the President who goes down defending this policy that has just continued to pile up debt after debt after debt?

Where is Bill? Where is he when it comes to setting this country back on the course of fiscal responsibility?

I will tell you where he is, hiding behind a group of people, vetoing legislation to get us back on the right track. We deserve better.

I yield the floor.

Mr. PRYOR. Mr. President, I suggest the absence of a quorum.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. 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 North Dakota [Mr. DORGAN] is recognized to speak for up to 30 minutes.

Mr. DORGAN. Mr. President, it is always entertaining to listen to the morning discussions on the floor of the Senate. I should not say always entertaining. It is at least occasionally entertaining. As to the question of "Where is Bill?"—which I assume really asks "Where is the President?"—he is at 1600 Pennsylvania Avenue. He was there yesterday. I assume he is there this morning, reachable by phone if someone really wants to visit with him about policy issues.

But I would say that at least yesterday, when some of us visited with the President about the budget issues, we talked about a lot of things. There is no disagreement, in my judgment, among those of us in the Senate or with the President or Members of the House of Representatives about the goal. We have a budget that is out of balance and it must be balanced. We must, it seems to me, develop a plan that is thoughtful, that establishes the right priorities, but especially in the end balances the budget.

It is interesting. I hear people stand up here on the floor of the House and bellow and crow about how they are the ones that have all the answers, they are the ones that know how to balance the budget, they are the ones with the guts, and they are the ones with a plan. What a bunch of nonsense. Add it all up, just back up and add it up, and you will find that there is not a nickel's worth of difference between Members on either side of the aisle, in the House or the Senate, about how much money they want to spend. Oh, there is a big difference in how they want to spend it. Some want to build more jet airplanes, jet fighters, and bombers, and build more missiles. Some want to stay as deep in debt as we are; that we ought to rebuild star wars right now. That is a proposal before us.

So they want to spend money, all right. Others of us want to make sure that a poor kid gets a hot lunch in the middle of the day at school, or that we have a Head Start that is fully funded, or a WIC Program that works, or health care available to the elderly when they need it. So there is a difference in how we want to spend money. There are differences in our priorities. But there is no difference in appetite.

Do not let anybody tell you different. Add up the priorities in the 1980's, and you will see that those who call themselves conservatives have an unending appetite to spend the public's money just on different things. This is evident even now. As tough as times are in this country, they are over pushing to cut back on the hot lunch program, and they have decided that it should no longer be an entitlement for a hot lunch for a poor kid in the middle of the day at school. But if a hot lunch for a poor kid in school is not an entitlement, they sure want to build star wars at a time when there is no longer a Soviet Union. That is the difference. There are differences in priorities.

No one should believe that there is not a grim determination on both sides of the political aisle in the House and the Senate this year to balance this Federal budget with a plan that gets there in a real and in an honest way. The quarrel is about priorities. It is a legitimate quarrel. We sometimes fight for and believe in different things. We come from different parts of the country. We represent often different ideologies. But the quarrel is not the goal. The destination is something that I think is well accepted. We must get to a balanced budget.

I sent earlier this month recommendations to the Senate Budget Committee totaling nearly $800 billion in spending cuts. I want to send them some more. There are plenty of spending cuts—some of them very aggressive, some of them controversial—that should be, could be, and I hope will be made in order to reach a balanced budget. I happen to think it is a priority as a goal.

But these days when we find ourselves in a circumstance where we are up to our necks in debt, spending more than we take in and charging the balance to our kids and grandkids, some say what we really need to do is to have a tax cut. They construct a middle-income tax cut. In fact, I was asked by a radio moderator the other day about what I think of the middle-income tax cut or the middle-class tax cut passed by the House of Representatives. I said, "Gee, which tax cut could you be referring to?" The middle-class tax cut passed by the House of Representatives provides, on average, a $124 tax cut for those families with incomes under $30,000 a year, and an $11,000 tax cut for those families with incomes over $200,000 a year. That is what they define in the House as middle income? They have been reading different math books than I have been reading, I guess.

I do not think a tax cut is advisable at the moment. I think the first job is to reduce the deficit, not to run over and curry favor with popular programs like tax cuts. But if we were going to have a tax cut, we ought to have a tax cut that benefits working families, not just the upper income families, not just the affluent in our country.

So I would like folks to take a look at this chart. This chart shows the kinds of priorities that some stand up here and bust their buttons about, calling them middle-class priorities. This tax cut is a tax cut that benefits disproportionately the most affluent in this country and gives a few pennies to the rest.

I do not happen to think we ought to have a tax cut at this point. I think we ought to keep our nose to the grindstone, cut spending, and use the revenues to reduce the Federal budget deficit. When we have that done, I will join others in this Chamber to propose a tax cut that then will be helpful to middle-income families. But to decide you ought to have a decrease first—let us go ahead and serve dessert at this meal first, which is a tax cut, because that is enormously popular—that has a ring to it that is only political, not substantive. That says let us curry favor, and not do the hard work of dealing with the deficit.

At the same time that some who propose a contract say let us have a tax cut that they call middle class but really, as you can see from the chart, benefits the most affluent in our country, they say we have a plan to cut Medicare. But they do not have a plan to protect health care for the elderly. They would just cut the dollars. More and more people are growing old in this country. Some months—most months, in fact—we have 200,000 Americans in 1 month become eligible for Medicare. Why? Because America is growing older.

So as more and more people become eligible for Medicare, to cut the funding without worrying about how an elderly person gets health care is hardly a priority I think which stands the test of good sense. And if you say to a country that faces real challenges in its future that the way to face them is to make it harder for a kid to go to college and cut back on money for student aid, then you are not in my judgment investing in our future.

Why do that? We do that at least in part because some want to give a big tax cut to the most affluent in America. Again, I do not quarrel with the goal. I think the goal of balancing the budget is a goal we must march toward and meet. That is our challenge, and that is our test. I think there is substantial room to quarrel about the priorities at this point. There is a right way to do this and a wrong way to do it. And the right way to do it is to understand that the economic engine in this country is the working family. You do not help the working family in this country by doing the kinds of things that they are talking about in this budget. That is the wrong way.

I would say that maybe 50 or 60 percent of the budget recommendations brought out by the Budget Committee make a lot of sense, and I would sign

up immediately for them. I support a lot of those proposals. A lot of them are good. I give Senator DOMENICI and other members of the Budget Committee great credit for some of those provisions, and I will support them in a minute and vote for them. But I am just saying that in the Contract With America in the House and also in the Senate, there are some provisions that reflect in a traditional way the difference in priorities.

We believe in education. Let us invest in education and not withdraw the help for those who want to learn, those who want to produce, and those who want to go on to become citizens who will help build this country. Let us not withdraw health care assistance from the elderly and the poor who need it. Let us not increase taxes for the low-income working families, which is also a part of this budget proposal. But there are many other areas where we can cut, and cut significantly, and cut much more than is now proposed by the Senate Budget Committee recommendation.

So I hope when we get this to the floor, I hope you will not hear one word from any Member of the Senate who quarrels about the goal. We must balance the budget by 2002. It is doable. It is doable without the greatest of effort by Members of the Senate. But it ought to be done right away, investing in the right things still for this country, even as we cut those things we no longer need, those things that waste money and those things that are extravagant.

## TRADE WITH JAPAN

Mr. DORGAN. Mr. President, I want to turn to one other very brief subject, and that is the issue of trade with Japan.

I intend to provide a discussion tomorrow at some greater length about our trade situation. But I noticed that the Trade Representative has announced potential sanctions in the future against Japanese trade with the United States if Japan does not open its market further to United States goods.

The fact is the trade situation in this country is serious. We talk a lot about the Federal budget deficit, but we have another deficit that is serious and troublesome. We have a trade deficit that is the most significant trade deficit in this country's history. The merchandise trade deficit last year was $166 billion, and I have a chart that shows our trade picture in this country. I would like to hold it up.

This chart shows with whom we have trade deficits and those with whom we have trade surpluses. We have almost no surpluses, and those countries with whom we have a surplus, it is a very, very minuscule surplus, but you will see what is happening with respect to deficits.

All of our major trading partners are countries with which we now have a trade deficit, and that now includes Mexico, for all those who said we were going to have all these new jobs and bountiful trade with Mexico. What a bunch of nonsense that was. We have turned a trade surplus with Mexico into a very significant trade deficit. Most experts suggest the deficit with Mexico will turn out to be anywhere from $12 to $16 billion. It was the last remaining major trading partner we had with which we have had a surplus, and we have turned that into a deficit, unfortunately, with NAFTA and the subsequent devaluation of the peso, and so on.

But you will see in this line a growing, escalating trade deficit with Japan even as the dollar was weakened against the yen, even when you would expect the trade circumstances to move in the other direction. Our trade deficit with Japan is unsustainable, and it is not fair. The Japanese expect their products to come into the American market unimpeded, and they do. We have a wide selection of brand names from Japan in virtually every area of consumer products. So they access our marketplace. And what happens when we try to access theirs? We find impediment after impediment after impediment, and we cannot get American goods in any significant quantity into the Japanese marketplace.

I have a very small chart I would like to show on auto parts and on cars and trucks, and I hope that this can be picked up. But this shows the percentage of auto parts by country, and I wish to show you the import share. The United Kingdom has 60 percent—60 percent of the auto parts in the United Kingdom are imports; 32 percent in the United States; 49 percent in France; 16 percent in Italy; 2.4 percent of the auto parts in Japan are imported—2.4 percent. All the rest are produced in Japan.

Now, is that an accident? No, it is not, because they keep auto parts out of Japan. You cannot get them in. They can move them to the United States, but we cannot move them to Japan.

How about cars and trucks? Mr. President, 4 percent of the cars and trucks sold in Japan are imports. And you look at the rest of the countries: 35 percent in Italy; 54 percent in the United Kingdom; 30 percent of the cars and trucks sold in the United States are imports; 4 percent of the cars and trucks sold in Japan are imports.

Now, is that because no one has figured out a way to sell in Japan? No. It is because Japan keeps them out. Japan has a one-way trade strategy that says we want Japanese producers to be able to sell in your markets, but when your producers want to sell in Japan, we want to keep them out.

This President, to his credit, has begun to stand up to other countries, including Japan, saying we are sick and tired of one-way trade relations. When we have these trade deficits, it means lost jobs in America—lost jobs, lost income, lost opportunity, and lost hope. The President is saying we expect and demand reciprocal trade policies. Japan, we want you to open your markets.

We are not saying we want to shut off access to Japanese goods in the United States. That is not the point. The United States has demonstrated for many, many years that we want our consumers to have the widest possible choice of goods, including goods from around the world. But it is long past the time when our country should accept a trade relationship that is unfair to our people, unfair to our country, unfair to our wage earners.

This President is saying to Japan, we are going to hold up a mirror. We treat you well. Our borders are open to you. You move your goods here in increasing quantities. We expect your borders to be open to us. We expect American producers and the product of American workers to have access to the consumers in Japan. And he is the first President for some long while to have the nerve to stand up and to have the nerve to confront the Japanese on these issues.

It is not just the Japanese. We also have to confront the Chinese, whose $30 billion trade surplus with the United States is growing at an alarming rate. We must be able to penetrate those markets and have fairness in the world and world trade.

Ambassador Kantor and the President, I know, are embarked on a nervous time, and I know it is very controversial. But I would say, whether it is a Republican or a Democratic administration, this country needs to stand up for its economic interests. It needs to stand up for jobs and opportunity here. I think President Clinton, in calling the Japanese on these trade policies, is beginning to do that on behalf of this country.

I do not want a trade war. A trade war will not benefit anyone. It will hurt the world. But by the same token, we cannot have a post-Second World War trade strategy which is essentially only a foreign policy by which we pay and everyone else wins. That is a strategy that continues to weaken our country. We ought to say our borders are open but yours must be, too. We believe in reciprocal trade policies. We believe in open trade and free trade, yes, but we, most importantly, insist on fair trade. It is long past the time when our country needs to stand for that. I am pleased that President Clinton is taking some action to confront the Japanese and now next it will be a number of other countries that treat us in exactly the same way.

Mr. President, with that, I yield the floor.

## VETO OF THE RESCISSION BILL

Mr. GRAMM. Mr. President, President Clinton announced today that he is going to veto the rescission package. President Clinton is going to veto our effort to reduce Government spending by $16 billion. President Clinton, who continues to talk about deficits, is going to veto a bill that cuts more spending than any rescission bill in the history of this country.

Why is he going to do that? He is going to do it because he is committed politically to the special interest groups who stand to lose from our putting the Federal Government on a budget like everybody else. I think Bill Clinton should start representing the public interest and not the special interests that support the Democratic Party.

I think it is outrageous, when we are running a $175 billion deficit, when the deficit is heading toward $350 billion, and the President, to defend things the way they are in Washington, DC, is going to veto a bill that cuts 16 billion dollars' worth of Government spending.

The President should sign the rescission bill. He should join our effort to put the Federal Government on a budget like everybody else. Ultimately, we have to make a decision. Are we going to change the Government in order to bring back the American dream, put the Federal Government on a budget, let families keep more of what they earn, or are we going to continue to support business as usual in Washington, DC?

When Bill Clinton vetoes a $16 billion cut in Government spending to protect a few pet programs, he is putting the political interests of his administration and his party in front of the interests of the people of America. I do not think the American people are going to like it; I think they are going to react negatively to it; and I think they should.

President Clinton can stop us on the rescission bill. He can get Democrats to vote and sustain his veto. I think it is important that we pass the bill, that we challenge him, and that we try to override this outrageous veto. But for next year, beginning in October, we are going to be writing the appropriations bills, and so the President is not going to have the ability to veto bills unless he wants to shut down Federal departments.

I think we are fast coming to the moment of truth. Are we serious about dealing with Government spending? Are we serious about putting the Government on a budget like everybody else? Or are we committed to the same old special interest groups that have dominated American Government for 40 years?

By vetoing an effort to reduce Government spending to protect special interest programs, President Clinton is saying he is willing to protect business as usual in Washington. I think this is something that we have to fight because I think we are down to the basic principle on which the American people cast their votes in 1994, and I think they expect us to stand up, speak out, and fight for putting the Federal Government on a budget like everybody else.

I yield the floor.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

## SPECIAL INTERESTS

Mr. PRYOR. Mr. President, I wonder if my friend from Texas would answer a question if I were to propose a question?

Mr. GRAMM. I might. I would like to hear it first.

Mr. PRYOR. Yes.

I read in the Washington Post this morning about the $5 million Republican fundraiser that was held last evening. I want to congratulate the Senator from Texas for putting this enormous fundraiser together. It may have been the largest of its kind in history.

I wonder if the Senator from Texas would be so kind as to answer this question of the Senator from Arkansas: Were there any special interests represented at this fundraiser?

Mr. GRAMM. Let me first respond by saying, I appreciate your generosity in suggesting that I might have put on such a grand fundraiser. In fact, I am no longer chairman of the Republican Senatorial Committee. I did attend. We had a lot of people there from all over America.

Mr. PRYOR. Were there any special interests there at the fundraiser?

Mr. GRAMM. Clearly, many of them were there. They came to the event. Each individual group represents a special interest.

But let me tell you the difference. What we told them we were going to do there is put the Federal Government on a budget. We were not promising to give anything away last night. We were promising to stand up for the vital interests of this Nation and, remarkably—maybe it is not true in your party, but in my party when you stand up and fight for America, there are people that are for you.

I am proud of the fact, as my colleague, I am sure, knows, that in the last election cycle, when I was chairman, the average contribution to the Democratic Senatorial Committee was 10 times as large as the average contribution to the Republican Senatorial Committee because we have grassroots support.

And, given the President's veto, given the President's veto of our effort to control spending, I can see why we have grassroots support and the Democratic Party does not.

Mr. PRYOR. Mr. President, I appreciate my friend from Texas and neighbor trying to answer that question.

I am going to ask him another question.

Were there grassroots supporters there at this $5 million fundraiser last evening?

Mr. GRAMM. They were from all over America. In fact, I saw a lot of them from Arkansas.

Mr. PRYOR. That is right.

And how much was each ticket for the fundraiser, if I might ask?

Mr. GRAMM. It varied, depending on whether it was individual money or whether it was——

Mr. PRYOR. Whether it was grassroots or special interest, is that the case?

Mr. GRAMM. No. It varied on whether it came out of your checking account or out of the checking account of your company or your organization.

You hold similar events every year, but, because the American people no longer support your agenda, your attendance is falling off. Ours is rising. But I do not feel sorry for you.

Mr. PRYOR. Oh, no, do not feel sorry for us yet. You know, we still have a few kicks left in the dog here.

But I would just like to ask my friend from Texas, the special interests you referred to that support President Clinton, would you please be so kind as to enumerate those special interests?

Mr. GRAMM. I certainly would.

The Legal Services Corp., the Corporation for Public Broadcasting, the broad-based coalition of people who are riding in the wagon as opposed to the people who are pulling the wagon in America.

Our objective is to try to put the Government on a budget, so we can let working people keep more of what they earn, so that we can have decisions made not by Washington but by American families.

See, we have this idea that Democrats rejected about 40 years ago, and that is families can do a better job of spending their own money than you do for them.

Now that sounds alien in Washington, DC, but in Little Rock, AR, people are beginning to think maybe that is the way we ought to do things.

Mr. DORGAN. I wonder if the Senator from Arkansas would yield to me?

Mr. PRYOR. I do not have the floor, actually.

Mr. GRAMM. I have to go to a hearing on Legal Services, to let them know the bad news.

The PRESIDING OFFICER. The Chair would say, the hour of 10:30 having arrived, morning business was to close.

Mr. PRYOR. Mr. President, seeing no other Senators desiring recognition, I

ask unanimous consent that the Senator from North Dakota be allowed to proceed for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I was curious about the question asked by my colleague from Arkansas.

Our colleague, Senator GRAMM from Texas, said that at this fundraiser they were not giving anybody anything. I assume he forgot, probably, that in the vote in the House of Representatives on the Contract With America, just to name one little piece of that, they eliminated the alternative minimum tax for corporations.

You remember those stories in the old days about a big corporation that earned $3 billion in earned income, net profit, and paid zero in Federal income tax. Well, the Federal Government said they wanted to correct that, so they set up what was called an alternative minimum tax, so you could never zero it out, talking about the real big corporations now.

Well, in the House of Representatives, in the tax bill under the contract, they zero it out and they say, "No more alternative minimum tax. You big companies, you make $5 billion, it is all right if you pay zero in taxes." But at same time they do that, they say, "But we can give those companies"—incidentally, about 2,000 companies—"the equivalent of $2 million each in tax breaks. We can afford to do that, but we cannot afford to provide student aid, as we used to, so we will have to ask kids who are going to go to college who do not have any money to pay for it, we will make it harder for kids to go to college because we cannot afford investing in kids who go to college, as we used to, but we do have the money to provide the equivalent of a $2 million tax break for each of 2,000 corporations by saying to those corporations, You no longer have to worry about a little thing called the alternative minimum tax. You can zero it out, if you like."

I am guessing the Senator from Texas just forgot about that.

And there are a dozen more like it, little old things that I am sure folks would show up to show their appreciation for, but they are the kinds of things that represent priorities—the priorities that say we really believe in the big interests here, we really think the big interests need a lot more help because if we rain on big interests somehow it will all seep down to the little folks that are trying to send their kids to college. That is what I think has been forgotten in this equation and this discussion between the Senator from Texas and the Senator from Arkansas.

Mr. President, I yield the floor.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

Under a previous order, the Senate will now proceed to the consideration of a resolution to be submitted the Senator from New York [Mr. D'AMATO].

Mr. PRYOR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. D'AMATO. 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. D'AMATO. Mr. President, I have a resolution which I will shortly be sending to the desk. May I ask, what is the pending business?

The PRESIDING OFFICER. The pending business is the resolution to be considered by the Senator from New York.

Mr. D'AMATO. I believe we have agreed that there will be no more than 2 hours.

The PRESIDING OFFICER. That is correct, from the time you bring it up.

Mr. D'AMATO. Will the time start to run as of now?

The PRESIDING OFFICER. It is when the Senator submits the resolution to the desk.

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## ESTABLISHING A SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER DEVELOPMENT CORP. AND OTHER MATTERS

Mr. D'AMATO. Mr. President, I send the resolution to the desk on behalf of myself and Senator DOLE—and I know others would like to join—and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 120) establishing a special committee administered by the Committee on Banking, Housing, and Urban Affairs to conduct an investigation involving Whitewater Development Corp., Madison Guaranty Savings & Loan Association, Capital Management Services, Inc., the Arkansas Development Finance authority, and other related matters.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. D'AMATO. Mr. President, Whitewater is a very serious matter. Some questions raised by Whitewater go to the very heart of our democratic system of government. We must determine whether the public trust has been abused. We must ascertain whether purely private interests have been placed above the public trust. The American people have a right to know the full facts about Whitewater and related matters.

After the Banking Committee's hearings last year, many important questions still remain. The American people have a right and a need to know the answers to these questions.

Congress has the responsibility to serve as the public's watchdog. We would be derelict in our duties if we did not pursue these Whitewater questions. The Senate must proceed in an evenhanded, impartial, and thorough manner. We have a constitutional responsibility to resolve these issues.

Mr. President, we now bring before the Senate a resolution that authorizes a special committee administered by the Banking Committee to continue the Whitewater inquiry that was started but not completed during the last Congress.

I thank my distinguished colleague, Senator SARBANES, for his hard work and cooperation in the preparation of this resolution. We have jointly prepared a resolution that is balanced and fair and that will allow the special committee to search for the truth. I am confident that Senator SARBANES and I will continue the Banking Committee's bipartisan approach to the Whitewater matter.

Mr. President, our pursuit of these questions must be and will be fair, straightforward, and responsible. The American people expect and deserve a thorough inquiry committed to the pursuit of truth. That is the American way.

Last summer, the Banking Committee met these vigorous requirements. Our examination of the Whitewater matter was impartial, balanced, and thorough. That is our goal in this Congress. I am confident that we will meet these goals.

During last summer's hearings, many facts were uncovered. We learned that certain top administration officials were not fully candid and forthcoming with the Congress. That is an undisputed fact. The public has a right to expect more from those in positions of trust. We also learned that senior Treasury Department and Clinton White House officials mishandled confidential law enforcement information concerning Madison Guaranty. That is another undisputed fact. Madison is now defunct; it is a defunct S&L at the heart of the Whitewater matter. The failure of this Arkansas S&L eventually cost American taxpayers more than $47 million.

Mr. President, the American people have a right to know the answers to many serious questions still remaining about Whitewater and related matters. We have a constitutional obligation to seek the answers to these questions. That is why I am offering this resolution today.

Now I will briefly outline some of the matters that this resolution authorizes

the special committee to investigate. We will begin with the handling of the papers in deputy White House counsel Vince Foster's office following his death. Who searched Mr. Foster's office on the night of his death? What were they looking for? What happened to Mr. Foster's papers? Were any papers lost or destroyed? And who authorized the transfer of Mr. Foster's Whitewater file to a closet in the First Family's residence? The public has a right to the answers to these questions.

Mr. President, this resolution encourages the special committee to coordinate its activities with those of the independent counsel, Kenneth Starr. Senator SARBANES and I have met with the independent counsel. Judge Starr has indicated to us that he has no objection to the special committee's plan to inquire into the handling of Mr. Foster's papers. Senator SARBANES and I are committed to coordinating the committee's activities with those of the special counsel.

This resolution authorizes the special committee to pursue answers to other questions raised during the Banking Committee's hearings last year.

We will explore the scope and impact of the improper dissemination of confidential law enforcement information concerning Madison Guaranty. How widely did the Clinton administration officials communicate this confidential information? Did any high-ranking officials inform targets of criminal investigations? If so, did this impact any ongoing investigations? The public has a right to know the answers to these questions.

The special committee will also examine whether there were any improper contacts between the Clinton White House and the Justice Department regarding Madison Guaranty.

We know that Paula Casey, the U.S. attorney in Little Rock, declined to pursue criminal referrals involving Madison. That is an undisputed fact. We also know that Webster Hubbell, who has pleaded guilty to mail fraud and tax evasion, was the No. 3 official at the Justice Department at this critical time. This is another undisputed fact.

The committee will ascertain whether Mr. Hubbell contacted Paula Casey about Madison. And who else, if anyone, knew about these contacts with the U.S. attorney. The public has the right to know.

Mr. President, this resolution authorizes the special committee to explore whether the Resolution Trust Corporation and other officials in Washington tried to interfere improperly with RTC staff in Kansas City responsible for investigating wrongdoing at Madison. If such interference occurred, who authorized it, and why? The public deserves answers to these questions.

During last summer's hearings, the Banking Committee learned that the Treasury inspector general furnished the Clinton White House, at the White House counsel's request, transcripts of the inspector general's depositions. That is an undisputed fact.

The committee will now look into whether these deposition transcripts were used to coach administration witnesses before they appeared in front of the committee. That would be wrong. The public has a right to know if it happened.

All of these matters that I have discussed so far involve events that occurred after January 1993 when President Clinton took office. There are also serious questions regarding events that occurred in Arkansas in the 1980's when President Clinton was Governor. This resolution also authorizes the special committee to examine these matters. Some of these Arkansas matters are complex and will require the committee's close review of many thousands of pages of documents.

We will review the operations and regulations of Madison Guaranty. Did James McDougal, Madison's chairman and Governor Clinton's business partner, improperly divert Madison's funds to himself and others? Did any of this money find its way into the Whitewater real estate project in which McDougal and Governor Clinton were partners? Did McDougal misuse Madison funds to cover any losses the First Family suffered on their Whitewater investment? The public has a right to know the answers to these questions.

Mr. President, the resolution further authorizes the special committee to examine the Rose law firm's representation of both Madison and RTC, and senior partners at the Rose law firm, including Hillary Rodham Clinton, Webster Hubbell, and Vince Foster. The committee must ascertain whether the Rose law firm properly handled the RTC civil claims concerning Madison.

Did the firm have a conflict of interest, and did American taxpayers lose money in the process?

We will also examine Capital Management Services and its president, David Hale, a former Arkansas judge and Clinton appointee. Hale has publicly charged that the President pressured him to make Small Business Administration loans that were used to prop up Madison.

Did this happen? Did Hale also make improper Small Business Administration loans to current Arkansas Gov. Jim Guy Tucker?

Then there is the matter of the financing of the 1990 Arkansas gubernatorial campaign. We now know that the president of the Perry County Bank, Neal Ainley, has pleaded guilty to violating Federal laws in connection with the handling of certain large cash transactions for the Clinton campaign. Ainley claims he did so at the direction of campaign officials. The public has a right to know who authorized this activity and why.

Mr. President, this resolution will authorize the special committee to examine these and related matters. We will take every reasonable step to complete this inquiry promptly. We hope that the administration cooperates with us in this regard. But we also intend to be thorough and comprehensive.

This resolution provides $950,000 to fund the special committee through February 29, 1996. If additional money is needed, the special committee will make a recommendation not later than January 15, 1996, and the majority and minority will meet to determine the time for any vote.

Mr. President, we expect to hold public hearings into the handling of the papers of Vince Foster's office in late June or early July. We will continue our inquiry by subject matter until it is completed. In doing so, we will make every effort not to interfere with the independent counsel's criminal investigation.

Mr. President, the American people deserve to know the full facts about Whitewater and related matters. As I said at the outset, we will conduct this inquiry in a fair, evenhanded, and impartial manner.

That is what the American people want, expect, and deserve. I urge the approval of this resolution.

I see that my distinguished colleague and ranking member, Senator SARBANES, is here. We have allocated up to 2 hours, equally divided.

I yield the floor.

Mr. SARBANES. Mr. President, may I ask what the time situation is?

The PRESIDING OFFICER (Mrs. HUTCHISON). There are 2 hours, of which 15 minutes has already been used.

Mr. SARBANES. There is an hour now remaining on this side?

The PRESIDING OFFICER. That is correct.

Mr. SARBANES. I thank the Chair.

Madam President, it is not my intention to use the entire hour. I hope at some point both sides might be able to yield back time and proceed to final consideration of the resolution.

Let me say at the outset that the resolution we are considering today, which authorizes a special committee to be administered by the Committee on Banking, Housing, and Urban Affairs, is really a carrying out of resolutions that were adopted last year by this body. I think it is important to consider this resolution in the context of those resolutions—actions taken by the Senate last year.

On March 17, 1994, a little over a year ago, the Senate adopted a resolution by a vote of 98–0 expressing the sense of the Senate that hearings should be held on all matters relating to Madison, to Whitewater, and to Capital Management.

Then, to carry out that resolution, at least in part, on June 21 of last year, the Senate agreed to Senate Resolution 229, which authorized hearings to be held into certain areas. Those hearings were done last summer. We had 6 days of public hearings. We had extensive analysis of documents that were provided to the inquiry committee in order to enable it to carry out its responsibilities.

Now, one of the things that was authorized to be looked into by the June 21 resolution was the handling of the Foster documents. That was later deferred, in response to a request from the independent counsel who contacted the committee and indicated that, given the nature of his inquiry, it would be preferable if the Committee did not go ahead with that hearing. Accordingly, we held off.

Now the distinguished chairman has indicated that it would be the first item which will be considered in the hearings that will now take place under the resolution we are considering here today.

So this resolution is in effect a continuation of our earlier work. It authorizes the completion of work specified in last year's resolution, as well as matters developed during and arising out of the hearings that were held last summer, and also a number of matters my colleague has enumerated that carry forth on the sense-of-the-Senate commitment last year to investigate all matters pertaining to Madison.

I want to go through some other aspects of this resolution, just to lay them out on the record. The chairman of the Banking Committee, Senator D'AMATO, has gone through a number of matters that have been provided for in this resolution to be examined by the special committee. The special committee, administered by the Banking Committee, shall consist of all of the members of the Banking Committee plus two members added from the Judiciary Committee. The chairman and ranking members of the Committee on the Judiciary, or their designees, will join with the members of the Banking Committee to constitute the special committee which will be administered by the Banking Committee. So it is essentially—or primarily, let me say—a Banking Committee activity, since most of the areas to be examined clearly fall under the jurisdiction of the Banking Committee. But we did add from the Judiciary Committee last year. A member came on in order to help carry out the inquiry. And there are some matters that are contained in the resolution, to be examined that, it could well be argued, are under the jurisdiction of the Judiciary Committee. So, to bring that together, we are bringing on two members from the Judiciary Committee, the chairman and ranking member or their designees. They will be designating someone else to handle this responsibility if they choose to do so, and I do not know at this point what Chairman HATCH and ranking member BIDEN intend to do in that regard. But obviously we will abide by their decision.

We have also provided in the resolution which is now before us, and which shortly will be adopted, for rules and procedures of this committee which essentially will be the rules and procedures of the Senate, the Standing Rules of the Senate, and the rules of procedure of the Committee on Banking, Housing, and Urban Affairs. That is, in effect, the rules framework, procedural framework within which we will operate. There are in the resolution sections that cover aspects of the process that the special committee will follow; these are matters it was deemed important that we spell out in the resolution how they were going to be dealt with. Those involve questions of subpoena powers, questions of how the hearings will be conducted—important questions about immunity. I want to underscore that because that is a matter we have had to address before.

We provide that to grant a witness immunity—I want to read this section because it is an important matter. The special committee has the power: "To grant a witness immunity under section 6002 and 6005" of title 18, United States Code, "provided that the independent counsel has not informed the special committee in writing that immunizing the witness would interfere with the ability of the independent counsel successfully to prosecute criminal violations."

We also provide for staffing of the committee. There is power to appoint special committee staff including consultants, assistance from the Senate legal counsel, assistance from the Comptroller General. There is a provision whereby the committee can draw on other Government agencies, Government personnel, and on other congressional staff. And we hope, through a combination of all of these sources, that we will have an adequate staff to carry out a proper inquiry and investigation.

There is also, of course, special provision for the protection of confidential information, since we will be interacting with the independent counsel and others and we think it is important to have such provisions.

Finally, the money asked for in this resolution, just under $1 million, $950,000, is to cover the salaries and other expenses of the special committee carrying out this inquiry, beginning on the date of the adoption of this resolution—I assume today—and ending February 29, 1996.

If it is judged that additional money is needed, that the inquiry needs to go forward and additional money is required in order to fund it, the special committee will recommend that. Of course there will have to be a further vote for the providing of additional moneys to the special committee.

Mr. President, let me just make a couple of further, more general observations. I have very quickly gone through the resolution and I think most of it is straightforward. I think Members of the Senate upon reviewing it will conclude that is the case. Many of the provisions are what one might call boilerplate for such an inquiry, and track previous provisions that have been used in various Senate resolutions establishing committees to carry out inquiries or investigations of the sort that is being authorized here.

I listened to the chairman with great interest and I was particularly encouraged by his very strong statement of the need to conduct impartial, balanced and thorough hearings, which is exactly what I think needs to be done. There are a lot of allegations that are swirling around and there are a lot of questions that are being raised. We see them from time to time raised in the press and in the media. And, of course, one could sit around all day long and conjure up one question after another. It is not difficult, it is very easy. It is not difficult just simply to say, "Well, suppose this happened or suppose that happened; or if this or if that." Of course, one of the purposes of these hearings is to get a good, tough-minded examination of these various allegations to see if there is anything to them. It needs to be appreciated, that it is very easy to make the allegations. Whether the allegations are in fact substantiated by the facts is a tougher question to determine, and that does require an impartial, balanced and thorough hearing. In fact, the President himself has said the best way to address these matters is to look at the facts candidly, and that is what I very much hope and expect that this committee will be able to do.

I do think last summer we conducted hearings that were perceived by all as being thorough and fair and impartial. We went at it, in effect, to find out what the facts were, to ascertain the truth. I think we pressed that issue in a resolute manner, and I would expect the special committee will do so in the case that is—in the instance that is before us.

These hearings will make an effort to get the facts out fully and impartially. We anticipate that the administration will cooperate with this effort. They certainly have indicated that is what they intend to do. Last year they made every document available that was requested, as I recall. I think I am correct in that statement. Now the time has come to move forward, to begin our hearings, to begin, in effect, to examine these various questions and allegations and ascertain with respect to each of them whether there is any factual grounding behind them or whether

they simply raise questions that people can ask. And that, of course, is the purpose of the inquiry which we will be undertaking here with this provision of $950,000 to carry out this investigation in the period between now and February 29. The resolution provides that the special committee shall make every reasonable effort to complete, not later than February 1, 1996, the investigation, study, and hearings authorized by section 1.

This resolution does provide the basis for carrying out a full and proper, impartial, and balanced hearing.

I think our challenge now is to move ahead in carrying out our responsibilities in the special committee. It is a heavy burden to add to the responsibilities that Members already have but is one that obviously we are charged with responding to.

As I said, we adopted resolutions last year addressing this matter. This, in effect, carries forward on those resolutions. It is a continuation, in effect, of that work. But I hope that if we apply ourselves to it over the coming months, we will be able to work through all of these matters and, in effect, bring this issue to closure in the sense that the Members of the Senate and the American people know that the various questions have been raised and thoroughly examined, that it has been done with a great deal of balance and fairness and impartiality, and that these are what the facts are as a consequence of that investigation and inquiry.

Madam President, I yield the floor.

Madam President, I suggest the absence of a quorum. Will time be equally charged?

The PRESIDING OFFICER. Only by unanimous consent.

Mr. SARBANES. I ask unanimous consent to put in a quorum call and that the time be equally charged to both sides.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered. The time will be charged to both sides equally.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FAIRCLOTH. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from North Carolina?

Mr. D'AMATO. I yield to the Senator from North Carolina whatever time he needs, Madam President.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. FAIRCLOTH. Madam President, I want to begin my remarks by saying that I plan to enthusiastically support the Whitewater resolution.

I think it is a good resolution. I am concerned, however, that a few key things have been left out of it. Nevertheless, I think that before the hearings are over, we will wind up working them in.

Nothing in this resolution allows us to probe the circumstances surrounding the death of Vince Foster. When we held the hearings last year in the Senate, a key witness, Captain Hume, simply did not show up at the hearings the day he was supposed to be there. The hearings had been planned for months. Captain Hume was out of town that day. He was supposed to be there. Our ranking member at the time demanded that they bring him back for several days. But they did not bring him back. The hearings adjourned and we never heard from him. I do not think this was a thorough airing of the issues, and I think we need to do it again.

I understand that Mr. Starr is looking at this again. I hope that he will, given the miserable job that Mr. Fiske did of investigating.

Madam President, the Congress also needs to probe the $100,000 profit in the commodities market that came to Mrs. Clinton courtesy of Red Bond and Jim Blair, the general counsel of Tyson Foods. This is not mentioned in the resolution, and it should be.

Just recently, I discovered that a friend of the Clintons, Barbara Holum, was conveniently installed as acting head of the CFTC before the story of Mrs. Clinton's commodity trades broke.

There are many confusing issues. Now we find that Red Bond, who did the commodity trading, who is practically bankrupt, was able to pay off $7 million in back taxes just 2 months before the commodity trading story became public. To me, the evidence on this is just too much to believe that all of this is a coincidence.

Madam President, this resolution does not allow us to probe the failure of First American Savings & Loan in Illinois.

If you can believe this, Vince Foster and Mrs. Clinton were hired by the Federal Government to sue Dan Lasater. The same Dan Lasater that was a close friend of the Clintons. That is right, Mrs. Clinton was hired by the Federal Government to sue Dan Lasater in connection with the failure of First American Savings & Loan in Illinois. Mrs. Clinton participated in the decision to lower the amount of money the Government would recover from Dan Lasater from $3.3 million to $200,000, and we do not know yet what percentage of that went to her as attorney's fee because the records were sealed.

The Government spent over $100 billion to resolve the savings and loan crisis. With crooks like Dan Lasater involved and with Mrs. Clinton acting on behalf of the taxpayers, suing a friend, it is no wonder the cost was so high.

I want to again state my strong support—and I say this not necessarily in the language as we often use in the Senate—but of my good friend, fellow member of the Banking Committee and our chairman, ALFONSE D'AMATO. He truly is a good friend, and he has given us the leadership we need.

I hope, and I know that before this hearing is over, under his leadership, we will have probed all aspects of Whitewater in a fair manner so that the American people understand what happened, when it happened, and who knew it when it happened. I look forward to the hearings.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Madam President, I know of my good friend, Senator FAIRCLOTH's concern that there be ample scope to look into all of the matters that are relevant, and I share that concern. I think that this resolution very fairly embodies us with the authority—and I would refer to page 4.

As my friend raises, we did not attempt to spell out every single area. Page 4, line 12, says:

> Subsection 3. To conduct an investigation and public hearings into and study all matters that have any tendency to reveal the full facts about . . .

Then we go through all of the various areas. There are other Senators who are going to speak, but I believe it is important to summarize those areas. Senator SARBANES has. The fact is that we include the ability to look into the bond underwriting contracts between the Arkansas Development Finance Authority and Lasater & Co., and all of those activities to which my friend has referred. But there must be a connection, and if there is a connection, well, then, we will look into the area, and I will touch on these areas in more detail before our time is up.

So I share my friend's concern. This will be thorough. It will be thoughtful. And when subpoenas are issued—and I must tell you that the specific instance that he raises is troubling, that of a witness who failed to respond to a subpoena, especially one who works for the Government, who was given notice, and who gave the committee, either the majority or the minority or our staff, no reason to believe that he would not be there. That will not be tolerated. If we run into a situation like that, I can assure you, and I know that the ranking member shares this same concern, we want people to respond to subpoenas. We will not issue them frivolously.

I think in that case a subpoena might not have even been issued because we assumed that he was going to be there. So it is not a bad track record to have almost everybody respond, including even those who were not subpoenaed. But, we will remain vigilant in seeking this kind of cooperation.

I see that Senator BOND is in the Chamber, and he is on the Banking Committee and was an integral part of last year's hearings, and I yield to him 10 minutes from my time.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. Madam President, I thank my good friend, my colleague from New York.

Madam President, as we begin the debate on this resolution authorizing a second round of Whitewater hearings, I thought it would be helpful to review why the Senate and the committee need these issues to be aired.

I wish to summarize for my colleagues some points that are particularly important to me and have come from my experience with the first round of hearings and also with the hearing back in February where we asked the questions that began some of the process in finding out what has gone on in the administration.

As most of the Nation now knows, Madison Guaranty was a Little Rock savings and loan which went belly-up at the cost of nearly $50 million, and was owned by James McDougal—the business partner of the Clintons' in the Whitewater real estate deal.

Madison Guaranty was the classic S&L story of insider dealing, reckless loan policies and ultimate failure with the U.S. taxpayers picking up the tab. It is a part of the $105 billion cost of the S&L debacle, and in that way is a story repeated in many communities around the country.

But one part of this case has made it famous—many of its borrowers, directors, and counsel were prominent figures in Arkansas politics and government.

The tangled web of Madison, Jim McDougal, and the Clintons has led to two sets of criminal referrals, an ongoing civil liability investigation by the RTC, a potential conflict of interest case for the First Lady's former law firm, a conviction of a Little Rock judge who improperly loaned SBA money to McDougal and Whitewater, several other recent guilty plea agreements and an ongoing investigation by independent counsel Starr.

Since these issues first came to light, I have said over and over that the American people have a right to know what happened to the millions of dollars lost, and we, in Congress, must fulfill our obligation and get the facts out into the open.

Last year the Senate was engaged in a lengthy struggle over what questions and areas the Banking Committee would be allowed to address as Whitewater-Madison hearings begin. Unfortunately, the Democratic leadership at that time did everything in their power to limit the scope of the hearings, and to block our efforts to get at the truth—particularly as it relates to what Clinton administration officials have done to control or interfere with investigations.

The questions we asked last year remain as relevant today as they did last May:

Did Whitewater Development Corp. benefit from taxpayers insuring of Madison Guaranty deposits?

Did any of Madison's federally insured funds go to benefit the Clinton campaigns?

Were the bank regulatory agencies operating in an impartial and independent manner as they handled Madison Guaranty?

How did the Resolution Trust Corporation handle the criminal referrals on Madison—both under the Bush administration as well as the Clinton administration?

How did the Resolution Trust Corporation and the FDIC handle potential civil claims against Madison—both under the Bush administration as well as the Clinton administration?

How did the Department of Justice handle the RTC criminal referrals it received, again both under the Bush administration and the Clinton administration?

What were the sources of funding and lending practices of Capital Management Services, and how did the SBA regulate and supervise it, particularly as it related to loans to Susan McDougal and her company, Master Marketing.

Full hearings on the Whitewater-Madison affair are needed so that all these questions can be fairly asked and answered. What happened in Arkansas, what happened in the 1992 Clinton campaign in their efforts to keep the lid on about the actions in Arkansas, and what has the administration done to manage the Madison-Whitewater issues since they took office.

If we are to finally get to the bottom of the story as to what happened with the criminal referrals, I believe that we need to start with the first criminal referral on Madison Guaranty which was already in the Justice Department awaiting action when the Clinton administration took office.

Remember, Madison Guaranty had failed in 1989 and had been first taken over by the FDIC, and then in August 1989 when Congress passed the S&L bailout bill the newly created RTC took over Madison.

The RTC's mission was to close down failed thrifts, sell the assets, pay off the depositors and then seek out criminal or civil wrongdoing that may have occurred. If they found criminal wrongdoing—fraud, or attempts to enrich, they referred their findings to the Department of Justice for further action.

If they found civil wrongdoing—for example, law firms or accounting firms who helped institutions stay open by providing misleading, incomplete or incorrect information to regulators or the S&L's board members—the RTC would pursue those cases.

Thus from August 1989 the RTC had Madison Guaranty on its plate. No action was taken by the RTC on potential civil claims, but several criminal referrals were developed. In one case Jim McDougal and two others were accused of fraud, but were acquitted, in another case a board member plead guilty to falsifying documents.

Then came March 1992 when the New York Times reported a series of potential misdealings in Madison Guaranty and spurred the RTC to take another look at the institution. This second look caused the first criminal referral to be sent to Justice in the fall of 1992, and it was this referral which awaited final action when the Clinton administration came into office in January 1993.

I give this brief history in order to put things into perspective. Last year, Senator SPECTER and I offered amendments to the Whitewater Committee resolution which would have allowed the Banking Committee to pick up story at this point, and follow the trail of the first referral as it made its way through the Government, and then to follow the trail of the second referral as it was developed throughout 1993, up to and including the improper contacts by Treasury officials with White House staff. This of course would entail questioning the RTC officials involved, Justice Department officials involved, as well as Treasury and White House staff.

Because we must remember that on the day that the Clinton administration officials walked in the door on January 21, 1993, a criminal referral on Madison Guaranty was sitting in the Department of Justice.

I for one still want to know:

How did the Department of Justice handle this referral?

Was the White House informed and if so when and by whom?

Who in Justice was assigned to monitor the Madison case, and what actions did they take?

And then, as we know now, just months after taking office, a second set of referrals was being developed—and it too was sent off to the Clinton Justice Department by RTC officials in Kansas City.

I want to know why the RTC decided to stay on the case. What happened to get a series of RTC officials reassigned and taken off the case? Is there a pattern of special treatment for politically sensitive cases? And again, how did the Department of Justice handle the second referral?

I want to know why did the Clinton appointed Little Rock U.S. attorney Paula Casey, along with Webb Hubbell, delay their recusals until after the decision not to prosecute Madison was made? I also want to know the details about Paula Casey and Webb Hubbell's phone contacts during the period when Casey was deciding what to do with the

referrals, and did either one of them have any contact with the White House on the referrals at any time?

And now, just in the past weeks we have seen reported by the Associated Press that:

Preparing for televised Whitewater hearings last summer, White House attorneys consulted confidential depositions from a Treasury investigation in an effort to reconcile differing accounts of administration officials who were about to testify.

Former White House counsel Lloyd Cutler acknowledged this week that the depositions were used to identify discrepancies in the recollections of presidential aides before the congressional hearings.

White House lawyers would then "confront" the aides with information they had obtained from the depositions without revealing the sources, he told The Associated Press.

"If we found inconsistencies, we would go back to White House officials, and go back over testimony they gave us," Cutler explained. "and then we would say 'we have heard other reports.'"

This of course brings into play several other issues which I have been following since the close of the hearings last August. As we know now, confidential information was again turned over by Treasury to the White House—this time under the guise of a Treasury Department inspector general's investigation.

This calls into question not only the independence of the IG, but also the willingness of this administration to politicize what is supposed to be an internal watchdog.

It also calls into question the entire testimony offered by White House officials before the Senate Banking Committee—as they were given another heads up in order to best tailor their testimony to help the boss.

Last November I wrote to then Chairman Riegle and ranking member D'AMATO about what I had discovered. In my letter I stated:

As you know, over these past several months I have continued my efforts to resolve outstanding questions which were raised during the Banking Committee's Whitewater hearings. Initially I became concerned upon discovering during our hearings that the Treasury Inspector General had turned over to the White House—at Lloyd Cutler's specific request—transcripts of all the testimony taken by the investigators a full week before the Office of Government Ethics (OGE) report was made public. At the time we learned this, several former Inspectors General expressed amazement at this unprecedented action. However, no further review of the incident was undertaken.

During my investigation of this disclosure, I discovered that not only were the documents released to the White House at the specific request of White House Counsel Lloyd Cutler, but, in doing so, the Treasury turned over confidential RTC information to the White House.

On Saturday, July 23, 1994, the Department of the Treasury gave the White House all of the sworn depositions of Treasury, White House, and RTC personnel. These depositions were unedited.

According to the RTC, it was not until July 26 or 27 that the RTC became aware of the fact that RTC depositions had been provided to the White House.

July 26, after reviewing the information provided by the Treasury I.G., Lloyd Cutler testified before the House Banking Committee.

July 28 and 29, Counsel to the RTC Inspector General Patricia Black redacted all the Treasury, RTC, and White House depositions in order to remove confidential RTC information.

July 31 the OGE report, with edited testimony, was provided to Congress and subsequently made public.

Given that the focus of our hearings this past August was the improper transmittal of confidential information from the RTC to the White House regarding Madison Guaranty and the Clintons, I must tell you I am appalled that the same Treasury Department, acting under specific direction from Secretary Bentsen, would again provide nonpublic information about the Madison Guaranty case directly to the White House.

In addition, I found it extraordinary that the White House, which was itself under investigation, would be given nonpublic information prior to Congressional hearings—particularly when Congress itself was not given the information.

And now of course we have discovered that Mr. Cutler and others used this information not only to assist in the drafting of Mr. Cutler's testimony—but to help White House staff with the inconsistencies in their own stories.

I find this entire episode just another example of the extraordinary lengths the White House was willing to go to keep the facts from Congress, keep the facts from the American people, and ultimately to protect the administration.

As I have said on this floor before, breaching the public trust is as serious an offense as committing a crime, or being found liable for financial penalties. Governments in free societies have a fundamental pact with the governed. In exchange for the powers and responsibilities which is given the Government, the people expect fairness, evenhanded justice, impartiality, and they held the innate belief that those in power can be trusted to be good stewards of their power.

Our form of democracy relies on checks and balances to keep too much power from ending up in just one place—and Congress, as the people's closest link to their Government has the responsibility to keep a sharp eye out for abuses and breaches of the people's trust.

Thus every Member of Congress takes an oath of office, to uphold the Constitution—and certainly part of that duty to be ever watchful for abuses of power. Interestingly, and not surprisingly, it nearly always falls to the party out of power to be the more diligent in watching out for abuses.

No one disputes this.

But one other fact should also be noted. As important it is for the general public to believe in and trust that their elected leaders are performing their jobs in an ethical, truthful, and fair manner—we, in Congress, must also believe that those in high positions of responsibility are telling us the truth. When we ask questions or make inquiries we must trust that administrations will tell the truth, will be honest, and that when we get an answer, it is a full and complete one.

Unfortunately, Madam President, it is this standard that inevitably some administration officials seem unable to comprehend.

Instead of cooperation and truthfulness we have seen evasions, omissions, misstatements, and possibly outright lies.

And the story of potential abuse of the public trust, the politicization of independent agencies and investigations, the use of confidential material for political gain—it only seems to get worse the deeper you look.

Madam President, the next rounds of hearings will go a long way toward clearing the air, and I commend the chairman of the Banking Committee for brining this matter back into the public eye.

I reserve the remainder of my time and I yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Madam President, I yield 5 minutes to the distinguished Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

Mr. DODD. Thank you, Madam President, and I thank my colleague from Maryland.

Madam President, let me begin these brief remarks by commending our colleagues from New York and Maryland for what I think is a very fair and balanced resolution. Obviously, matters such as this are a source of deep controversy and can get out of hand. The fact that they have presented us with a resolution that is balanced and fair is a credit to both the Senator from Maryland and the Senator from New York. Any discussion of this ought to begin with an expression of appreciation on the part of all of us in this body, particularly those of us who will serve on the special committee and who will be working during this calendar year to carry out the mandates and requirements of this resolution. Now I would like to make a few brief observations about the resolution.

As my colleagues know, Madam President, there was a vote by 98 to 0 on March 17 of last year to look into these matters, and what we are talking about here is a continuation of that process. This resolution is simply another step in a process designed to help the American public know the facts about Whitewater.

Second, I would like to point out, Madam President, that the President

has fully cooperated in this process. We ought to commend him for this unprecedented level of cooperation.

Many of us recall other Presidents who, when confronted with similar situations, have clogged up the courts of this land, fighting everything along the way. This administration has not done that. In fact, the administration has been entirely forthcoming.

As we discuss these matters, it is important to make it clear that, unlike previous situations where there was a constant conflict between the executive branch and the legislative branch over documents and testimony, that has not been the case here. The administration has complied with every document request, answered every question that has been submitted to it, and I am confident is ready and willing to cooperate in this second stage of the proceeding.

I think that is an important point to make because, as we look down the road, there is the potential for a prolonged and nasty conflict between the executive and legislative branch.

Third, Madam President, I think last year's hearings, despite moments of passion and emotion, were credible and fair. I think it is important to point out and to state emphatically that it was the conclusion of the committee last year that there had been no violation of criminal statutes or ethical standards.

Of course, individual Members may have their own particular opinions on those matters, and certainly that is their right. But, as a conclusion of the committee, let me restate, Madam President, there were no violations of any criminal statute or any ethical standards. That was the conclusion of last year's hearings.

Now we are going to go to a second phase. I have listened to some who are suggesting that there must have been some wrongdoing, or, even worse, they have already reached the conclusion that there was wrongdoing. Quite simply, that is inappropriate. The purpose of the hearings is to determine whether there was wrongdoing—we must not prejudge the matter.

We do not want to end up appearing like that famous character from the West, Judge Roy Bean. Everyone will remember Judge Roy Bean. He used to say, "We'll hang 'em first and try 'em later."

Sometimes that can happen in congressional proceedings, and I know it is not the intention of anyone on the committee to have that be the case.

So let us avoid partisan wrangling and get the facts on the table. Now the presumption of innocence may not apply to congressional hearings in the same way as in our court system, but there ought to at least be an effort to fully consider matters, and let people have their say, before we reach any conclusions.

Last year, the Senate held thorough hearings, as I mentioned earlier. The committee heard from 30 witnesses, generating 2,600 pages of testimony; 38 witnesses were deposed, generating some 7,000 additional pages of testimony.

It is very difficult to sort through that much material and I want to thank the staff for the work they did. That was a herculean effort. Both the majority and minority staff had to work extremely long hours on this matter, Madam President, and they deserve our appreciation.

Obviously, Madam President, the Senate's integrity and credibility are at stake. The American public has a right to know the facts about Whitewater and the Senate has a constitutional obligation to see that they do.

Last year, the facts were presented fully and impartially. That must be our goal this year. The public, in my view, is fed up with the partisanship that seems to cloud every issue.

As we go through this process, I urge my colleagues to avoid that partisan pitfall. Because we are entering a presidential campaign cycle, that may be difficult for some. But we must all try. The President is sadly correct, and I suspect most of my colleagues, regardless of their political persuasion, would agree when he says that the politics of personal attack are alive and well. I agree with the President that the best way to put this matter behind us is to address the facts candidly.

Madam President, I ask for 2 additional minutes.

Mr. SARBANES. I yield whatever time the Senator requires.

Mr. DODD. I thank my colleague. I will wrap this up.

Madam President, the public wants us to present the facts impartially, come to our conclusions and then move on. And it bears repeating that after going through such a process last year, the Banking Committee concluded that there had been no violation of criminal statutes or ethical standards.

During this next stage, we must not get into political diversions and drag this thing out. The American people want us to get on with the business of creating jobs and expanding economic opportunity, of dealing with health care issues and education. They want us to tackle the hard problems that they face every day.

I think it was there sense of frustration with politics as usual, more than anything else, that created the changes in the Congress. We now have a Republican leadership, and every committee is chaired by that party. They now have an even greater responsibility to the public. They must elevate the good of the nation above politics and I hope that they will do so in proceeding with this matter.

Once again, I commend Senator D'AMATO and Senator SARBANES for putting together a fair resolution and for stating their determination to wrap this matter up by February of next year. I hope we can stick to that schedule and finish this job efficiently.

Finally, while the subject of the independent counsel statute is not the subject of this particular resolution, Madam President, I want to suggest that we revisit that legislation as soon as we can.

The idea of appointing an independent counsel was to keep politics out of these issues. Unfortunately, it seems that the statute may invite fishing expeditions. We need to be very careful about spending the taxpayers dollars in this way. Otherwise we will have some questionable expenditures. I was told the other day that someone was looking at a witnesses' grade school and high school transcripts. I hope that report is inaccurate because there is just no way to justify that kind of expenditure.

There is the potential for an independent counsel to run wild and we need to carefully monitor these matters. I caution those who would like to use independent counsels for political gain—regardless of whether it was a previous administration or this administration—that whatever goes around comes around. We would be well advised, in my view, to take a hard look at how some of these operations are being run.

Of course, Congress spends a great deal of money on these investigations. The Banking Committee spent about $400,000 last year, and this resolution authorizes another $950,000. But even that amount is only a fraction of what the independent counsel is spending. We are looking at almost $10 million spent by the independent counsel and that is just the beginning of it. That figure will go higher.

Of course, the Federal Government must investigate serious accusations of wrongdoing to maintain the public trust. But when it appears there are more Federal agents operating in Little Rock than there are in high-crime areas in certain parts of our country, then one ought to pause and look carefully at what we are doing.

Again, I know that the independent counsel statute is not the subject of this resolution. I do not want to inject a whole new subject of debate. But I think we ought to take another look at that law and make sure it is operating properly.

Again, I commend the chairman of the Banking Committee, my friend from New York, Senator D'AMATO, and my colleague and friend from Maryland, Senator SARBANES, for the fine job they have done in working out this resolution. We have a very difficult job in front of us. Hopefully, we will conduct our work thoroughly, fairly, and promptly, and in a manner that brings credit to this great body. I look forward to the effort.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Madam President, at this time, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. D'AMATO. I yield to the Senator from Pennsylvania 10 minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania has 10 minutes.

Mr. SPECTER. Madam President, I thank the distinguished chairman for yielding me this time. I support the resolution and commend the chairman and the ranking member of the Banking Committee for presenting a resolution which I understand will have wide bipartisan support.

I believe it is important to have a congressional inquiry on this in the broad terms which are described in the resolution. It is with some regret, I note, that it has taken us more than a year to get to this point. But it is better late than never, and these are matters where congressional oversight is important.

I recognize the sensitivity of a congressional inquiry on a matter which is being handled by an independent counsel, also known as the special prosecutor. But the functions are very, very different where you have an investigation which is handled through grand jury proceedings which are secret and which are directed at indictments. I know that field with some detail, having been a district attorney myself and having run grand jury investigations. That is very, very different from a congressional inquiry where we are inquiring into matters in the public record for the public to see what is going on in Government with a view to legislative changes.

The thrust and focus are entirely different between a grand jury investigation conducted by independent counsel and a congressional inquiry which will be handled through the Banking Committee. I am glad to see that the composition of the committee will be expanded to include the chairman and ranking member of the Judiciary Committee, or their designees.

Madam President, the issues involved here have long been a concern of many of us in this Chamber, and I refer to statements which I made last year dated March 17, June 9, June 16, and June 21. I will not incorporate them because that would unduly burden the RECORD, but a good many of my thoughts were expressed last year on the matter.

I was particularly concerned about issues involving the RTC as to their inclusion, which was not handled last year, and I am glad to see that the Resolution Trust Corporation is included in the scope of the inquiry which we are about to undertake.

This matter was one that I focused on when we had an oversight hearing on the Department of Justice on July 28 of last year, and I ask unanimous consent, Madam President, that a number of documents be printed in the RECORD which have not been made a part of the RECORD heretofore: My letter dated July 26, 1994, to Attorney General Reno; the attachment of a list of documents which I had wanted to inquire into during the proceedings before the Judiciary Committee; the response which was made by Robert Fiske, who was then independent counsel; and a portion of the transcript dated July 28, 1994, before the Senate Judiciary Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPECTER. I thank the Chair.

Madam President, these documents will show on their face concerns which were on the record and which were apparent from such documents: that there were considerable issues to be investigated in the RTC at that time. It is unfortunate, in a sense, that there has been the long delay, because we all know, as a matter of investigative procedure, that leads grow cold and witnesses' memories diminish and that the best investigation is a prompt investigation. But the time factor is something that cannot be altered at this time, and at least now we will have a congressional inquiry which will move forward into these very, very important matters.

I agree with the distinguished Senator from Connecticut when he talks about the presumption of innocence. I think that is indispensable as a matter of fairness to all concerned. But these are questions which need to be answered, and questions do not imply an answer of any sort; they raise issues which ought to be answered. We ought to let the chips fall where they may. And in a Government based on a Constitution which elevates the separation of powers among the Congress in article I, and the executive branch in article II, and the judiciary in article III, the congressional oversight function is a very, very important function. Now, finally, we will be in the context where we will be able to inquire into these matters and to find out what those answers are.

I am confident that there will be a fair, judicious, quality inquiry conducted by the committee, and this resolution is one which I think ought to be supported broadly by the U.S. Senate.

I thank the Chair and yield the floor.

EXHIBIT 1

U.S. SENATE, COMMMITTEE ON THE JUDICIARY, WASHINGTON, DC, JULY 28, 1994

(The following is a partial transcript of the above proceedings)

Senator SPECTER. Thank you, Mr. Chairman. Attorney General Reno, as you know, I had intended to ask you questions about the handling by the Department of Justice in the matter involving David Hale in this oversight hearing, and I may be able to cover the principal points of my interest without undue specification, or at least undue specification from your point of view.

At the outset, I would like to put into the record my letter to you dated July 26, 1994, together with the chronology of events and all the attachments which I sent over to you, except for numbers 20 and 21. I may get into 20 and 21. I think the balance have been in the record in one form or another, and even if they haven't I think they are appropriate for the public record.

[The letter referred to follows:]

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
*Washington, DC, July 26, 1994.*

Hon. JANET RENO,
*Attorney General, Department of Justice, Washington, DC.*

DEAR ATTORNEY GENERAL RENO: I have just noted that you are scheduled to testify before the Judiciary Committee on Thursday, July 28, at 2:00 p.m. at an oversight hearing.

In that hearing I intend to ask questions on the Justice Department's role in investigations of Madison Guaranty and/or "Whitewater." While I have not had access to many of the relevant documents, I have seen a few and am alerting you to those documents which will formulate at least some of the basis for my questions.

Some of the documents are referred to in my floor statement on June 21. Other documents that I may refer to are listed on the attached index.

Sincerely,

ARLEN SPECTER.

Senator SPECTER. I would also want to put into the record the faxed letter from Robert Fiske, Independent Counsel, to me, dated July 27, 1994.

[The letter referred to follows:]

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF THE INDEPENDENT COUNSEL,
*Little Rock, AR, July 27, 1994.*

Hon. ARLEN SPECTER,
*U.S. Senate, Committee on the Judiciary, Washington, DC.*

DEAR SENATOR SPECTER: The Department of Justice has sent over to me a copy of your letter of July 26, 1994 to Attorney General Reno, together with the index of documents enclosed with it.

It is apparent from a review of the documents on that index that they relate to the handling by the Department of Justice of a particular criminal referral from the RTC. Based upon interviews we have had with representatives from the Kansas City Field Office of the RTC, we are currently actively investigating this matter. Accordingly, I would respectfully request that you not go into this subject with the Attorney General at your hearing tomorrow since to do so might prejudice our ongoing investigation. (For similar reasons we request that you not go into the matter referenced by documents #20 and #21.)

We have made a similar request to both the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Banking, Finance and Urban Affairs which, as you know, are in the process of conducting Whitewater hearings. Both of those Committees have agreed not to go into this subject until we have completed our investigation.

Respectfully yours,

ROBERT B. FISKE, Jr.,
*Independent Counsel.*

Senator SPECTER. At the outset, I want to say for the record that I do not agree with the deference which the Congress has accorded the independent counsel because I believe that Congress has independent status, and at least equal status, if not more important status, on matters of public policy than the criminal prosecutions. But the Senate has decided otherwise as a political matter, in my opinion.

As I reviewed the charter of Mr. Fiske, it seemed to me that questions about oversight on what happened with David Hale were not within his charter, his charter being to investigate matters of possible criminal or civil wrongdoing. I am advised to the contrary on that, and we may get into that in some specificity.

So let me start in an effort to ask the questions in a generalized way, but candidly as they arise on David Hale's matter. I refer to a memorandum from RTC investigator Jean Lewis to Richard Iorio which quotes officials within the Department of Justice, which is why I ask you about this; specifically, Ms. Donna Henneman in the Office of Legal Counsel. Without making anything more specific as to the Hale matter, my question to you as a general matter is, any time a referral comes in to the Department of Justice that would make the Department look bad or has political ramifications, it goes to the Attorney General. Is that true?

Attorney General RENO. I don't know whether any time something comes in to the Department that would make the Department look bad it comes to the Attorney General.

Senator SPECTER. Well, if you don't know, who does, Attorney General Reno?

Attorney General RENO. I would suspect that each one of the 95,000 people who hear something that might make the Department look bad. I think your question is a little bit broad. I cannot answer it. As I have tried to say from the very beginning, when I appointed Mr. Fiske I tried to make sure that he was as independent as possible. I have continued to try to do that, and I think the worst thing that I could do would be to comment or talk about matters that he is pursuing. I should be happy, because I have great respect for the Senate and for you, at the conclusion of the matter to try to respond to anything, including the specifics.

Senator SPECTER. Well, I don't think that is sufficient, Attorney General Reno, because I think this is a legitimate matter for Judiciary Committee oversight, and we don't have very much of it. But I accept your point that my question was too general, so I will be specific.

The investigator, L. Jean Lewis, of RTC, had many conversations with representatives of the Department of Justice, as reflected in the number of the memoranda which I sent on to you. So if it is too general as to whether any time a referral comes in that would make the Department look bad or has political ramifications it goes to the Attorney General, I would ask you, were you personally informed about the referral from the RTC on the check kiting case involving Madison Guaranty?

Attorney General RENO. As I indicated to you, Senator, I made a determination when I appointed Mr. Fiske that I would not comment or make any comment. He has expressed to you that he would prefer that I not comment on the specific matters. I do not want to do anything that would impair has independence. I do think you have an oversight function with respect to the Department of Justice, and when it would be appropriate for me to comment I would look forward to the opportunity to do so.

Senator SPECTER. Well, tell me, Attorney General Reno, has would it impair Mr. Fiske's investigation or prosecution for you to answer a question as to whether you had personal knowledge of a referral to the Department of Justice?

Attorney General RENO. I can't tell you, sir, because I have tried to do everything in my power to make sure that Mr. Fiske's investigation is independent and I don't know what his investigation involves. Therefore, I am not going to say anything that could possibly interfere with his investigation.

Senator SPECTER. Well, my question to you is how could it possibly interfere with his investigation to answer a question as to when you had knowledge of a referral to the United States Department of Justice.

Attorney General RENO. I don't know, sir, because I am not going to take the chance of interfering with it. You would have to ask Mr. Fiske because I don't want to do anything at this time that would interfere or impair that investigation. I do not know the nature of the process of that investigation and it would be inappropriate for me to comment, but I do——

The CHAIRMAN. Put another way, Senator, how would it shed any light in this oversight if the Attorney General answered that question? What the hell difference does it make now?

Senator SPECTER. Well, the hell difference that it makes now is on an earlier question which I asked that whenever there is a matter with political ramifications that it goes to the Attorney General—and I asked that question in its broadest terms and was told that it was too general, so that is when I came back to the specific question.

The CHAIRMAN. Let me ask the question the other way to the Senator. Mr. Fiske's investigation in this matter is likely to be wrapped up. He has been moving expeditiously. Does it matter to the Senator whether or not the Attorney General speaks to this issue today or in two weeks or a month, or whenever it is when Mr. Fiske settles this part of his investigation? I don't know when he is going to settle that, but I mean he has been moving very rapidly.

In terms of oversight for next year's budget and last year's actions, it seems to me the Senator would have plenty of time to ask these questions as it would impact on the outcome of the Senator's view as to what the Attorney General should or shouldn't do in the future.

Senator SPECTER. Well, I would be glad to respond to the chairman. It does make a difference to me, and it makes a difference to me because this is an oversight hearing and the request to the committee chairman to have oversight on these matters was declined. There has been a charter which is very, very narrow before the Banking Committee, and this does not involve, to my knowledge, a matter which is within the charter of Mr. Fiske until when I sent a letter to the Attorney General, I suddenly find a reply from Mr. Fiske.

I had two detailed conversations with Mr. Fiske, the thrust of which—and I would be glad to detail them—led me to the conclusion that there was absolutely no interference with the criminal prosecution, a subject that I have had some experience with.

So when I asked the Attorney General a question as to when she has knowledge of a referral, I can't conceive that it interferes with an investigation, and that is why I am asking an experienced prosecutor who is now the Attorney General how could it conceivably interfere with a pending investigation.

Attorney General RENO. An experienced prosecutor, Senator, doesn't comment about something that she doesn't know about. I don't know about the details of Mr. Fiske's investigation. But if Mr. Fiske doesn't have any problem with it, what I would suggest that we do is prepare the questions, submit them to Mr. Fiske. If he has no objection to my answering them, then we will try to answer them because I honor your oversight function and I would want to be able to honor that and to not interfere with Mr. Fiske's investigation.

Senator SPECTER. Attorney General Reno, I did not say that Mr. Fiske did not have a problem. He specifically told me that he would like the field to be totally left alone. What I said to you was that after talking to Mr. Fiske, I had no doubt that these questions were appropriate, in my judgment, on oversight by the Judiciary Committee.

Let me ask you this, Attorney General Reno. In terms of the charter that Mr. Fiske has about investigating matters which may involve a violation of the criminal or civil law, is the handling by the Department of Justice of David Hale's matter something that falls within that charter?

Attorney General RENO. I have tried to, again, let Mr. Fiske define that based on the charter that we described so that I would not in any way impair his independence.

Senator SPECTER. Well, do you have any interest in whether any current employees of the Department of Justice are subject to an investigation which might be within Mr. Fiske's charter for possible criminal wrongdoings?

Attorney General RENO. Yes.

Senator SPECTER. Well, if that were so, would you have a duty as the head of the Department of Justice to take some action on those matters before a long investigation was concluded?

Attorney General RENO. It depends on what they are, sir.

Senator SPECTER. Well, suppose they were obstruction of justice?

Attorney General RENO. It depends on the nature of the facts and the circumstances, sir

Senator SPECTER. Well, do you know anything about that on the Hale matter?

Attorney General RENO. Again, sir, I can't comment on the Hale matter.

Senator SPECTER. I am not asking you to comment on the Hale matter. I am asking you whether you know anything about the Hale matter.

Attorney General RENO. That would be commenting, sir, and what I would suggest, if we want to pursue this, is that you pose the questions and then let's see whether Mr. Fiske thinks that they would in any way interfere with the investigation. I am delighted to answer them if they don't interfere.

Senator SPECTER. Well, I am not going to follow the way you would like me to proceed. I make a judgment as to what I think a Senator ought to do by way of oversight, and if you have a concern about that I am prepared to discuss it with you, but I am not prepared to take your instruction or your suggestion.

The question that I pose on an investigation by Mr. Fiske as independent counsel within his charter to investigate crimes, obstruction of justice, within the Department of Justice is not something which bears on anything which could conceivably implicate the underlying facts on what David Hale is doing.

Is Ms. Paula Casey—I understand that she is, but can you confirm for me that she is still the United States attorney?

Attorney General RENO. Yes, sir, she is.

Senator SPECTER. Is she the subject of a criminal investigation by Mr. Fiske?

Attorney General RENO. You would have to talk to Mr. Fiske.

Senator SPECTER. Do you know whether or not she is the subject of a criminal investigation by Mr. Fiske?

Attorney General RENO. You would have to talk to Mr. Fiske. I have avoided having anything to do with Mr. Fiske's investigation in terms of any information that he may have so that I do not impair his independence.

Senator SPECTER. Would you continue a United States attorney operating actively if that United States attorney were the subject of a criminal investigation?

Attorney General RENO. It would depend on the circumstances.

Senator SPECTER. Well, under what circumstances would you terminate such an attorney?

Attorney General RENO. It would depend on the circumstances. Again, you get into a situation of hypotheticals and it is far better that we look at the actual facts, and I would be happy at the appropriate time to do that with you.

Senator SPECTER. Well, Attorney General Reno, I consider your responses, as I see them, totally unsatisfactory, and I consider them totally unsatisfactory because I am not asking you anything about a pending investigation. I am asking you questions as to what came to your knowledge as the Attorney General of the United States Department of Justice.

I am asking you questions about what you know and about what your policy would be if there were charges of criminal wrongdoing, and I don't ask these questions in a vacuum or for no purpose. I ask these questions in the context of having initiated an inquiry on oversight on something which is outside the charter of the independent counsel.

The CHAIRMAN. In your opinion, Senator, right, is that correct? In your opinion?

Senator SPECTER. Everything I say is in my opinion. You can add that to everything. I don't speak for anybody but myself, but I do speak independently for myself.

I took a look at an extensive series of correspondence which has gotten to the Department of Justice and gotten to the FBI and gotten to the United States attorney's office and gotten to the executive office and gotten to the Office of Legal Counsel, according to these documents, which I sent to you as soon as I knew there would be this hearing so you would have an opportunity to review them. I promptly advised the chairman as to what I intended to do there would be no surprises about it.

The CHAIRMAN. That is correct.

Senator SPECTER. When I pursue the matter and find I have a telephone call and a letter from the independent counsel, I call him and then I am told that it is within his charter, that there is an investigation which is underway for obstruction of justice.

As I review the facts of this matter, I am struck with wonderment as to how officials in the United States attorney's office decline to have immunity granted to David Hale, and then independent counsel comes in and in a short time has a grant of immunity. Then officials in the United States attorney's office in Little Rock recuse themselves in a later matter, and I wonder how can they recuse themselves in a later matter without having recused themselves in an earlier matter, given their relationship to subjects of the investigation.

I ran a big office myself as a prosecutor, and if I had any reason to believe anybody in my office had any problem, I wouldn't wait for anybody to cleanse it totally and thoroughly and immediately. I do not believe that the charter to the independent counsel takes away any of the authority or the responsibility of the Attorney General to act in that circumstance.

In my opinion—everything I say is in my opinion—the questions which I have asked you are entirely appropriate questions, and I give some additional background because I think these are matters which ought to be answered, and I intend to pursue them and I don't intend to wait.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

General, I think you have answered totally appropriately, in my opinion. I think were you to do otherwise, in light of Mr. Fiske's comments, you would be excoriated by Mr. Fiske and anyone else. I guarantee you, you would have an article saying that you have interfered if you went in and, quote, "cleansed," were there a need to cleanse. You would be accused of whitewashing to avoid Mr. Fiske being able to fully look at the matter.

You are answering, in my opinion, totally appropriately, and you have done what I don't know many others have been willing to do. You have said to this committee, without having to have some big show on the floor, that when Mr. Fiske says he is finished with this phase of the investigation you will come back and you will answer questions. It seems to me you are being totally appropriate, but that is why there are Democrats and Republicans, chocolate and vanilla, good and bad, right and wrong, different points of view. Our opinions are different.

I respect this man. He did notify me. Stick to your guns, don't answer his questions, in my opinion.

Senator SPECTER. If I might have just one sentence?

The CHAIRMAN. Yes. You may have more than one sentence.

Senator SPECTER. I don't think this matter has anything to do with good and bad or chocolate and vanilla.

The CHAIRMAN. Well, it may not have to do with good and bad, but it has to do with what one considers to be the appropriate way for you to respond. I think you are responding appropriately because I think you are in the ultimate catch-22 position. At the request of all of us in the Senate, you appointed a Republican named Fiske. Now, the Republican named Fiske tells you, please don't respond to anything having to do with this. You are being asked to respond to something having to do with this, and if you respond or don't respond, you are in deep trouble in the minds of whoever wants to view you as being in trouble. I think you are doing just fine. My view is worth no more, probably a little less in this circumstance, than the Senator from Pennsylvania's, but good job, General.

INDEX

1. RTC Chronology of Criminal Investigation.

2. Letter of September 1, 1992 from L. Richard Iorio (RTC-KC) to Steve Irons (FBI) transmitting criminal referral.

3. Letter of September 1, 1992 from L. Richard Iorio (RTC-KC) to Charles A. Banks (DOJ) transmitting criminal referral.

4. RTC Internal Memorandum, May 3, 1993. Background remarks and conversation with AUSA Bob Roddey's Office re: Madison Guaranty Savings referral.

5. RTC Internal Memorandum, May 19, 1993. Additional conversation with Office of Legal Counsel for U.S. Attorney's U.S. Justice Department, Washington, D.C. No record of Madison criminal referral at Washington DOJ.

6. RTC-KC E-Mail, May 19, 1993. Madison matter forwarded to Donna Henneman in "Legal Counsel." Referral submitted to that office "because of the political ramifications and political motivations."

7. RTC-KC E-Mail, May 26, 1993. Follow-up call from Donna Henneman (DOJ). RTC advised by an FBI agent in Little Rock that it was a "very solid case of check kiting, and was highly prosecutable." Henneman was growing increasingly frustrated by the situation, because she had seen the information, knew that it had come in, and couldn't understand why she was having such a hard time tracking where the referral and exhibits had gone.

8. RTC-KC E-Mail, June 8, 1993. Conversation with Donna Henneman (DOJ). Madison Referral has reappeared on her desk. Criminal Division has sent memo to Doug Frazier (in Depty. Atty. General Heyman's office) advising him that there was "no identifiable basis for recusal of the U.S. Attorney in the Eastern District of Arkansas." Referral sent to Frazier for review and final decision.

9. RTC-KC E-Mail, June 23, 1993. Conversation with Donna Henneman (DOJ). Package returned from Frazier. Frazier appointed U.S. Attorney in Florida.

10. RTC-KC E-Mail, June 23, 1993. Further conversation with Donna Henneman (DOJ). Spoke with Doug Frazier. Decision made to return the referral back to the Arkansas U.S. Attorney. No basis for recusal.

11. RTC-KC E-Mail, June 29, 1993. Source indicates Madison referral has been returned to Little Rock. Acting U.S. Attorney will not act on referral. It is being held until U.S. Attorney designee Paula Casey takes office.

12. RTC-KC E-Mail, September 23, 1993. Conversation with Donna Henneman (DOJ). Washington DOJ would like to be copied on all future transmittal letters concerning Madison referrals with an additional one paragraph summary of the content of the referrals with the transmittal letters, so that Henneman will be aware of those with "sensitivity issues."

13. RTC-KC E-Mail, September 29, 1993. Conversation with Donna Henneman (DOJ). DOJ would like copies of all future Madison referrals sent to Washington in addition to sending to U.S. Attorney in Little Rock. Henneman will confirm this in writing.

14. RTC-KC E-Mail, September 29, 1993. Conversation with Donna Henneman (DOJ). Washington DOJ withdrawing request for referrals to be sent directly to Washington, but would still like copies of transmittal letters with addendum summary paragraph.

15. RTC-KC E-Mail, October 27, 1993. Conversation with Donna Henneman (DOJ). Inquiry on whether declination letter had arrived from Little Rock U.S. Attorney.

16. Letter of October 27, 1993 from Paula J. Casey (U.S. Attorney) to L. Jean Lewis (RTC). Declination letter on the Madison referral.

17. Letter of November 1, 1993 from L. Jean Lewis (RTC) to Paris J. Casey (U.S. Attorney). Confirmation of declination letter and the stipulation from October 27th letter that the matter was concluded prior to the beginning of Paula Casey's tenure and that the RTC had never been advised of such result. Chronology of correspondence between RTC and DOJ.

18. RTC-KC E-Mail, November 15, 1993. Transmittal of white paper outlining chronology of events related to 1992 Madison referral. Challenges news article indicating that decision to decline Madison referral had been prior to Paula Casey's appointment.

19. RTC-KC E-Mail with attachment, January 6, 1994. Discussion of contact with reporter.

20. Letter of September 15, 1993 from Randy Coleman (David Hale Attorney) to Paula Casey. Coleman has been trying to negotiate a plea and senses that Casey is reluctant because of "political senitivity."

21. Letter of September 20, 1993 from Randy Coleman to Michael Johnson. Reiterates interest in plea negotiations, offering David Hale's information and willingness to participate in undercover activities.

Mr. SARBANES. What is the time situation, Mr. President?

The PRESIDING OFFICER. The Senator from Maryland has 31 minutes; the Senator from New York has 20 minutes.

Mr. SARBANES. Mr. President, I yield 10 minutes to the Senator from Arkansas, Senator PRYOR.

Mr. PRYOR. Mr. President, we have come to a point in this debate when we are about to vote on this particular resolution. If I might, I would like to talk for a few moments about the public's right to know, as the distinguished chairman of the Banking Committee from New York has made reference to.

He says the public has a right to know what happened in the Whitewater matter. The public has a right to know who did what, when, and whatever. I can assure you that the Senator from Arkansas does not disagree.

But I think also the public has a right to know something else. I think the public has a right to know in this case exactly how much money of the taxpayers' dollars we are spending in the so-called Whitewater matter. I think the public has a right to know that with this resolution, if it passes and if the funding goes through—and we all assume it will—the Senate alone will have spent, up through January or maybe February of next year, in the Whitewater matter $1.350 million of Senate money to investigate this matter. I do not have available the amount of money the House of Representatives has spent and will spend in the future. And we do not know exactly how much the cost of the independent counsel will be. But here are some figures I might throw out for the RECORD at this time. To the best of our knowledge, Mr. President, thus far, as of August 31, 1994, the independent counsel, Mr. Starr and Mr. Fiske, combined, spent $1.879 million. Projected funding for the independent counsel for the 1995 fiscal year is $6.3 million, which is a subtotal of $8.129 million, and a total, adding all the figures up, Mr. President, for both the Senate and the independent counsel to investigate so-called Whitewater, comes to almost $10 million in taxpayers' dollars.

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Mr. President, I think there is something else the public has a right to know. I think the public has a right to know that this White House, this President, this First Lady, this administration, has never one time been accused of lack of cooperation. In fact, our President has pointed out, as one of our colleagues has already mentioned, that to be candid and truthful in this matter is going to be the quickest and best way to get to the bottom of it.

In the first round of hearings last summer, the committee heard from 30 witnesses generating 2,600 pages of testimony, deposing 38 witnesses, generating 7,000 pages of testimony.

The administration has produced thousands of pages of documents for committee review. This administration has complied with every document request. They have answered every question posed to it. The administration is ready and willing to cooperate on this second round of hearings and it bears emphasis, I think, that after the long days of hearings and pages of documents reviewed, that the Banking Committee concluded at the end of this hearing, in phase 1, that there had been no violation of a criminal statute and no violation of an ethical standard.

Mr. President, I think, too, it needs to be added that at no time during any of these investigations or any of these hearings, whether it be in Little Rock or Washington, the Banking Committee or the special counsel, wherever, to the best of our knowledge, not one witness, not one person has taken the fifth amendment.

I think that this speaks loudly and clearly about this administration's position, wanting to get on with the important business of our country.

Mr. President, let me compliment our friend, Senator SARBANES, for working out what I think—and going forward with—is a fairly reasonable proposal in trying to attack this problem and to set up these hearings. I think that there are some things, however, that I must state that I do not feel are fair. I do not feel that it is fair for one of the members of the committee, as he did earlier in this debate, to come to the floor and say what should have been within the scope of this hearing and then start talking about those particular issues as if to condemn them, even though they are not in the scope of these particular hearings.

Mr. President, I think for a Senator to come to the floor who is a member of the Banking Committee and to make a statement like he knows for a fact, or he has knowledge that Kenneth Starr, the special counsel, is now going to reinvestigate the death of Vince Foster, I think the public has a right to know how that particular Senator from North Carolina has knowledge of this so-called fact, Mr. President. I think the Senator from North Carolina needs to explain how he knows Mr. Kenneth Starr is now looking or relooking at the death of Vincent Foster.

Mr. President, we hope that these hearings will be fair. We hope they will be soon. We hope that they will be done in a very efficient manner. I am just hoping above all, Mr. President, that in this hearing, these issues are not going to be bogged down in the political morass that we have seen some other hearings conclude with. I would like to say, also, Mr. President, that I think for us to go back to the 1990 Governor's campaign, I think is stretching it a bit. I do not know what that has to do with Whitewater. I think some of my colleagues would like to see us investigate Bill Clinton when he was the attorney general of Arkansas. Maybe we would like to go back to look at his campaign of 1974 when he ran for the U.S. Congress and was defeated. There might be some who have no limits on how far back in time we should go.

I hope we can keep our eye on the ball. I am hoping, Mr. President, that we can keep our eye focused on the issue of Whitewater and the particular mission under which carefully this resolution has basically pointed out would be the scope of this particular hearing.

I am also concerned that one of our colleagues has referred to the "the miserable job of Mr. Fiske." Those remarks were made earlier on this floor. Of course, they refer to Mr. Fiske, who was allegedly fired from this investigation as special counsel because he was not finding out enough, bringing forward enough, to satisfy some of our colleagues.

Mr. President, I will conclude once again, as I have done other times on this floor, by quoting a note that Vince Foster wrote. It is his last note. It was his last sentence in this note, when he said "Here"—reference to Washington—"ruining people is considered sport." Those were the words written by the late Vincent Foster.

I am hoping, Mr. President, that when this investigation begins, every person involved with that investigation, from top to bottom, will realize these are human beings; they have families; they have hopes and desires; they have beliefs; and they have reputations. Hopefully, we will not treat lightly those reputations, and hopefully we will make certain that the character and the nature of these hearings seek fairness and justice.

I yield the floor.

Mr. SARBANES. Mr. President, I yield such time as he may consume to the minority leader.

Mr. DASCHLE. Mr. President, I thank the ranking member. Let me say, I did not have the opportunity to hear all of his remarks, but let me commend the distinguished Senator from Arkansas for what I have heard him say. Let me associate myself with

each and every one of his words. He speaks from the heart, and he certainly speaks for all Members in representing what we hope will be the ultimate goal of this committee as we begin this ever once more.

This resolution provides a sum of $950,000 for the purpose of completing the work on the Whitewater matter. I think it needs to be emphasized again, as we consider the funding, that this resolution includes every issue related to Whitewater that has any credence whatever. There ought not be any question about its work, its scope, and the effort undertaken after today by the Banking Committee.

The funding will expire on February 29 of next year. It is an adequate amount to fund and an ample allowance of time to permit comprehensive and thorough hearings, while providing also for the completion of this issue.

In the 103d Congress, the Senate voted on March 17, 1994, on a bipartisan vote of 8 to 0, to authorize hearings on the Whitewater matter. Senate Resolution 229, adopted in June of last year, authorized a first round of hearings which were subsequently held by the Banking Committee.

The new resolution creates a special committee, administered by the Banking Committee, to conduct the final round of these hearings. The committee will be comprised of the full membership the Banking Committee, with the addition of one Republican and one Democratic member of the Judiciary Committee.

Chairman D'AMATO will also chair this special committee. Senator SARBANES will serve as the ranking member.

Last year, the Banking Committee heard from a substantial number of witnesses and took thousands of pages of testimony. Last year's hearings were thorough, fair, and bipartisan. They are the model which this year's hearings must emulate.

The majority, which conducted the hearings last year, were fair and judicious in their approach. The new majority in this Senate has the obligation to follow that record in exactly the same manner.

It is important to be thorough and comprehensive, because the American people have a right to know all the facts about this matter; but it is equally important that hearings be fair and responsible. We must all strive to remember and draw the distinction between an unproven allegation and a known, verifiable fact.

What is at stake is the integrity and credibility of the U.S. Senate. The last Senate recognized this by voting unanimously to authorize hearings when questions were raised that deserved examination. This Senate should follow that example.

The Senate has the constitutional obligation to see that the facts are brought out. It has the moral obligation to do so fully and impartially. If we do less, we risk reinforcing the unfortunate impression that Senators care more about partisanship than about conducting the Nation's business in the best interests of all the people.

The President has said that in an era of attack politics, the best way to put this matter behind America is to address the facts candidly. He is entirely right.

The administration cooperated fully and extensively with hearings last year and stands ready to do so again this year. Last year, the President ordered his administration to cooperate and all parties did so. Every document request was honored. Every question raised by the committee was answered.

Americans have the right to know the facts of Whitewater. But Americans care about other matters which are also on the Senate agenda a great deal more than they do about this.

Americans are now facing a budget which seeks to dramatically alter Medicare and student aid programs, as well as virtually every other thing the Government does. They are anxious about the future, because so many millions of Americans are either Medicare enrollees or have parents who are Medicare enrollees. They are anxious to see the Senate begin the debate over the budget soon.

Americans expect the Senate to devote the bulk of our efforts to the issues that are of most importance to the majority of American people. I agree. That should be our priority. Today, no issue is more critical than resolving the budget debate.

Mr. President, I urge prompt action on this resolution. I hope it allows for completion of this matter with fairness and impartiality, so that Senators can focus their attention on the issues that deserve it most, the problems facing the American people.

I thank the ranking member for yielding.

Mr. D'AMATO. Mr. President, I did not mean to unduly delay acting on this resolution, because I think most things that have been said summarize where we are at, what we are attempting to do, and the scope of the investigation and the manner in which we hope to conduct it.

I think is important to point out that what one of my colleagues, the Senator from North Carolina, Senator FAIRCLOTH, pointed out is a matter of public record. That is that Judge Starr is reexamining all matters reviewed by Special Counsel Fiske, including Vincent Foster's death.

I think he alluded to that, and I think he did so in that context. That is not an area we intend to revisit unless there are some very special circumstances, which I certainly do not envision. However, I think we have to at least put it in that context.

As it relates to what the committee did and did not find last year, I think it is important to note that the Republican minority did make findings on the three major areas where there were questions of misconduct and malfeasance. I will not attempt to enunciate all of them now, but that was a very strong finding.

I would also like to point out that the majority made some findings and recommendations as it related to the need to indicate very clearly that before Congress, all executive branch members and others who testified are "required to be fully candid and forthcoming," and testify "truthfully, accurately, and completely."

The committee recommends that the President issue an Executive order reinforcing this obligation and setting forth procedures requiring the prompt correction, amplification and/or supplementation of congressional testimony to ensure that it is accurate, thorough and completely responsive.

Why did they do that? Without going through the entire history, it was because it was clear and evident—and, by the way, we have sent to Mr. Fiske and to his successor, Mr. Starr, those areas, we being the Republicans on the committee, the minority—that those areas of concern, that, at the very least, there was testimony that was disingenuous, if not outright false. And that is being reviewed.

So, to say that there were no findings of any wrongdoing, that everything was OK, or to imply that there was nothing wrong, is simply an oversimplification and is not an accurate or fair representation of the situation.

Now, I do not intend, nor is it my job and duty, to defend the work of the special counsel. The special counsel was appointed because the Attorney General concluded that it was necessary. It was not this Congress. I thought it was. I believe it was. There were leading Democrats who spoke to the necessity—Senator MOYNIHAN, Senator BRADLEY, and others—as it relates to dealing with this. But as it relates to the expenditures of money, let us look at the record.

This committee, I think, has been very judicious. The Democratic leadership working with Republicans last year authorized $400,000. We only spent $300,000. This year we have set $950,000. I hope we spend less than that. We have been very judicious in using taxpayers' money. So to date we have spent $300,000. Although that is not an inconsequential sum, we have been extremely judicious.

With regard to the expenditures and what has taken place with the special counsel, let me just indicate, first, that David Hale pleaded guilty. He was a

municipal judge and has made some extremely serious allegations. The special counsel is reviewing his allegations with respect to why he made certain loans that were illegal or inappropriate, who asked him to do so, and so forth.

Webster Hubbell, the third ranking official in the Attorney General's office, pleaded guilty to charges that emanated, again, from this investigation.

Neil Ainley, president of the Perry County Bank, where large sums of money, $180,000, were taken out to fund campaign activities, pleaded guilty.

Chris Wade, a real estate agent who was the sales agent for Whitewater Development, pleaded guilty in a bankruptcy matter. Robert Palmer, last December, a Little Rock real estate appraiser, pleaded guilty to conspiracy charges relating to backdating and falsifying appraisals for Madison Guaranty.

I make these remarks because I do not believe that it is fair to leave the impression that this has just been a big waste of time and that there was no wrongdoing. Five individuals, at this early and preliminary stage of these investigations, have already pleaded guilty, some in very high, responsible positions. That is the work of the special counsel. He has to defend the appropriateness of the expenditures which he makes.

However, I think for the record it is fair to reflect that several individuals have pleaded guilty to various charges. As it relates to our work, I am going to reiterate that I believe this committee has properly set forth the venue, the scope and the way in which it intends to move forward in a bipartisan manner to find out the truth and get the facts. Was there an attempt to impede legitimate investigations undertaken at RTC? Why were certain people taken off the case? Why were certain RTC investigators disciplined? Why was information about confidential criminal referrals made public? Was there a failure to go forward? These are legitimate questions. There may be appropriate reasons. But, then again, we might discover inappropriate action.

So these areas are within the scope. We are not going to attempt to dig up something that does not appear to be really connection to the matters that we have set forth. And it is our hope, depending upon the schedule of the special counsel as he goes through the materials, that we can wind this up sooner rather than later, and conduct the business of the people in a manner which reflects credibly on our constitutional obligations as Senators.

Mr. President, I am prepared to yield the remainder of my time. My colleague may have something to do. I am prepared to vote on the resolution.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I will take just a couple of minutes, I say to my distinguished colleague from New York.

First of all, I want to underscore the positive and constructive way in which the chairman of the Banking Committee and members of his staff interacted with us in trying to address the question of working out a resolution that we would bring to the floor of the Senate. Obviously, it is not an easy thing to do, and Members of the Senate have differing views about this matter. But I do think we were able to, in the end, work out a rational approach to this inquiry and investigation, which I indicated in a sense had been committed to last year.

Obviously, you always have to work out carefully the scope questions, which has been done in this resolution, because the scope could be infinite, in a sense, if you leave it to people's imagination. So there were candidates for scope that I think went beyond the horizon, and they are not included. But we have tried to, in effect, put a focus here.

In fact, some of the questions the distinguished Senator from New York just raised, that he felt emerged out of the previous hearings—and he made reference to last year's minority statement in the report—have in fact been spelled out here as matters that could be looked into under this resolution.

There were other candidates, of course, that were not included. We have tried to be rational here. We have tried to be reasonable. The matters specified herein have been the outcome of that process.

Second, I want to say the resolution has been put together in a way that presumes that the two sides will work together cooperatively in carrying out the inquiry, that the staffs will interact in that fashion, that material will be generally available and so on. We are trying to get an inquiry here in which everyone is joined in trying to find out what the facts are. A lot of questions are raised, and will be looked into. If you did not raise questions, you would not have an inquiry, so I recognize that. But our job, I think, is to probe the factual matter behind those issues.

I was interested that my colleague earlier used the word "allegations," and that is what it is until you actually get the facts that sustain it. And that is the process we are going to engage in. Some things, you know, when you finally examine them, turn out to be fairly innocent. At least I think. We had this point about Captain Hume, who did not appear when he was supposed to be a witness.

Well, what happened—obviously there was a slip-up, but I think that is what it was, a slip-up. Captain Hume was deposed. He had over 300 pages of deposition testimony. Apparently at his deposition he said he was about to take a—go on a vacation. After that the hearing date was set. Everyone sort of assumed that Captain Hume could be brought back in for the hearing. A subpoena, I do not think, was issued for him.

Mr. D'AMATO. I do not think it was issued.

Mr. SARBANES. I do not think it was issued for him so he did not, as it were, ignore a subpoena. And he went on a hunting and fishing trip and could not be located, is what happened.

In the end, I think it was judged that given we had 300 pages worth of deposition it was not worth having another hearing simply to bring Captain Hume in. I mean it is a small matter, but I only mention it to show that sometimes when you really examine the facts you discover that something that looked amiss at first has a very simple, plausible, and reasonable explanation for it.

We expect, as I understand it, now to move forward with this. I know that the chairman and his staff will be talking with our staff to begin to plan the first set of hearings which I think will probably be in the next month or so, and then we can proceed from there as we schedule other matters which have been stipulated here in the resolution as being within the scope of the inquiry which this special committee will now undertake.

But I do again want to underscore the, I think, responsible way in which the chairman and members of the staff have worked with us in order to try to frame a resolution which we could bring to the floor of the Senate today which I think carries forward the legitimate requirements imposed upon us in terms of carrying out an investigation without straying beyond what most people regard as reasonable bounds.

Mr. President, with that, I made my statement. I see the distinguished Senator from Arkansas, and I would like to yield time to him.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. Ten minutes.

Mr. SARBANES. Mr. President, I yield 4 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank the distinguished Senator from Maryland for yielding.

Mr. President, when I was a student in law school I remember studying criminal law. There never had been a lawyer in my family. So I knew nothing about any kind of law. But I remember the professor about the second day said, "Remember, the presumption of innocence is the hallmark of our system of criminal jurisprudence." It is not presumption of guilt.

I asked the question, "Should I defend somebody if they came into my office and told me they were guilty?"

He said that will be a personal call, but you bear one thing in mind. That person may not know whether he or she is guilty under the law. They may think they are and are not.

I am going to vote for this resolution. I have no objection whatever to a fair, open hearing giving everybody a chance to answer the questions of this committee. But I have heard some names thrown around here this morning.

Mr. President, in cases like this, all you have to do is throw out a name. Oftentimes you have destroyed a person or at least destroyed their reputation. And there has been entirely too much of that surrounding this case.

So let me admonish my friends in the U.S. Senate, and especially on this special committee, lawyers and nonlawyers, to ask yourself when you are making some of these speeches and you are throwing out names, why did not this happen, why did not that happen? Well, hindsight is a wonderful thing. But ask yourself when you are throwing names around and wondering whether or not you are destroying that person, a perfectly innocent person for life, you ask yourself this question: "How would you like to be in that somebody's shoes and hear your name bandied around on the floor of the Senate which carries with it the connotation of some wrongdoing or some guilt?"

I hope the Members of this body will rise above that sort of thing, and when they say something and use some of these names in regard to this hearing, make awfully sure they are not destroying some innocent person needlessly and wrongfully.

I look forward to the hearings. I look forward to the people having an opportunity to say what they want to say and answer the questions of the Members of this committee. But for God's sakes do not prejudge everybody that is going to be called as a witness before they get there and have an opportunity to answer the questions.

I yield the floor.

Mr. SARBANES. Mr. President, I yield 2 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank the distinguished chairman for yielding me 2 minutes. I had not planned to speak again. But the distinguished chairman of the committee made reference to three or four individuals who have either pled guilty or have been indicted, et cetera. I would like to talk about some of those.

Neil Ainley worked with a bank in Perryville about 50 miles from Little Rock. He pled guilty to four counts, but not one of those counts related to Whitewater; not even close to Whitewater. One was his so-called failure to file with the Internal Revenue Service a withdrawal of cash for the 1990 Clinton campaign; nothing whatsoever to do with Whitewater.

The second individual the distinguished chairman mentioned is Chris Wade. If I am not mistaken, Chris Wade was a real estate broker I believe in Mountain Home near the Whitewater development area. Chris Wade, subsequent to these many years of dealing with the lots at Whitewater, filed bankruptcy; not related to Whitewater in any way. But in the bankruptcy filing he failed to disclose either an asset or a debt. I do not know all the facts but this matter is unrelated, totally unrelated to Whitewater; no relationship whatsoever to the President and Mrs. Clinton. But yet the prosecution has now had him plead guilty.

The third person referred to was Webb Hubbell. We know that case. Webb Hubbell has pled guilty. It is a sad day. He is a good friend. But it was nothing that related to Whitewater Development Corp., absolutely nothing that related to Madison Guaranty, nothing whatsoever. Web Hubbell pled guilty to overbilling his clients; nothing to do with the RTC, nothing to do with Whitewater; totally irrelevant.

If we continue spreading this dragnet out further, if we go after every person that has ever had contact with Bill Clinton or Hillary Clinton or James McDougal or whatever, if they have ever made a phone call to them, if they have ever borrowed money or given them a campaign contribution, Lord only knows how long this investigation is going to go. It will go beyond the year 2000.

I just hope that our colleagues on the Banking Committee will realize that we must focus this investigation as it relates to Whitewater and to its original mission.

Mr. President, I thank the distinguished Senator, ranking member, and the distinguished chairman for yielding me this time.

I yield the floor.

Mr. SARBANES. Mr. President, I am prepared to yield back time.

Mr. D'AMATO. Mr. President, we yield back the remainder of our time.

The PRESIDING OFFICER. All time having been yielded, the question is on agreeing to the resolution.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. FORD. I announce that the Senator from Massachusetts [Mr. KENNEDY] is necessarily absent.

The legislative clerk called the roll.

The PRESIDING OFFICER (Mr. SANTORUM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 96, nays 3, as follows:

[Rollcall Vote No. 171 Leg.]

YEAS—96

| | | |
|---|---|---|
| Abraham | Feingold | Lugar |
| Akaka | Feinstein | Mack |
| Ashcroft | Ford | McCain |
| Baucus | Frist | McConnell |
| Bennett | Gorton | Mikulski |
| Biden | Graham | Moseley-Braun |
| Bond | Gramm | Moynihan |
| Boxer | Grams | Murkowski |
| Bradley | Grassley | Murray |
| Breaux | Gregg | Nickles |
| Brown | Harkin | Nunn |
| Bryan | Hatch | Packwood |
| Bumpers | Hatfield | Pell |
| Burns | Heflin | Pressler |
| Byrd | Helms | Pryor |
| Campbell | Hollings | Reid |
| Chafee | Hutchison | Robb |
| Coats | Inhofe | Rockefeller |
| Cochran | Inouye | Roth |
| Cohen | Jeffords | Santorum |
| Conrad | Johnston | Sarbanes |
| Coverdell | Kassebaum | Shelby |
| Craig | Kempthorne | Simpson |
| D'Amato | Kerrey | Smith |
| Daschle | Kerry | Snowe |
| DeWine | Kohl | Specter |
| Dodd | Kyl | Stevens |
| Dole | Lautenberg | Thomas |
| Domenici | Leahy | Thompson |
| Dorgan | Levin | Thurmond |
| Exon | Lieberman | Warner |
| Faircloth | Lott | Wellstone |

NAYS—3

| | | |
|---|---|---|
| Bingaman | Glenn | Simon |

NOT VOTING—1

Kennedy

So the resolution (S. Res. 120) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I thank the Chair.

(The remarks of Mr. THURMOND pertaining to the introduction of S. 812 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, it has been our hope that we could work out some agreement on H.R. 483, the so-called Medicare Select bill. I know Senator ROCKEFELLER has some concerns about it. What we would like to do is bring the bill up, and if anybody has amendments, they can offer the amendments and see if we cannot complete action. It is a program that expires on June 30. I am not an expert on the program itself. I think Senators PACKWOOD and CHAFEE will be happy to manage the bill. I will not do that.

I would like to ask unanimous consent that we turn to the consideration of H.R. 483, the Medicare Select bill, but I am not going to make that request yet.

Is the Senator from West Virginia prepared to object to that?

Mr. ROCKEFELLER. I am afraid I will have to.

UNANIMOUS-CONSENT REQUEST

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate turn to consideration H.R. 483 under the following time agreement: 1 hour on the bill to be equally divided between the chairman and ranking member of the Finance Committee, with one amendment to be offered by Senator ROCKEFELLER relative to Medicare, 1 hour for debate to be equally divided in the usual form, and that no motion to table be in order; further, that following disposition of the Rockefeller amendment, the bill be advanced to third reading and that final passage occur without any intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. ROCKEFELLER. I do object.

The PRESIDING OFFICER. Objection is heard.

EXTENDED USE OF MEDICARE SELECTED POLICIES—MOTION TO PROCEED

Mr. DOLE. In light of the objection, I move to proceed to the consideration of H.R. 483.

The PRESIDING OFFICER. The question is on the motion to proceed.

Is there debate on the motion?

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, this is not one of the most broadly understood issues. But it is a very important one, Medicare Select. There are, I guess, two issues that concern me. One—and this is less important, but nevertheless important to me—is the area of process. I had written Senator DOLE, the majority leader, a number of months ago asking for a hearing on the subject of Medicare Select. I was told in a letter back from the majority leader that we would have hearings on Medicare, obviously, and that Medicare Select would be a part of those hearings. The Finance Committee has not had any hearings on Medicare Select and, therefore, that constitutes a problem.

Second, there is a study on Medicare Select which is going to be completed by the end of the summer, and it is not a frivolous study or a frivolous problem. It is a serious problem involving seniors and Medicare supplementary insurance. Currently, 15 States are participating in the 3½-year experimental Medicare Select Program. This bill would expand Medicare Select to all 50 States for 5 years.

One of the States that has Medicare Select is, in fact, the State of Florida. I cosponsored legislation sponsored by Senator GRAHAM that would temporarily expand Medicare Select for another year. So this is not just a question of those States that have Medicare Select wanting to continue to expand it, or to make it permanent, or whatever. We have genuine concerns.

There are other issues involved. One of the conclusions of the preliminary evaluation of this study which I have been referring to, which will be completed at the end of the summer—and that is why I hoped we could wait until that time, this being the first year of a 2-year session—was that about half of the savings in the form of cheaper MediGap premiums for beneficiaries came about as a result of discounting payments to hospitals.

Now, theoretically, if seniors are having their care actually managed, the Medicare Program would realize savings from the lower use of health care services.

If, in fact, the savings are merely the result of hospital discounting arrangements, the Medicare Program is not going to benefit at all financially. Again, that is not an overwhelming factor, but a very important factor in view of the overall Medicare cuts we are looking at this year.

CBO, in fact, scored the expansion of the Medicare Select Program as budget neutral, not as saving or costing Medicare, but budget neutral. They said it does not cost and it does not save the Medicare Program any dollars at all.

Now, my colleagues and friends on the other side talk about expanding choice and restructuring Medicare by getting more seniors into managed care in general. Yet Medicare Select, one of the managed care options already available under the Medicare Program in at least 15 States, does not save the Medicare Program money.

So far, therefore, claims from the other side on the so-called magic of the marketplace does not seem to be doing anything to save costs for Medicare. That is the point I am trying to make. Many people believe that managed care is not going to save the amount of money that some people think it is because the elements of managed care are not enough. There is the cost of technology and more people getting older faster—that number is increasing very fast.

The Consumers Union testified before the House Commerce Health Subcommittee that:

> Lawmakers should not make permanent a managed care form of insurance to plug gaps in Medicare coverage because of very serious questions about the supplemental's plan deceptive pricing practices and its effectiveness at holding down health care costs. We should not make this program permanent and expand it to other States until we know that it is really a good deal for the customers.

That is all I am saying. I am simply requesting that the study which will be ready by the end of the summer, which is already in progress, which has already issued a beginning report, be allowed to be completed, that we see if, in fact, it is good for consumers, before we take any further steps.

Consumers Union has raised concerns that because of insurance underwriting practices, seniors may be locked into Medicare Select managed care policies and be unable to purchase another MediGap policy.

We looked at MediGap 5 years ago, in 1990. We passed legislation on MediGap. It was very good legislation and it cut down on abuses and consumer confusion. Seniors, for the most part, do have Medicare supplemental policies. Sometimes they use it to help pay part of their premiums. Sometimes they use it to get more services that Medicare does not offer. But it is very, very important.

HCFA, the Health Care Financing Administration, has voiced a concern about a lack of quality assurance requirements for Medicare Select managed products.

Medicare HMO's are required to have an active quality assurance committee headed by a physician that gathers and analyzes data and works for continuous quality improvement. That is important. There is no comparable requirement for Medicare Select managed care products.

Medicare HMO's are required to provide data on such indicators as waiting times for appointments in urgent care, telephone access to HMO, both during and after hours. There is no comparable requirement for Medicare Select managed care products.

Understand, I am not condemning Medicare Select. Fifteen States are using it. Some of those States want it to be made permanent. Some are less happy about it, but this bill is a major expansion. Therefore, it is something that we need to look at closely.

To go from 15 to 50 without the benefit of at least the study Congress ordered so that we could make an orderly decision about this, just does not seem to me to make sense. It is for that reason that I am here talking, hoping that we can do something about it.

If Medicare Select managed care is to be made permanent as a Medicare option, beneficiaries should be guaranteed the same level of assurance on issues of quality, issues of access, and, for example, grievance rights, as they have already in other Medicare managed care options. That seems sensible. Do the 15 have it? Do all of them have it? Do none of them have it? We need to know.

A preliminary analysis of the Medicare Select experiment that was completed last year by the Research Triangle Institute concluded that from Medicare's perspective, unless Medicare Select reduces use or directs use to providers that cost Medicare less money, it offers little benefit to Medicare.

The preliminary case study also indicates:

> Aggressive case management and restriction of networks to the more efficient providers in the communities are rare. Thus, it appears unlikely that Medicare Select will result in claims cost savings for HCFA.

Now, Mr. President, I do not think that these concerns mean that we should end the Medicare Select Program. I want to be very certain on that. I think that experimentation—State experimentation—is tremendously important. I believe in it.

However, I do think that several serious issues have been raised about the Medicare Select Program, and as a result I have grave reservations about extending this program to all 50 States—that would be 35 more States—in 5 years.

Instead, to avoid any potential disruption in those States that currently are participating in the Medicare Select experiment, we ought to extend their programs so that they do not have to stop enrolling new people on June 30, 1995.

Now, that is an important point to make. We have a drop dead date we are facing rather quickly. They cannot take new enrollees unless we extend the current States that have the programs, which I am very much for doing, so that we can learn more from those programs.

I would sincerely hope that before expanding it beyond those States that now have it, we take a much closer look at the Medicare Select Program in the committee of jurisdiction, which is the Finance Committee.

Then I go back again to the process question. I asked the majority leader by letter if he would hold hearings on this subject. He answered me earlier, some months ago, that we would hold general Medicare hearings in the Finance Committee, and Medicare Select would be part of those hearings.

They have not been part of those hearings. They have not been even mentioned in these hearings. That is important to me because I think that process and the knowledge that one gains from that is tremendously important.

I find it somewhat disturbing that my friends on the other side of the aisle who want to cut Medicare by $256 billion to balance the budget and pay for tax cuts, and who talk on a daily basis about restructuring Medicare, will not even take the time to consider a final evaluation of the Medicare Select Program. Congress mandated that this study be done. This was not somebody's whim. It was a congressionally mandated study. The Federal Government has already paid for this study to be done. But my colleagues are apparently not willing to wait a couple of months to consider the results of that congressionally mandated study.

In some ways it seems to me that we are here more because the Senate is looking for something to do. I do not think this is the right way to handle the problem of the Medicare Select Program. This came up suddenly and here we are with it.

I want to make it very clear why I have objected to the idea of the Senate simply rubberstamping a bill passed by the other body. There is absolutely no reason for us to be using up the time of the Senate on this at this time. If the majority leader would simply give the committee of jurisdiction the chance to review the legislation and the study through something as basic as a hearing or a partial hearing or a subcommittee hearing, then we could work out a course of action based on a responsible process and careful thought about the substance which I have raised, which is very much in question. The Senate should, I think, not acquiesce to a cavalier way of doing business, and that is what concerns me.

The majority leader wants the Senate to rubberstamp a bill that would turn a limited demonstration program, called Medicare Select, into an open-ended national program. I am very concerned about an attempt to pass legislation affecting the Medicare Program without having it carefully considered by anyone in the Senate.

I ask my colleagues, who are not present on the floor with the exception of the distinguished Presiding Officer, how many of them can really tell me much about the Medicare Select Program? How many could give me one short paragraph on what the Medicare Select Program is? I would daresay it is probably six people; probably six people. And here we are at a moment when there is not much else to do, awaiting the budget resolution, but with some time to kill, and we are about to expand into a national program something which is being experimented with locally, by the States.

If anything is clear these days, the Senate should know what it is doing when it changes Medicare. We are about to enter into a major debate on Medicare as it concerns the budget resolution. So anything that has the word Medicare in it, we ought to be precise, knowledgeable, and informed rather than having an hour's discussion and then a vote of some sort, affecting profoundly what happens in this country. Medicare affects 33 million people—36 million to 37 million people when you add on end-stage renal disease and the disabled, as well as those over 65. It has enormous consequences. It has enormous consequences.

As we learned during the MediGap debates, it is very hard, often, for seniors to resist buying policies which are constantly offered to them. That was what the MediGap legislation was about. It was to discipline this proliferation of policies to ensure folks could not prey on seniors who could not necessarily understand all the small print, or even read the small print in the policy. So this is about protecting seniors; about not misleading seniors; about making sure that seniors get the quality assurances that are verbally offered to them by those who would sell Medicare Select.

It just seems to me that if we are about to talk about a $256 billion cut in Medicare, we really ought to know what we are talking about when we do anything about Medicare, much less add on a new program, whether it costs or not.

Just yesterday Dr. June O'Neal, who is the new head of CBO, the Congression Budget Office, and whom I had not seen before, testified before the Finance Committee that quality—hear this, "The quality will suffer under the Medicare Program if we enact Medicare cuts of $256 billion."

She said that seniors will have to pay more to get the same level of quality that they are currently receiving under Medicare. And I think this is a very serious consequence. In fact, by the year 2002, I think they will be paying $900 more per year and I think on an aggregate basis they will be paying close to $3,500 more between now and the year 2002. When you consider the fact that only a very tiny proportion of Medicare recipients have incomes of higher than $50,000 a year and that the enormous majority of them are way down at $15,000 or $10,000 or below, in that area, something like that becomes an enormous consideration. An additional $3,500? They already spend over 20 percent of their income on health care.

In fact, we had an interesting minidebate yesterday on whether or not the cuts in Medicare will in fact cut Social Security for seniors. Of course, if that were to be the case, that would be a kind of third-rail item on the American scene because cutting into Social Security is something we have all decided not to do. We came up with the judgment, not so much during the hearing but after the hearing, that because of the increases in premiums, et cetera, in copayments, seniors will have to pay for more costs for Medicare, that in effect their COLA increases under Social Security in many cases will be wiped out entirely.

Will seniors see that as a cut in Social Security? I think it is quite possible they will. Because it is interesting—I would not have guessed this, I say to the Presiding Officer—that Social Security and Medicare are looked upon, in many ways, as the same by the people of this country and by the

seniors of this country. That whereas we said before "Do not cut Social Security," people look upon Medicare as the same sort of a sacred contract, so to speak, that the American Government and the American people have with each other, and not another incidental program.

So I think this is a very serious problem. The Health Care Finance Administration, HCFA, has voiced a concern about lack of Medicare Select quality assurance requirements. HCFA is not a radical organization. It is a big organization, 4,000 people, who in fact are very expert. Nobody knows they exist but they do, and they do all kinds of complicated work. They are expressing concern about Medicare Select quality assurance requirements, that they do not exist in this legislation and they do exist for other managed care options. As I said, Medicare HMO's are required by law to have active quality assurance committees.

So I think there is lot at question here, and I just hope we could work this out. I had suggested a variety of alternatives, options; that we could take the States that now have Medicare and extend those for a year and a half or 2 years. Some people say if you extend it for a year, that does not really give the managed care company that is interested in looking at Medicare much incentive to move ahead. It sounds like a year-by-year basis. Maybe we could do it for longer than that. Maybe we could add on some more States, add on four or five more States and allow that to happen.

But to take the entire country and open it up to Medicare Select when a study which has already raised questions is still out there and questions have been raised by health care experts in HCFA about insurance problems, plus the fact that it is Medicare, which is probably the most sensitive subject that could be discussed on the floor of this Chamber, we ought to be careful. That is why I am not for going ahead at the present time with expanding this the way the majority leader seems to want to do.

I will have more comments. But I do not see anybody at this point who wishes to say anything. So I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROCKEFELLER. 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. ROCKEFELLER. Mr. President, I note the presence of the distinguished Senator from Rhode Island on the floor. I know he wants to speak. I will not take long. I talked a moment ago about the concerns of the consumer groups and the Medicare Select Program. One of their concerns is called attained age rating. Just as insurance companies charge older people more for insurance in the under 65 market, MediGap insurers charge older seniors more for their MediGap policies as they grow older. In the under 65 market, insurers claim that age rating is a sound business practice because older people use more health care services and because older people are better off financially than those who are 20 years old or younger. This argument does not work at all for those who are over 65 years old. In that important market, 85-year-olds are generally, as I hope we all know, a lot poorer than 65-year-olds.

Another question that has been raised is the so-called one time open enrollment period. When we worked in the Finance Committee—I know the Senator from Rhode Island worked very hard on that also—on the MediGap legislation in 1990, we required insurers to have a one-time, 6-month open enrollment period when seniors first turned 65 so that they would have 6 months to simply enroll. During this 6-month period, an insurer under the MediGap Program is not allowed to deny insurance to any senior based upon their health status. That is an enormous statement in the health insurance industry. It is an enormous statement. They are not allowed during those first 6 months to make any health status judgments and thus say no to people. Consumer groups have raised a concern that if seniors sign up with a Medicare Select managed care product and decide that they do not like that product, they may be unable to buy a MediGap policy later because the open enrollment period would have gone by, especially, of course, if their health status is poor.

I want to just add those things.

I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

PRIVILEGE OF THE FLOOR

Mr. CHAFEE. Mr. President, I know the distinguished Senator from North Carolina is waiting to give a brief statement, and then I would like to speak. Let me discuss it with the Senator from Oregon.

But meanwhile, I ask unanimous consent that privileges of the floor be granted to a member of my staff, Douglas Guerdat during today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Thank you.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

(The remarks of Mr. HELMS pertaining to the submission of S. Con. Res. 14 are located in today's RECORD under Submission of Concurrent and Senate Resolutions.)

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, let me make a few comments on the so-called Medicare Select policies and explain first what they are.

Medicare does not cover all medical expenses. So a popular policy that is sold in this country is called MediGap. You can buy it. It is voluntary. You do not have to buy it. You can buy it. It basically fills in the holes that Medicare does not cover. There are different kinds of MediGap policies. You can get some that are more expansive and with more coverage than others and they cost a bit more. But I emphasize they are voluntary.

Medicare Select is a particular form of MediGap policy. It is one of the most popular policies that are around. It is about 40 percent less expensive than other policies. It exists now in 15 States. You have to have Federal permission to sell it. The authority to issue these policies expires on June 30 of this year.

The House has passed a bill—let me check my figures—I think 408 to 14, to extend Medicare Select to the rest of the Nation. This is hardly a partisan issue with that kind of a vote. And if we, frankly, get a vote on it in the Senate, it is going to pass probably 80–20 or 90–10, unless I am mistaken. So do not let anybody be of the impression this a Republican-Democrat issue. This has overwhelming support.

The National Association of Insurance Commissioners is one group that supports it, and they monitor complaints about insurance policies throughout the Nation. There are about 500,000 people enrolled in just these 15 States in Medicare Select, and of those 500,000 policies, in 1994, all of the insurance commissioners in those 15 States had 9 complaints—9—in comparison with 967 complaints against other types of MediGap policies, nonselect MediGap policies.

We passed this in the Senate 5 years ago. We were awaiting a report. The report was due in January. It is not going to be out until next January now. It is late. It is not going to come.

And again, Medicare Select has overwhelming support. I am going to read just a list of the groups that support expanding this to the 50 States: The American Group Practice Association, the American Hospital Association, the American Managed Care and Review Association, the Association of Public Pension and Welfare Plans, Blue Cross and Blue Shield Association, California Association of Hospitals and Health Systems, the Federation of American Health Systems, the Group Health Association of America, the Health Insurance Association of America, the Medical Group Management Association, the National Association of Insurance

Commissioners, the National Conference of State Legislatures, and the National Governors' Association.

Now, Mr. President, you are not going to get a much better group than that in terms of breadth and philosophical support. Our problem is that this apparently is going to face an objection to coming up and apparently a filibuster. I have no question but what the filibuster is going to be broken and going to be broken overwhelmingly. We will get the 60 votes. But one of the problems the leader faces, of course, is that once we are on to a bill and once cloture has been invoked, you cannot go to anything else. You can pull it down. And he would like to get onto the budget bill.

I say again, this is the middle of May. The authority for these programs runs out next month. This Congress goes on recess in about 10 days. And so unless we act now, these people who like these policies, to which there is almost no complaint, will be faced with rising premiums because they cannot be sold to anyone else.

So I hope that the leader will be successful in bringing this bill up, that we would have a short debate. I will be happy to agree to a time limit on amendments or a time limit on the bill and get to final passage. I will emphasize again it passed 408 to 14 in the House of Representatives.

I thank the Chair.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER (Mr. GREGG). The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I see the distinguished Senator from West Virginia in the Chamber. I would be glad to pose him some questions if he is available to respond.

As the chairman of our committee just pointed out, we are talking about Medicare Select. But what is Medicare Select, anyway?

Medicare Select is the name of a type of MediGap policy. It is something that seniors can buy to cover their Medicare deductibles and copayments.

Medicare Select is a type of MediGap policy that permits managed care; that is, a managed care MediGap policy. That is what it is.

What was the problem in getting this plan started and why the restrictions? Why could not the insurance companies offer Medicare Select if they wanted to? Because when MediGap legislation was originally passed in the House of Representatives, there were some objections to Medicare Select. A Representative from California did not believe in managed care. Consequently seniors were not able to have these plans.

Well, finally, after patiently working at this several years ago in late evening sessions, we arranged that there would be 15 States that could try this and see how it worked out. And so 15 States have done it, and as the chairman of our committee pointed out, it has worked very well. The trouble is that the option of these 15 States to offer this policy ends June 30; which is what—a month and a half from now.

As the chairman pointed out, there is now a danger that we cannot extend Medicare Select because of having to deal with the budget, and so forth, and then all these people who have these MediGap policies—and, indeed, it is a MediGap policy—will not be able to buy it or renew it.

Indeed, there is question about enrollments right now: Should a senior enroll in a MediGap policy that has this managed care plan or should I not? What happens if the plan is going to disappear?

Our point is not only should we extend Medicare Select but should we also make it permanent.

But what about the rest of the States? Why should not seniors in other States have this option? In my State, for example, why should not my citizens have the option of buying a MediGap policy that is $25 to $27 less per month, depending on the situation, than they are paying for other MediGap policies?

Mr. ROCKEFELLER. Will the Senator yield?

Mr. CHAFEE. Let me just finish. The Senator is objecting to that. What I find puzzling is the Senator, a distinguished member of the Finance Committee, has twice voted in the Senate Finance Committee and twice on the floor to pass a permanent 50-State extension of legislation that is before us. What has changed?

Mr. ROCKEFELLER. What has changed, I say to the distinguished Senator from Rhode Island, is that I had correspondence with the majority leader of the Senate, a letter that I ask unanimous consent to have printed in the RECORD, and also the majority leader's response to this Senator.

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

U.S. SENATE,
*Washington, DC. March 21, 1995.*

Hon. ROBERT DOLE,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR DOLE: As ranking member of the Finance Subcommittee on Medicare, Long-Term Care, and Health Insurance that you chair, I would like to propose a hearing on the Medicare SELECT program for oversight and an education on its results so far.

As you know, Congress approved a 3-year, 15-state Medicare SELECT demonstration project as part of the Omnibus Reconciliation Act of 1990. Medicare SELECT offers seniors less expensive MediGap premiums in exchange for receiving their health care services from a selected network of health care providers. Under current law, Medicare SELECT's authorization—which was extended temporarily last October—is due to expire on June 30, 1995, unless Congress takes further action.

Personally, I would support extending this program for another six months to maintain program continuity, with a strong interest in avoiding the program's disruption while allowing Finance Committee members an opportunity to fully examine the knowledge available so far on the SELECT demonstration. A temporary extension would give the Subcommittee an opportunity to have a full hearing on the Medicare SELECT program that would include results of a formal evaluation of the demonstration project.

It is my understanding that preliminary results of an evaluation study that is being performed by Research Triangle Institute will be ready by the end of the summer. Information that will be available includes data gathered from insurer and beneficiary surveys, as well as claims analyses that will examine the impact of SELECT enrollment on the use and costs of Medicare services. Therefore, I believe it would not be appropriate or prudent to extend this program on a permanent basis to all 50 states until Finance Committee members have the most up-to-date information on which to base future legislative action.

Thank you in advance for your attention to this matter, and I hope to work with you on this issue. Mary Ella Payne is the contact on my staff.

Sincerely,

JOHN D. ROCKEFELLER IV.

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U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
*Washington, DC. April 3, 1995.*

Hon. JOHN D. ROCKEFELLER IV,
*U.S. Senate,*
*Washington, DC.*

DEAR JAY: Thank you for your letter regarding the Medicare Select Program. I agree with you that this issue deserves careful consideration, particularly if Congress intends to extend the program permanently.

I know that the Chairman plans to hold extensive hearings at the full committee level on the Medicare program—it's costs, it's benefits, and what changes need to be made to improve it. I have been assured by the Chairman that through this process we will take a close look at Medicare Select, as we will all parts of the Medicare program.

The Committee will obviously have its work cut out for it this year. I look forward to working with you as we debate some very important and complex issues.

Sincerely,

BOB DOLE.

Mr. ROCKEFELLER. I wrote the majority leader on March 21, and I said this problem is going to be coming up. We know there is a deadline. I am fully aware of that. He wrote back on April 3, and he told me, "I agree with you that this issue deserves careful consideration, particularly if Congress intends to extend the program permanently. I know that the chairman," that being Senator PACKWOOD, "plans to hold extensive hearings at the full committee level on the Medicare Program." And, "We will take a close look at Medicare Select, as we will all parts of the Medicare Program."

What I would say to my friend from Rhode Island is that we have not done that. In the meantime, Congress mandated a study to be done, and the study is in the process of being done. The study has also already raised several

questions. Other groups raised other questions about quality, about being able to buy other MediGap policies. So there are a number of questions that needed to be answered. I wished to do all of this somewhat earlier, and I was given the promise that we would do this somewhat earlier. It is just that the promise was not fulfilled.

I should say also that a number of questions have been raised which have somewhat changed the atmosphere in the last several months. Before the Senator came to the floor, I talked about questions which had been raised by a number of groups—pricing games, MediGap availability, illusory costs, and things of that sort. The Senator from West Virginia wants to be sure.

Mr. CHAFEE. Well, the Senator from West Virginia may wish to be assured, but I do not know how far we have to go. The National Association of Insurance Commissioners supports the extension of this program. We just had the list of those who were supporting Medicare Select read by the chairman of our committee. You can go on and on and find reasons not to do something.

But we are really in a very, very difficult situation here. This program expires in 30 days from now or 45 days from now. It seems to me we ought to get on and extend it, and not only extend it but let the other States in on it.

Some mention was made about the Consumers Union's concerns about Medicare Select. But the fact of the matter is the Consumers Union's problems that were raised apply to all MediGap policies, not focused in on Medicare Select.

Mr. ROCKEFELLER. Will the Senator yield?

Mr. CHAFEE. Yes.

Mr. ROCKEFELLER. Mr. President, obviously, we need to work this out. The time problem is not, in fact, a constraint on those States which currently have Medicare Select because I already said I would be perfectly happy to go ahead and extend them.

The question is: How can we, looking at some of these complaints about not being able to change MediGap policies, discrimination of various sorts, how can we arrive at some kind of compromise which gives consumer protection for these Medicare beneficiaries that would choose Medicare Select? How can we give them some kind of consumer protection over and above what is contemplated in the law that the Senator from Rhode Island wants to get passed right away?

Would the Senator be willing to discuss those matters, if not publicly, privately?

Mr. CHAFEE. Mr. President, the Senator says we have to wrestle with these problems. Who says there is a problem?

Let me just touch on one matter that the Senator raised, and that is the so-called attained-age rating, with a suggestion that Medicare Select, this type of managed care policy, MediGap policy, has this attained-age rating.

Well, the fact is that the attained-age rating is permitted under current MediGap law. It is not restricted. The attained age is not something peculiar to Medicare Select. That is permitted under the current MediGap law.

And so while it is true that most MediGap policies and most Medicare Select policies do not use the attained-age method, I do not see why you focus in and say that is something peculiar to MediGap or Medicare Select, because it is not.

Mr. ROCKEFELLER. The Senator from West Virginia did not say it was peculiar, but I said it was a problem as far as the Medicare extension is concerned. Whether it applies to more MediGap policies is not, at the moment, of concern to me. I want to make sure that, in Medicare Select, we can.

HCFA has concerns about quality and concerns about access. They are not a frivolous organization.

I just think we have a chance to try to find an accommodation, hopefully in a quorum call, in which we could address some of the consumer concerns and perhaps also accommodate the Senator from Rhode Island, the majority leader, and the Senator from Oregon in the process, since I am, obviously, very well aware of where the votes are in the situation. I just want to do the best I can to build in consumer protection for a program which is young, which is actually only in 14 States, and is not at all in all 50 States.

Mr. CHAFEE. Mr. President, I do not concede that there are all these problems or that there are these problems. It seems to me what the Senator from West Virginia is doing is applying a higher standard to the Medicare Select, these managed care MediGap policies, than he is to the regular MediGap policies. I do not think that is fair. I do not think it is fair to say, "No, in Medicare Select, you cannot have attained age," whereas it is permitted in the other MediGap policies.

The suggestion here is that we ought to have hearings on this. Well, I cannot speak for what the majority leader said, but all I do know is that the Senate has passed a permanent extension of this proposal twice in the past 4 years. It was included in every major health reform proposal last year, including Senator Mitchell's, Senator DOLE's and Senator PACKWOOD's bill, and in the mainstream coalition bill. All of them had Medicare Select in them. So it is not that we are coming up against some unknown item here that we better be terribly cautious of. As I say, it has been out in these States. In 15 States, it is authorized. I cannot challenge the Senator's information when he says it is actually in practice, I believe he said, in 14 States.

All I know is that I think it is a good option that is less expensive and that we ought to give all the citizens a chance at it. And the citizens from my State would like a chance at this. If they do not want to use it, that is their business. But if they have a right to choose a MediGap policy that is less expensive than the current ones, I think they ought to have it and not be prevented from doing so because this Congress refuses to extend Medicare Select to all the States.

Again, no one is more thoughtful and compassionate in this Senate than the Senator from West Virginia, so I am not sure why he takes this particular position. Because, as we mentioned before, this passed in the House 408 to 14. You could hardly get a motherhood resolution passed by that amount.

Mr. ROCKEFELLER. If the Senator will yield, I think one could practically rewrite the Constitution in the House of Representatives by that vote in the current climate.

If the Senator would further yield, he talked about standards being higher for Medicare Select than for other MediGap things. I think high standards are important and I know the Senator from Rhode Island does, too. I want to see the Senator from Rhode Island and his State be able to have this program if that is what the State and the Senator wants.

I think the time crisis that the Senator refers to can be handled in 60 seconds. That can be changed in 60 seconds.

My point is that for 2 months I have suggested extending the program to the 14 States with the program already in effect. What I am really suggesting now is that we first look at the evaluation of the program before we open the door to all the other States. What I am really suggesting is that, if we could perhaps suggest the absence of a quorum, we could work something out on this.

Mr. CHAFEE. Mr. President, our staff asked the Health Care Financing Administration [HCFA] for suggested changes. Any problems? What do you think we ought to do? They did not have any. They had no suggestions for us.

Maybe the Senator from West Virginia can find, what we cannot find, any documented quality problem with this program. Now, some beneficiary somewhere may object, I am sure they have, just like they have objected to a host of other MediGap policies.

But, as I say, this has received a favorable report by the Consumers Union and by Consumers Report magazine and by the State insurance commissioners.

So, I do not have anything particular to offer. I would be glad to talk with the Senator from West Virginia. Whatever ideas we have, we would have to transmit them. Obviously, I would

have to speak to the chairman of the Finance Committee, whom I do not see on the floor here.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. The Senator from Rhode Island made mention of no particular problems being raised by HCFA. I think that raises, therefore, this very important point. Because, in fact, Donna Shalala has written to the Honorable BILL ARCHER, chairman of the Committee on Ways and Means, on March 7 of this year.

And one paragraph says:

> The case study portion of the Medicare Select evaluation has already raised a number of questions about the Medicare Select demonstration.

That is from HCFA.

> As managed care options under Medicare are expanded, we want to ensure that our beneficiaries are guaranteed choice and appropriate consumer protections.

That is precisely what the Senator from West Virginia was asking for.

Donna Shalala goes on:

> In addition, many of the select plans consist solely of discounting arrangements to hospitals.

The Senator from West Virginia mentioned that at the beginning.

Donna Shalala goes on:

> We would be concerned if the discounting arrangements under Medicare Select were to be expanded to Medicare supplementary insurance part B services. Discounting arrangements, particularly for part B services, may spur providers to compensate for lost revenues through increased service volume. Consequently, we are concerned that such an expansion would lead to increased utilization of part B services rather than contribute to the efficiency of the part B program through managed care.

Then she says:

> We would, therefore, oppose such a change.

There is honest and open debate on this matter. I am still willing to talk with the Senator from Rhode Island. I think we can work something out. Again, I, unfortunately, can count the votes, but the Senator would like to have some consumer protection in this, and I think the Secretary of HHS would, too. I think, frankly, George Mitchell, in his bill, had open enrollment and major insurance reforms, and the Senator from Rhode Island knows that well.

The Mitchell bill, in fact, did not propose to make Medicare Select permanent in the absence of coordinated open enrollment.

So I think there is room to work something out here, Mr. President, because I think everybody is talking with good will on both sides on this matter.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, the problem here is—I know the Senator is concerned about this—but the points he raises affect not Medicare Select but affect the whole MediGap range. In other words, when he says he is interested in open enrollment, there is no open enrollment now in the MediGap policies. He is saying he wants it for Medicare Select. But that means you want it presumably for all of MediGap.

Now, that is a very big separate issue that can come up any time. You do not have to tag it on to a Medicare Select policy which, as I say, is just one of a whole series of MediGap policies.

If the Senator wants to do that, that is changing the rules for the whole series of policies that are issued under MediGap.

Mr. ROCKEFELLER. Will the Senator yield?

Mr. CHAFEE. I will make one other point, if I might, and that is, as you recall, when I said my staff spoke to the Health Care Financing Administration, what I said was they asked for suggested changes and none came back. In the letter the Senator quoted from Secretary Shalala, he mentioned somewhere in there concerns about expansion into the part B plan. We do not do that. There is no expansion into that in this Medicare Select.

So I will be glad to talk with the Senator. If he would like, we can suggest the absence of a quorum and have a little chat here.

Mr. ROCKEFELLER. The Senator from West Virginia would like to do that, but if I might add one more thing, that is, the Senator is right about part B, and the Senator from West Virginia just got carried away and read too much of a paragraph, which was a mistake on the part of the Senator from West Virginia.

Donna Shalala, on the other hand, is referring to the Medicare Select evaluation. She is referring to the Medicare Select evaluation in this letter which she wrote back on March 7, which should have been available to all of us.

Bruce Vladeck, in his testimony on February 15 in front of the House Committee on Energy and Commerce, raised a major concern with the adequacy of beneficiary protections under Medicare Select.

If that is not HCFA speaking, I do not know what is. Bruce Vladeck said:

> There is no requirement for States to review the actual operations of the Select plans once they are approved to assure that quality and access standards are being met.

He does not like that. He is worried about that, and he says:

> We feel strongly that beneficiaries should not have to worry about the quality and access provisions on their Medicare choices. We look forward to working with the subcommittee * * *

And then Bruce Vladeck, the head of HCFA, said:

> Our second concern is whether Medicare Select will make any contribution to increasing the efficiency of the Medicare program.

I think that goes off into another area. It is the consumer protection area, I say to my friend from Rhode Island, which concerns me the most.

I might suggest the absence of a quorum in order for some conversation to go on.

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. KENNEDY. 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. KENNEDY. Mr. President, the Medicare Select is a demonstration program. Evaluation will not be completed until December 1995. While the demonstration program technically expires on June 30, the regulations governing the program clearly state that insurers must continue their coverage of current enrollees, even if no extension is approved.

There is no overwhelming urgency to pass this legislation. I do favor a temporary extension, and I am prepared to support such an extension today. But I have a number of concerns about permanent extension of the Medicare Select Program.

First, extension of Medicare Select should be considered in the context of a whole range of managed care options we might wish to make available to Medicare beneficiaries. There is a great deal of interest on both sides of the aisle in expanding choice. The administration is working on development of a PPO option. Before we make the Medicare Select Program permanent, we should understand its impact and balance it against other options.

Second, Medicare Select raises significant concerns about beneficiary protections. HHS has stated concerns about quality oversight. Most important, Medicare Select requires enrollees to receive their care from a limited set of providers. This may be perfectly acceptable to younger, healthier, enrollees. As beneficiaries age and become sicker, however, they may find themselves dissatisfied with providers in the select network. They can find themselves permanently locked out of regular MediGap coverage, with no ability to buy a policy to protect themselves from the costs that Medicare does not cover.

This seems to me to be an excessive denial of choice that we should not enshrine in permanent legislation without more consideration.

These concerns have been raised by Consumers Union and other consumer advocates. Consumers Union, Families USA, and the National Council of Senior Citizens all are on record as opposing this legislation. These concerns are serious and they deserve to be addressed.

We must always be especially concerned about the frailest and the most vulnerable elderly. We want to provide options that improve the choices available, not limit them. We want to provide benefits and services that seniors need, not deprive them of necessary care. We should move with great care in considering a measure that might have that affect.

It is not my intention to terminate the Medicare Select demonstration or put it out of business. I would be willing to support the short-term extension of the program or a permanent program if these concerns are considered and addressed.

It is ironic that this particular Medicare issue should surface just a day before we are to consider a budget resolution which would strike a mighty blow at the integrity of the Medicare Program as a whole and at the retirement security of senior citizens it was designed to secure.

This budget plan proposes to break America's compact with the elderly, and all to pay for an undeserved and unneeded tax cut for the wealthiest Americans.

The cuts in Medicare are unprecedented: $256 billion over the next 7 years. By the time the plan is fully phased in, the average senior is likely to pay $900 more a year in Medicare premium and out-of-pocket costs.

An elderly couple would have to pay $1,800 and, over the life of the budget, would face $6,400 in additional costs. Part B premiums, which are deducted right out of the Social Security check, will rise to almost $100 a month at a cost of an additional $1,700 over the life of the budget plan.

The typical senior needing home health services will have to pay an additional $1,200 per year. Someone sick enough to use the full home care benefit will have to pay $3,200. The fundamental unfairness of this proposal leaps out from a few simple facts.

Because of gaps in Medicare, senior citizens already pay too much for the health care they need. The average senior pays an astounding one-fifth of their total pretax income to purchase health care, more than they paid before Medicare was even enacted. Lower income older seniors pay even more.

Medicare does not cover prescription drugs. Its coverage of home health care and nursing home care is limited. Unlike virtually all private insurance policies, it does not have a cap on out-of-pocket costs. It does not cover eye care or foot care or dental care.

Yet this budget plan heaps additional medical costs on every senior citizen, while the Republican tax bill that has already passed the House, gives a tax cut of $20,000 to people making more than $350,000 a year.

I ask any of our colleagues to travel to any senior citizens' home in their State and have a visit with retirees. Ask the retirees by a show of hands how many pay $50 a month or more for prescription drugs. Anywhere from 25 percent to 50 percent of the hands will go up in the air. Ask them how many pay $25 a month or more for prescription drugs, and the spontaneous groan in the audience will be enormous. It is an expression that they are astounded that we do not understand that they are paying at least $25 a month or more and now 80 percent to 90 percent of the hands go into the air.

What has been the cost of the prescription drugs over recent years? They have been rising at more than double, sometimes even triple, the Consumer Price Index.

Look also at the profits of the major pharmaceutical companies. It is an interesting fact that they are some of the most profitable companies in America, while at the same time the cost of prescription drugs, which are absolutely essential in order to relieve suffering or to even live life in many instances, is going right up through the roof.

Now, that is a real issue for the seniors. That is an issue that we ought to be debating out here this afternoon. That is an issue of prime concern to every senior citizen.

I daresay, if any Member of the Senate went to a group of senior citizens and asked them this afternoon, "What do they want the U.S. Senate to be focusing on? The issue of prescription drugs or Medicare Select?" Ninety-nine percent would say, "Look after the problems that we are facing with prescription drugs." "Look after the problems we are facing in terms of dental care and eye care." Look around the room and count the number of senior citizens who are wearing glasses. Look around the room at the numbers who need help and assistance with dental care. Look around the room at the number of seniors who need the care of a podiatrist.

Our seniors think the U.S. Senate ought to be focusing on Medicare here this afternoon. But we should not focus solely on Medicare Select, until we have a full and complete evaluation of that program, which has the potential of some very important adverse effects, as well as some potentially beneficial effects.

We ought to insist that we have all of the facts before we move forward on a program that will unquestionably mean enormous profits to some companies and industries. It will perhaps give at least the appearance of security to some of our senior citizens for a period of time, but that security will be illusory unless it is carefully crafted and there are built-in kinds of protections which are not evidenced in the proposal that we are reviewing or considering this afternoon.

It is interesting, Mr. President, to compare the generous benefits that the authors of the Senate resolution enjoy under our Federal Employees Health Benefit Program plan available to every Member of Congress to the less adequate benefits provided for Medicare.

We are going to find out that while the measure we will be debating here in the U.S. Senate cuts back on protections for our senior citizens, we sure are not cutting back on the protections for any of the Members in the U.S. Senate. That is an interesting irony.

We heard so much in the early part of the year about how we will make sure that every law that we pass in the Congress is going to be applicable to the Members of Congress. Remember those speeches? We heard them from morning until eveningtime here in the Senate. And it is right that we do that. But how interesting that we do not say we are going to provide for the American people all the benefits that we have here in the U.S. Senate.

If we wanted to, we could give to the American people the kind of health benefits that we have, by extending the Federal Employees Health Benefit Program. Many of us have supported this in the past; many of us fought last year to try to make this available. FEHBP affects 10 million Americans. We have 40 million Americans who do not have health care coverage, and 16 million of those who are children. We could do very well if we just provided the extension of the Federal Employees Health Benefit Program to all Americans. But, again, we are not debating that issue here. We are not involved in that debate here on the floor of the U.S. Senate.

We are talking about the Medicare Select issue, a very narrow, very defined issue. We will be debating, tomorrow, and perhaps the day after tomorrow, and for a series of tomorrows, the proposed cuts that are coming in Medicare, in the budget proposal, that will not be utilized for health care reform as we tried to do last year. We tried to provide some prescription drug benefit. We tried to provide some home care. We tried to provide some community-based care. We tried to provide some additional protections for our elderly.

But no, this year we are going to go ahead and cut the Medicare Program to set aside a little kitty of $170 billion that can be used someday in the future for tax cuts for the rich. Take benefits away from the seniors in the Medicare Program, raise their copayments, raise their premiums, raise their deductibles, raise all of their costs so that we can put over here a little saving account that can be drawn down to allow tax cuts for the wealthiest individuals.

That is what we will be debating. And it is also amazing to me that we will have a time constraint on this issue that is going to affect the quality of life for our senior citizens in such a dramatic way. We do not have that

time restraint this afternoon, when we are debating Medicare Select, but we will have it when that budget bill is called up.

It is important that we put some of these measures into proportion. This issue, Medicare Select, is being pressed this afternoon. We are on the eve of what will be a very important debate, not only here on the floor of the U.S. Senate but across this countryside; whether or not we want to say to our senior citizens we are going to cut your benefits so we can use those savings, those cuts, those resources that we have captured from you to give a tax cut to the wealthiest individuals.

Maybe that is what the election was about last November. It certainly was not about that in my State of Massachusetts. People will say, out here on the Senate floor: They voted for change. Is this the kind of change that the people voted for, Mr. President, $256 billion in Medicare cuts so we can provide $170 billion for tax reductions for the wealthiest individuals? Is that what the election was about last fall?

I do not believe so. And I think that is why all of us are seeing, in our own States, that those who are paying increasing attention to what we are debating and what we are acting on, are going to be so concerned by this particular budget proposal.

Sure we have to get some savings in Medicare. Sure we have to have some reductions in expenditures. But what we did last year, when we proposed comprehensive health care reform, was to try to bring about the kinds of changes that over the long term are going to provide important quality health protections for our senior citizens, and second, to get a handle on health care costs. We need to get a handle not only on Medicare and Medicaid costs but also on the total health care system, since Medicare costs are only 15 percent of total national health expenditures. The notion that we can deal with escalating health care costs by cutting Medicare alone, shows a fundamental lack of understanding of the basic elements of the health care debate.

Medicare provides no coverage at all for outpatient prescription drugs, but they are fully covered under the most popular plan in the Federal Employees Health Benefit Program. The combined deductible for doctor and hospital services under the average Blue Cross and Blue Shield plan is $350; for Medicare the combined deductible is $816. Blue Cross and Blue Shield covers unlimited hospital days with no copayments; under Medicare, seniors face $179 per day copayments after 60 days; $358 after 90 days. After 150 days Medicare pays nothing at all.

Compare the differences between what our seniors are facing and what the Members of the U.S. Senate are facing. Medicare covers a few preventive services but does not cover screenings for heart disease, for prostate cancer, for other cancer tests—all FEHBP benefits. Dental services are covered for Members of Congress. We have them for Members of Congress—not for the Medicare recipients. Members of Congress are protected against skyrocketing out-of-pocket costs by a cap on their total liability. There is no cap on how much a senior citizen has to pay for Medicare copayments on deductibles.

Members of Congress earn $133,600 a year. The average senior's income is $17,750. For the limited Medicare benefits seniors receive they pay $46.10 a month, but for their comprehensive insurance coverage Members of Congress will pay a grand total of $44.05 a month. Seniors actually pay $2 more out of incomes about an eighth as large.

Is that something for our seniors to hear about as we are going to be considering a program that is going to cut their programs even more—and yet not affecting the Members of Congress at all? We have had this debate, some of us, for a number of years. Let us just give to the American people what we give to the Members of Congress. But we are not doing that, not with Medicare. We are being told to go ahead and provide additional burdens on the senior citizens that are not being asked of the Members of Congress.

No wonder people wonder what this is about. Is this the change that we voted for? I would love to ask a group of citizens in any State, is this the change you voted for last November? For further cuts on the Medicare benefits, increasing copayments, increasing deductibles to the tune of $256 billion, taking $170 billion of it and reserving it over here for tax cuts? Is that what the American people wanted as the change? Or did they believe in what we have as Members of the U.S. Senate, and what more than 9 million other Americans have, the Federal employees? Surely they were thinking when they voted, "OK, if it is good enough for the Members of Congress it ought to be good enough for all Americans, young and old alike?"

This debate is going to be important in these next several days. I hope and urge our seniors to watch this debate and listen carefully. Listen carefully to those who are making recommendations to cut Medicare. Listen to their responses to the challenges about equity to our seniors.

This President has indicated he will listen. He will listen to proposals to cut Medicare if they are about total health care reform. This means that we are going to do something for our seniors that is going to enhance the quality of health care in such areas as prevention, home care, and community-based systems. It means making a difference by reducing deductibles or making payments for pharmaceuticals so seniors will not be distressed every time they take much-needed prescription drugs; so they do not need to decide whether they can afford to go down and get that prescription for $50, $75, $100 per month, when they do not have enough food on their table or heat in their home? We will have the chance to debate that. We welcome the opportunity to do so.

The authors of the budget resolution do not seem to understand how limited the incomes of senior citizens are. Because of their budget, millions of senior citizens will be forced to go without the health care they need. Millions more will have to choose between food on the table, adequate heat in the winter, paying the rent, or medical care. This budget resolution is cruel. It is unjust. Senior citizens have earned their Medicare payments. They have paid for them, and they deserve them.

Medicare cuts in this resolution harm more than senior citizens. These proposals will strike a body blow to the quality of American medicine by damaging hospitals and other health care institutions that depend upon Medicare. These institutions provide essential care for Americans of all ages, not just senior citizens. And progress in medical research and training of health professionals depends upon their financial stability. The academic health centers, the public hospitals, and the rural hospitals will bear especially heavy burdens. As representatives of the academic health centers that are the guarantors of excellence in health care in America said of this budget, "Every American's quality of life will suffer as a result," because there will be less funding to support the best health professional education and training to the young people of this country, and there will be a diminution in support for the research that is associated with the great medical centers in this country.

In addition, massive Medicare cuts will inevitably impose a hidden tax on workers and businesses, who will face increased costs and higher insurance premiums as physicians and hospitals shift even more costs to the nonelderly. According to the recent statistics, Medicare now pays only 68 percent of what the private sector pays for comparable physician services; for hospital care, the figure is 69 percent. The proposed Republican cuts will widen this already ominous gap.

The impact of these cuts on local communities will be astounding. In my State of Massachusetts we have 123 hospitals. Historically, one of the best and most efficient hospitals has in Barnstable County, not far from my home on Cape Cod. But it has had increasing difficulty serving its patients in recent years. What changed? The doctors have not changed. The nurses have not changed. The ability to get

the good kind of equipment has not changed. The training that they went through has not changed. What has changed? The percentage of Medicare beneficiaries being attended to in that hospital changed.

In my State of Massachusetts, any hospital that gets close to 55 and 67 percent Medicare is headed for bankruptcy because of the reimbursement rates. What are we doing? Do you know what happens? Hospitals must cut back on the nurses; they cut back on their outreach programs in the community to work with children; they cut back on their training programs; they cut back, as much as they regret it, on the quality of care people get—not just for the elderly people, but for all the people being served.

What happens locally? Communities raise local taxes to try to assist hospitals, or they appeal to the State house and try to get additional resources. They try to get the revenues from someplace. Either localities accept a decline in health care quality or they have to raise additional resources locally or at the State level. Maybe some other States are experiencing generous surpluses, but you are not going to find many that are in our region of the country.

Financial cutbacks that have occurred in the past have made it difficult for hospitals to provide the excellent services they are used to providing, and the kinds of cutbacks being discussed by the Republicans now will only exacerbate this problem.

The right way to slow Medicare cost growth is in the context of a broad health reform program that will slow health inflation and in the economy as a whole. That is the way to bring Federal health care costs under control without cutting benefits or shifting costs to the working families.

In the context of a broad reform, the special needs of the academic health centers, the rural hospitals, and inner-city hospitals can also be addressed. Unilateral Medicare cuts alone, by contrast, could destroy the availability and the quality of care for the young and old alike.

The President said that he is willing to work for a bipartisan reform of the health care system, but our friends on the other side have said no. The only bipartisan shift they seem to be interested in is the kind that says, "Join us in slashing Medicare." That is not the kind of bipartisanship the American people want.

The authors of the budget resolution claim to protect Social Security while making draconian cuts in Medicare. But the distinction is a false one because Medicare is part of Social Security. Like Social Security, it is a compact between the Government and the people that says, "Pay into the trust fund during your working years and we will guarantee decent health care in your old age." This Republican budget breaks that compact.

As the ceremonies on V-E Day this past week remind us, today's senior citizens have stood by America in war and in peace, and America must stand by them now. The senior citizens have worked hard. They brought us out of the Depression. They fought in the Second World War. Their sons fought in the Korean war, and the Vietnam War. They have sacrificed greatly to advance the interests of their children. They played by the rules.

If this country is the great country that all of us believe that it is, it is really a tribute to the senior citizens. They have contributed to Medicare. They have earned their Medicare benefits. And they deserve to have them.

This Republican budget proposes to take those benefits away, and it should be rejected.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## THE UNITED STATES EMBASSY IN ISRAEL

Mr. SPECTER. Mr. President, I have sought recognition this afternoon to respond to those who have raised an issue about the current efforts to have the United States Embassy moved to Jerusalem, the capital of Israel, instead of its current location in Tel Aviv.

There have been some suggestions that we are motivated for political purposes in 1995 to raise this issue. The history of these efforts conclusively refutes that contention. A bill was introduced on October 1, 1983, S. 2031, cosponsored at that time by 50 United States Senators, which sought to have the United States Embassy and the residence of the American Ambassador to Israel hereafter be located in the city of Jerusalem.

That resolution was referred to committee and was not called for a vote, but it was later noted that in addition to the 50 U.S. Senators, there were 227 Members of the House of Representatives who joined in endorsing that transfer of the U.S. Embassy from Tel Aviv to Jerusalem.

Then on March 26, 1990, Senate Concurrent Resolution 106 was introduced, which called for the recognition of Jerusalem as the capital of Israel, and that resolution was passed in the Senate by a voice vote.

Then, following those actions, on February 24, 1995, a letter was sent to Secretary of State Warren Christopher signed by 92 U.S. Senators evidencing strong bipartisan support, again calling for the moving of the U.S. Embassy from Tel Aviv to Jerusalem.

Mr. President, I was an original cosponsor of S. 2031 which was introduced back on October 31, 1983; supported Senate Concurrent Resolution 106 back in 1990; and joined in the letter of February 24, 1995, evidencing my consistent support for this program.

Recently, the Prime Minister of Israel, Yitzhak Rabin, was in Washington, and the issue was raised as to whether or not action by the Congress of the United States in calling for the removal of the Embassy from Tel Aviv to Jerusalem would be an impediment to the peace process which is ongoing at the present time because obviously we do not wish to interfere with the peace process. At that time, Prime Minister Rabin responded that it was a matter for U.S. Congressmen, Senators and Representatives, to express themselves as they saw fit. He did not appear perturbed that action in this way would be an impediment to the peace process in the Mideast.

The negotiators of Israel and the PLO are scheduled, as I understand it, to take up the status of Jerusalem approximately a year from now. I think there is no doubt about the Israeli position that Jerusalem is an undivided city, and certainly I think there is no doubt in the Congress of the United States about Jerusalem being an undivided city and it being the judgment of Israel as to where its capital should be. The tradition is, the unbroken tradition is that the embassies are located in the capital city, and it is a fundamental matter therefore that the United States Embassy and the Ambassador's residence ought to be located in the capital of Israel just as the Embassy and Ambassador's residence are located in the capital city of every nation with the host nation determining where its capital should be.

We have to make decisions on matters of this sort, Mr. President, as we see it. There is no doubt about the strong relationship between the United States and Israel, but judgments need to be made by Senators and Congressmen as to what we think is appropriate. Many of us have joined over the years in urging that the Embassy be moved to Jerusalem, and I think that the record is consistent over such a long period of time that there is no appropriate way someone could make a claim that it is a matter for political purposes.

The distinguished majority leader, Senator DOLE, has been singled out in a number of newspaper editorials, others of us less prominent than the majority leader have not been so identified, but I am confident that all of us in exercising our judgment in calling for the location of the U.S. Embassy to be in Jerusalem instead of Tel Aviv are doing

it because we think it is the appropriate course of conduct, and no one, no fairminded person, can say that when the record goes back to 1983 in the endorsement of this resolution, there could be any political motivation. I think that ought to be considered and the record ought to be set straight on this issue.

## CONTRACT WITH THE AMERICAN FAMILY

Mr. SPECTER. Mr. President, I have sought recognition to comment on the proposed Contract With the American Family which was the subject of an early morning "Good Morning America" telecast where Ralph Reed, Jr., appeared as the spokesman in favor of the Contract With the American Family, and I was invited to appear and did appear in expressing my personal views on that subject.

It is my view, Mr. President, that we have the fundamental contract which governs the relationship of Americans with their Government, U.S. citizens with their Government, and the relationships among U.S. citizens, and that basic contract is called the Constitution of the United States. It is a document which has served this country very, very well since 1787. And there is appended to the U.S. Constitution a Bill of Rights which has served this country very well since 1791.

The first amendment of that Bill of Rights provides for freedom of religion, which is the very basis of our American society—freedom of religion, freedom of the press, freedom of speech, freedom of assembly, freedom to petition our Government.

The United States was founded by the Pilgrims who came to this country in the early 1600's, coming for religious freedom. And if I may on a personal note, Mr. President, say that my parents came to this country in the early 1900's for the same reason.

When the so-called Contract With the American Family calls for a constitutional amendment involving freedom of religion and the first amendment, I believe it is not well placed. I believe that the Jeffersonian wall of separation of church and state is firmly established for the benefit of America, and I think it is most unwise to have an amendment to the first amendment freedom of religion, which is what is called for by this newly drafted Contract With the American Family.

When Mr. Ralph Reed, Jr., speaks on behalf of that contract, and when his mentor, Rev. Pat Robertson, speaks on the subject, Reverend Robertson makes the statement that there is no constitutional doctrine of separation of church and state, that it is a lie of the left, I believe that is directly contrary to the Constitution itself, to the intent of the Founding Fathers. Certainly this is not ARLEN SPECTER's statement. This is the statement of Thomas Jefferson, articulating the doctrine of separation of church and state.

When Mr. Ralph Reed, Jr., articulates a need to change the law of the land as articulated by the Supreme Court of the United States in Casey versus Planned Parenthood and Roe versus Wade, which held on a constitutional basis that a woman has a right to choose, there again we are looking for constitutional change, which I submit is unwise and is unwarranted.

There are some parts of the proposals which I think are fine. When they call for an attack on criminals and in support of benefits for victims, I heartily endorse that and have done that for many years since my days as an assistant district attorney, through the DA of Philadelphia, through my service in this body with special reference to the Judiciary Committee.

When they call to crack down on pornography as it relates to children, there is no doubt that the Supreme Court of the United States has set a very rigid standard and we should do all we can to enforce that standard. There, again, is something I have done personally over the years in the district attorney's office in Philadelphia and here in the U.S. Senate.

And when there is a call to have women who are homemakers have available to them the same opportunities for individual retirement accounts, I say that is just and right.

We have a contract with America in the Constitution which has served this country so well. And in the House of Representatives there has been a Contract With America which has been adopted in large measure in the House and has been adopted to some extent in the Senate and is under further consideration and I think will be adopted with few significant changes.

But if every group comes forward to insist, Mr. President, on their own view of what there should be in the relationship between the Government and its citizens, among its citizens, then I suggest to you that we are going to be a very, very fragmented society, and that it is not wise to have any one group seek to determine the social mores of this country.

This country is strong because it is a melting pot. It is strong because we recognize diversity. America is strong because we do not break into individual groups and have one group seek to impose its ideas on any other group.

So when an idea comes forward that there ought to be an amendment to the Constitution, I say no. When the idea comes forward that there ought to be a change in the first amendment's freedom-of-religion provision, I say no. When the idea comes forward that there ought to be a change in the Constitution as it has been interpreted by the Supreme Court of the United States on a woman's right to choose, I say no.

It is time, Mr. President, in America for unifying actions, not for divisive actions. One Contract With America from the Congress elected by the people of the United States is sufficient. What we really need to do is rely on the basic contract with America, and that is the Constitution of the United States.

Mr. President, in the absence of any other Senator on the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ABRAHAM). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## SCHEDULE

Mr. DOLE. Mr. President, let me indicate to my colleagues that there is an effort underway to come to some agreement on H.R. 483, the Medicare Select bill. Hopefully, we can reach an agreement and pass the bill, maybe with one or two agreed upon amendments. If we can do it by voice vote, there would not be any additional votes today. We do not have that agreement yet. As soon as we do, I will notify my colleagues. Senator CHAFEE has been working with Senator ROCKEFELLER and others. Hopefully, we will be able to advise our colleagues in 10, 20 minutes.

I yield to the Senator from Rhode Island.

Mr. CHAFEE. The majority leader is exactly right. We are working now with staffs trying to see if we cannot come to an agreement on the problems raised by the Senator from West Virginia, Senator ROCKEFELLER. Everything seems to take longer than anybody thinks around here. So I would say in the next half-hour, I hope, we can have some information on whether indeed there would be the necessity for a vote.

Mr. DOLE. I think everything else that we can take up has been taken up. There is only one nomination on the calendar. There is no other legislation that we can take up at this time.

Tomorrow we will start on the budget. I understand the Democrats will have a caucus at 10:30 in the morning and, hopefully, they will allow us to start on the budget at noon tomorrow. Otherwise, we would have to wait until tomorrow evening to start on the budget. There are 50 hours of debate. Of course, it is more than just 50 hours.

We did indicate to and promise the President that we would try to complete the antiterrorist legislation before Memorial Day. So we would have to finish the budget by next Wednesday night. I think we will need probably a couple of days on the antiterrorism

legislation and then there would be the Memorial Day recess, which could be the last recess of the year, but I hope not.

Unless we can work out some accommodation on some of these major bills, the Senate will have no alternative but to stay here for a considerable period of time during what might have been the August recess. If we can start on the budget tomorrow—the House should pass their budget tomorrow. We will start on ours tomorrow and have votes on tomorrow and on Friday and on Monday. If I were Members, I would be back on Monday; if there is ever a Monday on which there will be votes, it will be this Monday on the budget, and on Tuesday and, hopefully, we can complete action on Wednesday. The final legislation would be the antiterrorism legislation.

So I suggest that we complete action on this bill, and if we can do it without votes, we will do it. If not, Members should not leave until they have some final notice.

Mr. WELLSTONE. Mr. President, I want the majority leader to know—and I will share this amendment—I have one amendment which I think may be noncontroversial. I can limit it to 10 minutes. I would like to at least show it to colleagues on the other side of the aisle. It is on the Medicare Select.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## A VETO OF THE RESCISSION BILL

Mr. DOLE. Mr. President, I was just reading a wire story here. I find it hard to believe that the House and Senate have just completed action on a rescission bill which would save about $16.4 billion—actually savings around $9 billion, because of the $16.4 billion there is additional money for disaster assistance in Oklahoma City and other programs. I am a little bit bewildered because the President indicates if we send this bill to him—it will be back from the House this week and we will take it up next week—that he will veto it. I am puzzled because the President has said we ought to reduce spending. So we finally get a little reduction in spending and at his first opportunity, he says: No, no; I am not going to sign it. I am going to veto it. And at the very time he is suggesting that he is not going to do anything on the budget, not going to offer any budget of his own. We will have a vote on the President's budget. He is just going to be a spectator and not participate in trying to reduce the deficit.

So it seems to me the President had a golden opportunity here to exercise some leadership and demonstrate to the American people that he wants to reduce Federal spending, but he struck out. He does not want to reduce Federal spending.

So what does he do? He tries to blame Republicans. We have cut too many programs or we have done this or done that. It seems to me the President ought to carefully review what he said today and indicate to the Congress that he will sign this rescission package. It is not easy to save money around here. The taxpayers wonder why we do not do more and this is a good example. We have been working on this rescission bill for weeks and weeks and months, in many cases in a bipartisan way, and before it even goes to the President he says he is going to veto it.

So I think he has missed a golden opportunity and I know he will try to figure out some way to blame Republicans. But we cut programs that were not high priority and in addition we added spending for the disaster in Oklahoma City and other programs the President had requested.

So, Mr. President, if you have an opportunity to look at it one more time, I suggest maybe you might want to reverse your position. Because if you are not willing to even save $9 billion in Federal spending, we are talking about many, many, many, many times that much in the budget resolution we are going to start debating here tomorrow.

If this is any indication of the leadership in the White House, it is probably a forgone conclusion that the President will veto anything we send him on the budget process.

So I would hope that this is not an indication of the trend. I think they have blown a very good opportunity here to demonstrate to the American people that if they are serious about cutting spending, serious about reining in the Government, serious about cutting back on some of the Federal Government which the American people are tired of paying for, but unfortunately it appears the President of the United States does not want to cut anything—"Don't touch anything, don't do this, or don't do that"—he will sit on the sidelines and he will watch the Republicans as we try to bring the budget into balance between now and the year 2002.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

## EXTENDED USE OF MEDICARE SELECTED POLICIES

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar Order No. 92, H.R. 483, regarding Medicare Select, and it be considered under the following time agreement: 10 minutes on the bill, to be equally divided between the chairman and ranking minority member of the Finance Committee; that one amendment be in order to be offered by Senators PACKWOOD, CHAFEE, ROCKEFELLER, and KENNEDY, on which there will be 10 minutes for debate equally divided in the usual form; and that following the conclusion of time, that the amendment—namely, the Packwood-Chafee-Rockefeller-Kennedy amendment—be agreed to; and that the bill be read a third time and passed and that the motions to reconsider be laid upon the table all without any intervening action or debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

### ORDER OF PROCEDURE

Mr. CHAFEE. Mr. President, since this has been agreed to, I am authorized to say there will be no further rollcall votes today.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (H.R. 483) to amend title XVIII of the Social Security Act to permit Medicare Select policies to be offered in all States, and for other purposes.

The Senate proceeded to consider the bill.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Senator DOLE be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, the Committee on Finance is hereby giving a commitment to the distinguished Senator from West Virginia, Senator ROCKEFELLER, that there will be a hearing on Medicare Select once the Department of Health and Human Services submits its report on this program.

What we are doing is extending Medicare Select to all 50 States for 18 months. This will continue unless the Secretary of Health and Human Services determines one of the following: That beneficiaries do not save dollars compared to other MediGap policies or that there are additional expenditures under Medicare or that access to quality care is diminished.

Mr. President, there will be a GAO study on whether or not beneficiaries have a problem getting coverage under another MediGap policy if they wish to change policies and recommendations if there are problems.

Mr. President, that is the arrangement here.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Is the Senator from Rhode Island finished?

Mr. CHAFEE. I am.

Mr. ROCKEFELLER. Mr. President, I want to thank the Senator from Rhode Island and to say that I agree with what he said and concur in the amendment and do gladly accept it, as it were, and consider it good.

What this will do, I think, is what was wanted on both sides of the aisle, which is ideally what we strive for around here and rarely achieve. I had been reluctant to see the 14 States expanded to 50; the other side of the aisle wanted to see the 50. I did not have strong feelings about the 50 until I understood more about what the study, which is going on now, will show. I also wanted to make sure that if people leave Medicare Select and want to go to another MediGap Program, that they are not precluded from being able to join another program because of preexisting conditions, which, of course, most older people have.

It seems to me this is a good compromise. This would allow all 50 States to go into this, if they chose to do so. There would be a period of about a year and a half that that would take place. Some people will say the insurance industry does not want to do that because a year and a half is not enough time. There are 450,000 people in this program now, so it must be sufficiently interesting to the insurance companies.

I am pleased that there will be hearings on this. That was a part of my original understanding with Senator DOLE. Senator DOLE, who is chairman of the Medicare Subcommittee that I am ranking member on, so to speak, he and I have agreed we will work out, along with others who want to be involved—modifications to Medicare Select if the study and the experience show that that should take place. I think that is entirely proper and fair.

The GAO study itself, I think, is important because it would analyze the problems that seniors are having in switching MediGap policies. When we talk about MediGap policies, not everybody necessarily tunes in on that, but that is incredibly important. Most seniors have MediGap policies to make up for deficiencies in Medicare. These policies are very important to seniors, and that is why all of this be done properly.

So, from my point of view, the compromise is a good one. It was carried out in honorable and good fashion between the Senator from Rhode Island, Senator CHAFEE, Senator PACKWOOD, and, obviously, the majority leader and myself, and Senator KENNEDY. I think it is a good compromise. I yield back the remainder of my time.

Mr. CHAFEE. I know the distinguished Senator from Texas wants to speak briefly on this, and if she needs a few minutes of extra time, I presume the Senator from West Virginia will be agreeable to that.

AMENDMENT NO. 1108

(Purpose: To extend the period for offering Medicare Select policies for 2 years)

Mr. CHAFEE. Mr. President, I send now to the desk an amendment in the nature of a substitute, which is sponsored by Senators PACKWOOD, CHAFEE, DOLE—does Senator HUTCHISON wish to be listed likewise?

Mrs. HUTCHISON. Thank you.

Mr. CHAFEE. Senator HUTCHISON, Senator ROCKEFELLER, and Senator KENNEDY, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for Mr. PACKWOOD, for himself, Mr. CHAFEE, Mr. DOLE, Mrs. HUTCHISON, Mr. ROCKEFELLER, Mr. KENNEDY, and Mr. GORTON, proposes an amendment numbered 1108.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. PERMITTING MEDICARE SELECT POLICIES TO BE OFFERED IN ALL STATES FOR AN EXTENDED PERIOD.**

Section 4358(c) of the Omnibus Budget Reconciliation Act of 1990, as amended by section 172(a) of the Social Security Act Amendments of 1994, is amended to read as follows:

"(c) EFFECTIVE DATE.—(1) The amendments made by this section shall only apply—

(A) in 15 States (as determined by the Secretary of Health and Human Services) and such other States as elect such amendments to apply to them, and

"(B) subject to paragraph (2), during the 5 year period beginning with 1992.

"(2)(A) The Secretary of Health and Human Services shall conduct a study that compares the health care costs, quality of care, and access to services under medicare select policies with that under other medicare supplemental policies. The study shall be based on surveys of appropriate age-adjusted sample populations. The study shall be completed by June 30, 1996.

"(B) The Secretary shall determine during 1996 whether the amendments made by this section shall remain in effect beyond the 5 year period described in paragraph (1)(B). Such amendments shall remain in effect beyond such period unless the Secretary determines (based on the results of the study under subparagraph (A)) that—

"(i) such amendments have not resulted in savings of premiums costs to those enrolled in medicare select policies (in comparison to their enrollment in medicare supplemental policies that are not medicare select policies and that provide comparable coverage),

"(ii) there have been significant additional expenditures under the medicare program as a result of such amendments, or

"(iii) access to and quality of care has been significantly diminished as a result of such amendments.

(3) GAO study:

The GAO shall study and report to Congress, no later than June 10, 1996, on options for modifying the MediGap market to make sure that continuously insured beneficiaries are able to switch plans without medical underwriting or new pre-existing condition exclusions. In preparing such options, the GAO shall determine if there are problems under the current system and the impact of each option on the cost and availability of insurance, with particular reference to the special problems that may arise for enrollees in Medicare Select plans.".

Mr. CHAFEE. Mr. President, just in summary then, what we have done is, First, we have promised that in the Finance Committee we will have a hearing on Medicare Select once the HHS report comes in; second, this legislation extends Medicare Select to all 50 States, the 15 that have it now plus any others that want to come in over the next 18 months, and that it will continue indefinitely, beyond the 18 months unless the Secretary of HHS determines that the beneficiaries do not save money compared to other MediGap policies or there are additional expenditures by the Government under Medicare, or access to or quality of care is diminished. Finally, there will be a GAO study on whether or not the beneficiaries have a problem getting coverage under another MediGap policy, if they wish to change policies. Furthermore, the GAO would make recommendations if there are problems.

So, Mr. President, I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. I yield whatever time I have.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I do want to be a cosponsor of this substitute because I think this is one of the important positive things that we can do for health care reform. This was brought to my attention by Congresswoman JOHNSON last year when we were afraid that this option for our seniors in the 15 States using it might be lost in the shuffle, and I called Senator CHAFEE and we worked to try to make sure that this was extended. I am very pleased that Senators ROCKEFELLER and CHAFEE have now come to an accommodation to not only extend it for the 50 States but to allow all people in all 50 States on Medicare to have the option of selecting Medicare Select.

Medicare Select is health reform that works. Since I have been in the Senate, we have spent more time discussing the problems in our health care system than about the models of achievement in the industry. What about the reform that has accomplished savings in health care? Medicare Select is a program we should encourage and promote, not to let die.

Medicare Select gives seniors an option to save money. In Texas, more than 8,000 seniors are enrolled in Medicare Select plans and save an average of 15 to 20 percent of the cost of Medicare supplemental plans. This is a significant savings for those on a fixed income. Nationwide, 400,000 people participate in this program in 15 States. If we allowed this program to expire at the end of this year, seniors would be hit with higher premiums.

Medicare Select policies are highly rated by Consumer Reports magazine. In its August 1994 issue, Consumer Reports included 8 Medicare Select policies in the top 15 best value MediGap products nationwide. In fact, almost every health care reform bill introduced in this body last year contained a permanent extension of this program to 50 States.

The need to extend Medicare Select Program is critical. If this program were allowed to expire, premiums could substantially increase for the current Medicare Select enrollees and, more importantly, would limit options for new Medicare beneficiaries. With the recent report by the trustees of the Medicare trust fund telling us of the dire straits of the Medicare Program, it would be unthinkable to start eliminating cost-effective options for providing care to the Medicare beneficiaries.

I appreciate Senator CHAFEE's and Senator ROCKEFELLER's leadership on this. I think they are taking exactly the right approach. I am glad to be a cosponsor of this substitute. When we talk about improving health care, here is one of the key ways we can do it so that we can provide options for all 50 States for our seniors to have the ability to add to their standard Medicare plan options that they would want at an affordable price.

I hope we will adopt this quickly. I hope that the other seniors in the States not now covered will look into this option, because this is the way we can do what this Congress has been trying to do for 2 years, and that is to provide more cost-effective health care availability for our senior citizens. Thank you, Senators CHAFEE and ROCKEFELLER.

I yield the floor.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from Texas for her kind comments. She has been a loyal supporter and active worker in connection with this Medicare Select effort. I congratulate her for what she has done.

Mrs. FEINSTEIN. Mr. President, I rise in support of Senate passage of the Medicare Select bill, H.R. 483, which as passed by the House would extend the current demonstration program beyond its June 30, 1995 cutoff date and expand it from 15 States to the entire Nation.

While it has thus far been just a small 3-year demonstration program, the Medicare Select Program has been a tremendous success in the 15 States where it is offered, especially in California.

Medicare Select provides supplementary insurance—for copayments, deductibles, and other out-of-pocket costs—for 100,000 California Medicare recipients (roughly 440,000 nationally).

Seniors enroll in the low-cost Medicare Select Program in exchange for participation in a loose-knit managed care plan.

This network of providers are used to cut premium costs by 10–37 percent over fee for service medigap products, which translates into savings on medigap premiums of up to $25 per month, or $300 per year.

In California, more than 2,200 new enrollees are being added per month, because the Medicare Select Program can provide low-cost, high-quality health benefits, while still retaining a high degree of choice over their physician.

There is no additional cost to the Federal Government.

However, under current law, no new Medicare recipients will be able to enroll in the program after July 1, 1995, when the demonstration program that was authorized in 1990 and extended for 6 months last year will end.

To make sure that select is continued in California, I joined Senator CHAFEE and others in introducing Medicare Select legislation earlier this year, and am pleased that the House was easily able to pass legislation that would extend the program for 5 years and expand it to all 50 States, with a bipartisan vote of 408 to 18.

This Medicare Select legislation should not be confused or dragged down with other, more contentious health care insurance reform issues. Certainly, there are problems with the current medigap insurance program that must be addressed. However, this is a simple, straightforward bill that should not be used for those purposes.

The Medicare Select Program is entirely voluntary, and should not be confused with programs and proposals that would require seniors to join HMO's to get their Medicare. No seniors are being forced or fooled into joining, Medicare Select seniors can still receive service outside their plans, and no insurers are being forced to sell this type of product.

In fact, Consumer Reports has listed Medicare Select products as among its highest rated values, and extension of the Medicare Select Program has been endorsed by the California Commissioner of Insurance as well as the National Association of Insurance Commissioners.

Certainly, managed Medicare programs like Medicare Select must be implemented carefully, in order to ensure that Medicare enrollees are appropriately informed of the benefits of this program, provided with high-quality services, and ensured access to highly trained physicians.

However, the matter at hand is straightforward, and the most important thing is that Medicare Select be extended. Therefore, I urge my colleagues to support the Medicare Select legislation.

Mr. KOHL. Mr. President, I rise in strong support of the Medicare Select Program. The bill we are considering extends Medicare Select for 5 years and allows all States to participate. Fifteen States are currently allowed to take part in this program which provides older Americans with a managed care alternative to supplement their Medicare benefits.

We have a strong managed care tradition in Wisconsin. Many seniors had managed care options during their employment and wish to maintain that choice of care as they retire. Medicare Select provides that opportunity and is very popular in my State.

Mr. President, if we do not act on this legislation, Medicare Select will terminate on June 30. Over 26,000 Medicare recipients in Wisconsin will face increased premiums and limited choices. 450,000 older Americans in the 15 States will be hit with higher costs if the program is not extended.

At a time when the majority party is pursuing a budget proposal that cuts Medicare by $256 billion—which would greatly increase out-of-pocket costs for older American's and ration care—we should not kill a program that currently saves money for older Americans and expands their options.

Detractors from this bill suggest that before we act, we should wait until a study being conducted for the Department of Health and Human Services is completed later this summer. Or will it be completed in December? No one seems to know when it will be ready. The fact is, Mr. President, the study was due this past January. What's the holdup?

There is one date that I am certain of—June 30, 1995—the date when Medicare Select will terminate.

I am eager to see the results of the study I just mentioned. I believe it will have important ramifications on the future of managed care and Medicare. But we must not hold Medicare Select beneficiaries hostage until a date uncertain.

During debate today, concerns have been raised about premium rating based on age and one-time open enrollment periods under medigap policies. I agree that these concerns should be addressed. However, these issues relate to all MediGap policies, not just Medicare Select. We should not single out those who benefit from Medicare Select in order to iron out differences in overall MediGap policy. We can and should review these issues under Medicare reform and broader health care reform legislation.

Medicare Select works for older people in Wisconsin. It saves beneficiaries from 20 to 30 percent in premium costs than under traditional medigap policies.

Medicare Select plans are subject to the same regulations as other medigap policies which are regulated by the States. Select plans must offer sufficient access, have an ongoing quality assurance program, and provide full disclosure of network requirements.

The program saves money for Medicare recipients, does not cost the Federal Government, and perhaps most importantly, provides many beneficiaries and providers their first exposure to managed care.

Mr. President, time is running out. I urge my colleagues to support and extend Medicare Select.

Mr. CHAFEE. Mr. President, I thank Senator ROCKEFELLER, the Senator from West Virginia, for all of his help. I am glad we were able to work this out. It looked a little sticky at first, but we have done it. I look forward to working with him on the Finance Committee as we have the hearings next fall or whenever the report comes in from HHS.

Mr. ROCKEFELLER. I yielded the remainder of my time, so if the Senator will yield.

Mr. CHAFEE. I yield. The Senator may take as much of my time as he wants.

Mr. ROCKEFELLER. There are two points I want to make that I think are very important to those who might be listening and who might be confused at this point. One is that we went from a 5-year extension to a year-and-a-half extension. Then, as the Senator from Rhode Island pointed out, the year-and-a-half extension would then become automatic unless the Secretary of HHS had objections or found problems or whatever. That means that basically—I do not want this to be taken the wrong way—Donna Shalala who is watching this closely—I do not think destructively but constructively—18 months would pass and she would still be there. So that for some of the colleagues who might be worried that this is an automatic extension, it is not, except as the merit allows that. I think that is a matter of great comfort to me, and it is another reason why I appreciate the Senator from Rhode Island. I thank him.

Mr. CHAFEE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

So the bill (H.R. 483), as amended, was passed.

H.R. 483

*Resolved*, That the bill from the House of Representatives (H.R. 483) entitled "An Act to amend title XVIII of the Social Security Act to permit medicare select policies to be offered in all States, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause and insert:

***SECTION 1. PERMITTING MEDICARE SELECT POLICIES TO BE OFFERED IN ALL STATES FOR AN EXTENDED PERIOD.***

*Section 4358(c) of the Omnibus Budget Reconciliation Act of 1990, as amended by section 172(a) of the Social Security Act Amendments of 1994, is amended to read as follows:*

*"(c) EFFECTIVE DATE.—(1) The amendments made by this section shall only apply—*

*"(A) in 15 States (as determined by the Secretary of Health and Human Services) and such other States as elect such amendments to apply to them, and*

*"(B) subject to paragraph (2), during the 5 year period beginning with 1992.*

*"(2)(A) The Secretary of Health and Human Services shall conduct a study that compares the health care costs, quality of care, and access to services under medicare select policies with that under other medicare supplemental policies. The study shall be based on surveys of appropriate age adjusted sample populations. The study shall be completed by June 30, 1996.*

*"(B) The Secretary shall determine during 1996 whether the amendments made by this section shall remain in effect beyond the 5 year period described in paragraph (1)(B). Such amendments shall remain in effect beyond such period unless the Secretary determines (based on the results of the study under subparagraph (A)) that—*

*"(i) such amendments have not resulted in savings of premiums costs to those enrolled in medicare select policies (in comparison to their enrollment in medicare supplemental policies that are not medicare select policies and that provide comparable coverage),*

*"(ii) there have been significant additional expenditures under the medicare program as a result of such amendments, or*

*"(iii) access to and quality of care has been significantly diminished as a result of such amendments.*

*"(3) The GAO shall study and report to Congress, no later than June 10, 1996, on options for modifying the Medigap market to make sure that continuously insured beneficiaries are able to switch plans without medical underwriting or new pre-existing conditions exclusions. In preparing such options, the GAO shall determine if there are problems under the current system and the impact of each option on the cost and availability of insurance, with particular reference to the special problems that may arise for enrollees in Medicare Select plans.".*

Mr. CHAFEE. Mr. President, I move to reconsider the vote.

Mr. ROCKEFELLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## MORNING BUSINESS

Mr. CHAFEE. Mr. President, I ask that we now have a period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio [Mr. DEWINE] is recognized.

Mr. DEWINE. I thank the Chair.

(The remarks of Mr. DEWine pertaining to the introduction of S. 816 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DEWINE. I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Michigan.

Mr. LEVIN. Mr. President, first let me thank our colleague from Ohio for his usual courtesy for giving me that little heads up so I can get ready to address the Senate.

## AUTOMOTIVE TRADE NEGOTIATIONS

Mr. LEVIN. Mr. President, the purpose of the recently collapsed automotive trade negotiations between the United States and Japan and the administration's subsequent announcement to impose reciprocal restrictions on Japanese products and file an unfair trade complaint with the World Trade Organization is simple That purpose is to open Japan's closed and protected auto and auto parts markets.

Yesterday, the administration took an important step toward opening Japan's automotive market to American products by announcing the specific list of Japanese products to be sanctioned in retaliation for the unfair exclusion of American products from Japan. We have listened to 25 years of trade rhetoric from one administration after another promising to open Japan's automotive markets to United States products. Endless talks and endless negotiations have not produced results. Japan's markets remain almost totally closed, and we have lost huge numbers of jobs during this period.

I have a little chart here which shows the statements of American Presidents since 1971. Every President of both parties has had promises made to him and, in turn, has assured the American people that we are going to act to open up Japanese markets to American products.

President Nixon in 1971 said:

> Japan has accelerated its program of liberalizing its restrictions on imports.

When President Nixon said that, the deficit with Japan was $1.3 billion.

In 1974, President Ford said:

> The United States and Japan will negotiate to reduce tariff and other trade distortions.

By that time the trade deficit with Japan had grown to $2.8 billion.

In 1975, President Carter said:

[W]e're trying to get the Japanese to buy spare parts and parts for assembly of their own automobiles in the U.S.

By that time the deficit had grown to $2.9 billion.

President Reagan in 1983 said:

[W]e're encouraged by recent commitments to further open Japan's markets.

By that time the trade deficit had grown to $21.6 billion.

In 1991, President Bush issued a statement through the Vice President as follows. Vice President Quayle said:

The President will take a direct message to the Prime Minister of Japan after the first of the year, saying that we don't anticipate continuing business as usual.

Well, by then the trade deficit was $43.4 billion. By now the trade deficit is over $60 billion.

So actions clearly are long overdue. The administration's decision to tell Japan to either open its markets or it will face concrete reciprocal restrictions is the right thing to do and can best be understood by showing that decision in a historical context of these three decades. When Japan has had total access to America's auto and auto parts markets while we have had no real access to Japan's automotive markets, decades of painful history and lost American jobs have proven that Japan will open its markets only when forced to do so.

The Japan Automobile Manufacturers Association, JAMA, of course, complains about the announced sanctions. In fact, the day after United States Trade Representative Mickey Kantor announced last week that we would take trade actions to open Japan's automotive markets to competition, JAMA put an ad in the Washington Post saying that managed trade does not work. I find it incredible that Japan can even mouth the words "managed trade" given the fact that they have the world's most managed economy and have had the world's most managed economy for decades. They are the undisputed world champions of managed trade. Their wall of protectionism against our auto parts and our automobiles has been built over 30 years.

JAMA's own general director, William Chandler Duncan, before becoming general director of JAMA, wrote a book. That book demonstrated just how Japan was able to stop the opening of its automobile market to the United States and to our automobiles, and that shutting us out of that market has been a three-decade-old conscious policy of the Japanese Government.

In 1973, Mr. Duncan published a book entitled "U.S.-Japan Automobile Diplomacy, A Study in Economic Confrontation." What a painful part of our history is set forth in that book. The book provides strong historical support for the administration's decision to pry open markets which have been discriminatorally closed to American products for three decades. William Duncan's book documents how Japan's automotive industry was protected from outside competition by the Government of Japan in order to protect their domestic auto industry.

As you are going to hear from some of the quotes that I have excerpted from this book, it is a demonstration of unfair trade policy at its worst. American negotiators suffering from Japan fatique have three decades of fruitless negotiation as a cause of that fatique. An American President has finally acted based on the certain belief that, unless we do as other countries and act to force open Japan's market with reciprocal treatment, that market will remain closed.

Mr. Duncan's book gives us a historical view of the years 1967 to 1971. It has only gotten worse.

Mr. President, I ask unanimous consent that selected quotations from the book entitled "U.S.-Japan Automobile Diplomacy, A Study in Economic Confrontation" by William Chandler Duncan be printed in the RECORD.

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

SELECTED QUOTES FROM UNITED STATES-JAPAN AUTOMOBILE DIPLOMACY, A STUDY IN ECONOMIC CONFRONTATION

The period under discussion ranges from the opening of the U.S. diplomatic offensive in the fall of 1967 until the Japanese approval of the Mitsubishi-Chrysler joint venture in June 1971 where Chrysler was limited to 35 percent ownership of Mitsubishi over 3 years.

"The course of trade and capital liberalization was not a smooth one. It involved time-consuming consultations between government and industry, long-term schedules of decontrol, and complicated qualifications attached to concessions granted. This naturally lead to frustrations, if not bitterness, on the part of many American's anxious to share in rapidly expanding Japanese markets." [Introduction, page 16]

"Though this dispute was later attributed to a misunderstanding, it nevertheless clearly indicates the reluctance of the Japanese to negotiate as well as the type of frustration that was to plague the U.S. team continually." [page 4]

[January 1968] "It was natural, therefore, that the Americans would continue to emphasize the abolition of Japan's quantitative trade restrictions. Again the Japanese delegation would make no commitment beyond a vague statement to make a forward looking investigation." [page 6]

"While all the (Japanese) automobile companies indicated a concern over the possible consequences of capital liberalization the Toyota Motor Company was most adamant on the issue. In January (1968) they went as far as amending their articles of incorporation to the effect that no foreigner could sit on the board of directors of the company." [page 7]

[June–August 1968] "The Japanese concessions were so painfully slow in coming, and even then frustratingly offset with other types of market restrictions, that the American government never once gave the Japanese side an affirmative response." [page 15]

[March 1968, LDP mission to Washington] "Congressmen of both parties emphasized in particular the problems of iron and steel imports and the liberalization of automobile parts . . . . especially, Wilbur Mills, Chairman of the House Ways and Means Committee, pointing to the increase of Japanese made automobiles into America, countered by saying that if it is Japanese policy to promote free trade, it should liberalize the import of American automobiles." [page 17]

[June, 1968, USTR's response to Japan's trade opening proposal] "One example that is giving us great concern relates to one of our biggest export industries, and that is the automobile industry. Here the Japanese have clearly illegal restrictions . . . . This has been under bilateral discussion since the beginning of the year. We have finally told them (Japan) that unless they come up with a satisfactory solution in a very short period of time, we will invoke article 23 of the GATT to take them to court, which in turn will most likely give us the ability to retaliate against them." (Special Representative for Trade Negotiations, William M. Roth). [page 19]

"These proposals clearly indicate the continued Japanese determination to exclude foreign automobiles from their markets." [page 21]

[May 1968] "However, it is clear that MITI officials were unwilling to face the possibility of a fully owned Ford assembly plant in Japan." [page 22]

[August, 1968] "Though none of these initial efforts were realized, the considerable discussion generated by them point out the intensity with which many Japanese feared the entrance of the U.S. companies into Japan. Numerous articles and statements in the Japanese press maintained that a 'big three' advance would result in a wave of take-overs of Japanese firms." [page 24]

[Quote from Daiyamondo—Japanese newspaper] "If we liberalize within two years, it is certain that the second class makers will be bought out by foreign capital . . . Since their mission, if they invest, will be to maintain and increase that investment, Americans will surely come to manage it. In that case the Japanese will become slaves driven unmercifully by American capital." [Duncan's comment] "This gives an indication of the strength of feeling among those who advocated the so-called 'Jidosha Joi Ron.' 'Jidosha' means 'automobile' while 'joi Ron' refers to the 'expel-the-barbarian' movement of the mid-nineteenth century." [page 24]

[June 21, 1968, Prime Minister Sato] "Capital liberalization must be advanced according to present day international trends. There is no problem with Japanese shipbuilding, but capital liberalization for automobiles is still impossible even though their exports have been flourishing. Domestic production is a matter of great concern and allowing the improvement of national prosperity is essential. But we would like to promote foreign capital induction in a way that will advance Japan's technology." [page 24]

[July 20, 1968 debate between leaders of the major Japanese automobile firms over whether or not the industry was over protected]. "Keeping in mind the fact that the government has heretofore fostered the automobile industry as an essential industry, the industry will in the future endeavor to develop on a national basis." [Duncan's comment] "This latter point, known as the 'Hakone Declaration' is quite significant in that it was interpreted as a unanimous agreement by Japan's major auto manufacturers not to tie up with foreign capital." [page 28]

"Henry Ford II continued to be the most outspoken representative of the American

industry: 'The U.S. Government never gets tough enough . . . if they (the Japanese) go far enough and start importing still more into this country, you'll see a lot of action in Congress.'" [page 32]

[Chairman of the Keidanren's Foreign Capital Problems Committee, Teizo Okamura] "If we continue to hold on like this (to an isolationist attitude) there is the possibility of escalating the 'yellow peril thesis.' Presently there has appeared a movement for voluntary restrictions on steel and synthetic textiles, but it is conceivable that against automobiles as well as voluntary restriction policy will appear requesting a limit of 200,000 cars a year." [page 32]

[February 21, letter from Automobile Manufacturers Association chairman Thomas Mann to acting assistant Secretary of State Joseph A. Greenwald]. ". . . The critical area of discrimination is the severely restrictive policies of Japan with reference to capital investment by the United States auto interests. This is a clear violation of the United States-Japan Treaty of Friendship Commerce and Navigation. The Department of State may wish to consider the advisability of again appraising the government of Japan with these views. At the same time its attention might be called to the consequences of a continuing denial to U.S. manufacturers of opportunities for trade and investment in Japan . . ." [page 35]

[Duncan's comment] "Though the contents of this letter revealed nothing new as far as the U.S. automobile industry's position was concerned, the U.S. Embassy in Tokyo took the unusual step of submitting the Mann letter directly to Kiyohiko Tsurumi, the Economic Affairs bureau Director of the Foreign ministry, a move which created considerable comment in Japan and underscored the dissatisfaction of the U.S. government as well as the auto industry with continued Japanese recalcitrance." [page 36]

[1971] "The automobile concessions, however, while designed to mitigate these growing pressures were, nevertheless, also a reflection of MITI's continuing efforts to insure that the Japanese automobile industry would be managed by Japanese citizens according to Japanese business practices." [page 43]

[October 1969] "The Japanese, however, resisted this (American) pressure (for further concessions), maintaining as before that they needed time to strengthen their industry so that it could remain competitive with the 'big three.' Their reasoning is reflected in a document attached to the cabinet announcement: . . . the actual situation of our country's automobile industry is weak when compared with the mammoth enterprises of the United States and Europe; thee are still considerable differential, in capital power, technical development ability, etc . . . . For this reason, it capital liberalization were to be carried out with the situation as it is now—there is strong danger that big disturbances would be created in the automobile industry, through the advance of foreign capital which has huge capital and enterprise power." [page 44]

[March 1970, letter from Thomas Mann of the American Automobile Manufacturers Association, to the State Department outlining the industry's objections to Japan's October (trade concessions) announcement] "In sum, the Japanese "concession" in the automotive sector, including the most recent decisions announced last October, have been keenly disappointing and, in our judgment, are incompatible with Japan's responsibilities as one of the world's great trading nations." [page 44]

[1971] "Additional pressure on the Japanese automobile industry came as a result of the dramatic increase in exports to the United States during this period." [page 46]

"In July (1971) Toyota Motor Sales vice president Kato revealed that Ambassador to the United States Shimoda had warned the automobile industry that if the rate of exports continued, the Japanese industry might expect either protectionist measures in Congress or antidumping measures such as had recently occurred with color television sets." [page 46]

"Throughout the negotiations the major Japanese automobile companies were recording substantial profits; their exports were expanding at a dramatic rate, and their sales in the United States were increasing during a time when total U.S. automobile sales were generally declining. Furthermore, they were setting up assembly plants and selling equipment abroad." [page 53]

"In short, when the Japanese spoke of reorganizing an industry they were referring to a government, or more specifically, a MITI policy of encouraging the amalgamation of designated industries into larger units so as to keep them competitive with foreign firms on the one hand, and secure from foreign acquisition on the other." [page 53]

"One of the most striking aspects of these negotiations, for example, was the strength of Japanese resistance to the intense pressure applied by the United States. By 1969 Japan's automobile industry was the world's second largest with rapidly expanding exports and foreign assembly operations; yet despite threats of a U.S. import surcharge, appeals to GATT, pressure from international institutions, and the implied consequences embodied in peripheral issues such as textiles, Okinawa, etc. the Japanese refused to allow the American automobile industry any more than a token position in their automobile market." [page 111]

"Since the prewar financial combines dissolved by the occupation have, in different forms, gradually reconstructed themselves, the Anti-Monopoly Law has become the center of one of the more significant controversies in Japan. . . . it did not discourage MITI from pushing for reorganization in the automobile industry, or, for that matter, in other industries as well." [page 113]

". . . given present day conditions, it is unlikely that an American firm will in the near future acquire significant management control of a Japanese automobile assembly operation." [page 114]

"The attempt of the American automobile industry to enter the Japanese market covered three and a half years (fall 1967–June 1971) of frustrating negotiation and contributed significantly to a growing uneasiness in Japanese-American relations." [page 115]

Mr. LEVIN. Mr. President, two-and-a-half decades later, the story is the same. William Duncan was hired to run JAMA, but his own book, written before he was hired by JAMA, is a dramatic reminder of Japan's determination to prevent us from having access to its markets.

Mr. President, I will just read three or four of those excerpts. Again, this is the man who wrote about what happened in the late 1960's and early 1970's, wrote about how Japan acted as a government and an industry to keep American products out of Japan in his book. He is now the director of the Japan Automobile Manufacturers Association, JAMA. But this is what he wrote prior to being hired as the director of JAMA.

In January 1968, this is what Mr. Duncan wrote:

It was natural, therefore, that the Americans would continue to emphasize the abolition of Japan's quantitative trade restrictions. Again, the Japanese delegation would make no commitment beyond a vague statement to make a forward looking investigation.

That was 1968, January.

In June 1968, again quoting Mr. Duncan's book:

These proposals clearly indicate the continued Japanese determination to exclude foreign automobiles from their markets.

Then in 1969, this is what Mr. Duncan said was going on:

By 1969 Japan's automobile industry was the world's second largest with rapidly expanding exports in foreign assembly operations; yet despite threats of a U.S. import surcharge, appeals to GATT, pressure from international institutions, and the implied consequences embodied in peripheral issues such as textiles, Okinawa, etc., the Japanese refused to allow the American automobile industry any more than a token position in their automobile market.

Finally, from Mr. Duncan, the final quote that I will read here, although there are many more that will be in the RECORD, is the following:

The attempt of the American automobile industry to enter the Japanese market covered three and a half years (the fall of 1967 through June of 1971) of frustrating negotiation and contributed significantly to a growing uneasiness in Japanese-American relations.

Mr. President, there is a long history here. It is written very clearly by the man who took a personal interest in that history at that time. Two and a half decades later, the story is the same, albeit worse. The trade deficit has grown by a about 40 times what it was in 1970.

Mr. Duncan was hired to run JAMA, but his own book written before he was hired by JAMA is a dramatic reminder of how Japan's determination to prevent us from having access to its markets worked. It worked to Japan's advantage. It worked to our disadvantage. It worked to the disadvantage of American workers who have lost jobs by the thousands because Japan has been allowed to maintain a protected market. We have tolerated it. It is long overdue that we stop tolerating it, and I am glad that the President finally took action to knock down that protectionist wall which has surrounded the Japanese automobile and auto parts market for now three decades.

Mr. President, I thank the Chair. I will yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GORTON. 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. GORTON. Mr. President, an inquiry: Are we in morning business?

The PRESIDING OFFICER. The Senator is correct.

Mr. GORTON. Is there a time limitation on speeches?

The PRESIDING OFFICER. No, there is not.

Mr. GORTON. Thank you, Mr. President.

## THE PRESIDENT'S INTENTION TO VETO THE RESCISSIONS BILL

Mr. GORTON. This morning, Mr. President, the President of the United States, Bill Clinton, announced that he intended to veto the rescissions bill, a proposal to save some $16 billion of already appropriated money as a modest down payment on the tremendous fiscal crisis facing the United States today.

This announcement was both a surprise and, I believe, almost unprecedented because, Mr. President, I am informed by the chairman of the Senate Appropriations Committee, and can speak from my own personal knowledge as the chairman of one of the subcommittees of the Appropriations Committee, that there was no communication emanating from the White House and directed at the conference committee which has been in almost continuous session for some 2 weeks on this rescissions bill about the President's desires or about his bottom line.

Mr. President, this is in dramatic contrast with conference committees on appropriations bills in the past, in either the Reagan administration or the Bush administration, in which that contact between the White House and the Congress was constant and in which the bottom line of the President was always well and clearly known to members of the conference.

Here, by contrast, we had a situation in which the White House was almost totally silent with respect to its request about rescissions. The President still pays lip service to a $16 billion goal which must be seven or eight times larger than the goal of his original rescissions bill itself. But only after the deed is done, only when all that remains for the Congress is the formality of the approval of this conference committee report, do we hear, first, that it does not cut enough dollars from what the President describes as pork, and takes too much out of proposals which are of greater interest to him.

Mr. President, a few general remarks.

The President attacks spending on Federal courthouses, on the building of U.S. courthouses in various parts of the country.

Mr. President, I have no dog in this fight. Earlier, there was a courthouse in Seattle in one of these appropriations bills, but it is rescinded in this bill. So none of the so-called pork exists in my State.

And there is also criticism of a number of highway projects that were not rescinded. But note, Mr. President, I said "not rescinded." Every one of these projects which the President of the United States now describes as pork, he signed into law less than a year ago. Last year's appropriations bill for transportation, for the Treasury Department, for GSA, for the Post Office, was signed and hailed by the President. Those bills had every one of these projects contained in them and more besides, a significant number that are rescinded in this bill. So today we have described as pork proposals which the President hailed last year and proposals which spent more last year when he signed them than this year when some but not all have been rescinded.

What in the world could have happened to have changed the President's mind about specific projects in the course of 6 months, he does not tell us.

Mr. President, as recently as about 2 months ago, when the original rescissions debate had been completed in both the House of Representatives and here in the U.S. Senate, the President said of the Senate proposal,

> The bill passed 99 to 0 in the Senate, and I will sign the Senate bill if the House and Senate will send it to me. That's how we should be doing the business of America.

Mr. President, I think it is more than safe to say that the bill the President attacked today is considerably closer to the proposal passed by the Senate just a few weeks ago than those passed by the House of Representatives. In many of the very education and job training areas which the President now uses as an excuse to veto this bill, the Senate provision prevailed, lock, stock, and barrel, was accepted by the conferees. In several others, the compromise is considerably closer to the Senate provision than it is to the House provision, in some, it is 50–50, and maybe, in one or two, it is closer to the House provision.

But, Mr. President, a tiny handful—2, 3, 4 percent—of the dollar amount of rescissions fall into the categories which the President now criticizes.

And, Mr. President, one more repetition of my first point. Not a word about this 1, 2, 3, 4 percent of these rescissions being deal busters, being entirely unacceptable to the President, was communicated to the conference committee while it was in being.

Mr. President, is it not safe to say, overwhelmingly safe to say, that the President of the United States wanted to have something in this bill that could give him a political excuse for a veto? I regret to say that I believe that to be the case.

And one more not incidental point, Mr. President: there is a part of this bill that the President of the United States mentioned today which comes very close to home. I know the Presiding Officer will remember the debate on the floor of the Senate here on so-called timber language. That vote was very close in language, of which I was the author, and was substituted for much more stringent House language in the course of the debate here in the Senate. But even our milder language passed only by a narrow margin.

Briefly, the House of Representatives mandated a certain harvest level of salvage timber in all of the national forests of the United States. The Senate, in language which I wrote, did not mandate any harvest at all but simply freed this administration to carry out its own plans for salvage timber and its own plans for harvest in the forests of the Pacific Northwest under option 9.

In no way did the House language require President Clinton and his administration to do anything that it had not planned to do. It simply freed what the administration wants to do, consistent with its views of all the environmental laws from the constant blizzard of litigation to which it has been subjected over the last several years.

And in fact, as recently as a week ago, the new Secretary of Agriculture, who, of course, has the Forest Service under his jurisdiction, wrote a letter to the chairman of this conference committee, one of the few interventions by anyone in the administration with the work of the conference committee, and said, and I am quoting him:

> We believe that the Senate provision which directs the Secretary, acting through the Chief of the Forest Service, to "prepare, offer and award salvage timber sale contracts to the maximum extent feasible to reduce the backlog volume of salvage timber in the interior" offers a more responsible approach than was adopted by the House.

So a week ago this Senate timber provision was evidently acceptable to the administration. Now, Mr. President, the timber provision which is denominated by the President of the United States today as being a giveaway to big timber companies is the original Senate language amended only in minor details in a way that the administration itself asked us to amend it.

I repeat, Mr. President, what Mr. Clinton now criticizes is a set of provisions his own Secretary of Agriculture approved of by this language a week ago with minor changes that they suggested themselves. It is not the original House language.

Now, our Chief Executive is either ignorant of the rules which govern timber sales in the Forest Service or deliberately disingenuous when he begins, once again, the class warfare of big timber companies. Most of the big timber companies in the Pacific Northwest at least are not eligible to harvest Forest Service timber because they export

some of the logs that they own from their own lands—the Plum Creeks, the Weyerhaeusers of this world are not a part of this process at all.

Who are these so-called big timber companies that will benefit from this? Let me read you a couple of letters that I have received in the course of the last month.

The first one is from Tom Mayr, of the Mayr Bros. Co. in Hoquiam, WA, a local mill in that community. I am quoting:

> Slade, you must realize that this amendment is the single most important piece of legislation in over 5 years to Mayr Brothers and many independent sawmills like ours. Congress and President Clinton have said that they would get us timber, but there hasn't been any significance sold since 1990 on the Olympic National Forest. Your amendment would realize four of our 318 timber sales with enough log volume to run the large log mill two shifts for 1 year. This would put 50 people back to work immediately.

Or another one from one of what apparently are these huge timber conglomerates, the Hurn Shingle Co. in Concrete, WA, and I quote:

> It is nice to see that there is some hope for our shake and shingle mill. We have not operated our mill, due to lack of raw materials, since December 1993. We only operated 12 weeks in 1993. So, as you and I both know, any help you can give us would be encouraging. These amendments are very important for our company, as a wood supply would be something that we have not had for a very long time.

These are typical responses, Mr. President, and it is that kind of small-town, independently owned company providing employment where it is not otherwise available that will be modest beneficiaries of the President's inadequate, in my view, option 9 and of the opportunity to harvest timber which has been partly destroyed by forest fires or by bug infestation all across the country and which, within a relatively short period of time, will rot to the point at which it is not worth anything from a commercial point of view but becomes magnificent kindling wood for future forest fires, fires like that which devastated the Northwest last summer.

So, Mr. President, we have a Chief Executive who criticizes timber provisions his own Secretary of Agriculture previously approved, who criticizes as pork spending on public buildings that he approved by his signature on appropriations bills last year, and who criticizes modest reductions in programs he likes about which he was entirely silent during the deliberations of the conference committee.

Mr. President, that is not the way in which a Chief Executive of this country should act. It is not responsible to the affected people. It is not responsive to his duty to help us to begin to work toward a balanced budget. It is not responsive in his relationships with this body or with the House of Representatives.

I regret this politicization of the process, and I have every hope that if we must begin this process over again, we say to the President, what we said this time we mean next time and if you want cooperation, if you want the additional money you have asked for for other programs, you need to be willing to work with the Congress and stick to your own word in the future.

This is an extremely disappointing message, not just to the Members of this body who have worked so hard on coming up with an important bill, but because of its destructive impact on a drive toward responsibility, fiscal prudence, and a change in the way in which politics is practiced in the United States.

We were selected last year, Mr. President—I know this is particularly true with respect to the Presiding Officer—because we were going to do things differently and keep our commitments. We have done so, and we are now frustrated in carrying out the people's will by this action.

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.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## TRIBUTE TO KAY RIORDAN STEUERWALD

Mr. PRESSLER. Mr. President, I wish to pay tribute to Kay Riordan Steuerwald, who passed away earlier this week in Rapid City after a lengthy battle with cancer. South Dakota has lost an outstanding citizen.

Kay was one of South Dakota's premier leaders in the tourism industry for many years. To her many friends in South Dakota and throughout the Nation, Kay's name always will be associated with Mount Rushmore. As president of the Mount Rushmore Mountain Co., Inc., Kay ran a first-rate, visitor-friendly concession operation at our Nation's shrine to democracy for 42 years until 1993. She attributed her success to an emphasis on good service and reasonable prices.

Kay also was a leader on the national level in tourism and national park concession circles. In the early 1980's, I recommended Kay's appointment to the U.S. Senate National Travel and Tourism Advisory Council. Through her position on that council and her leadership in numerous other organizations, Kay was an outspoken advocate for the tourism industry, which has tremendous economic impact in all States.

Kay provided an excellent role model for women seeking to become small business owners. This is a reflection of her business acumen and her adherence to the work ethic. She succeeded as a businesswoman during a period when for many years business was traditionally considered a man's world. Her first job was in the South Dakota Transportation Department in Pierre during the administration of Democratic Gov. Tom Berry in the 1930's. Her career as a business owner began with her purchase of a coffeeshop and subsequently a hotel in Martin, SD. In 1941, she left Martin to become manager of the State Game Lodge in Custer State Park. Ten years later, she began operating the concession at Mount Rushmore.

Over the years, Kay touched the lives either directly or indirectly of literally millions of visitors to Mount Rushmore. Countless individuals have fond memories of a wonderful dinner—topped off by a piece of the Mountain Co.'s famous strawberry pie—in the Buffalo Dining Room gazing out the windows at the priceless view of our four great Presidents on Mount Rushmore.

Kay was very active in many organizations and community activities. Too numerous to mention all of them, her civic involvement included the National Park Concessionaires, National Federation of Independent Businesses, South Dakota Tourism Advisory Board, National Park Foundation, South Dakota Historical Society, American Council of the Arts, South Dakota Cultural Heritage Center, South Dakota 4-H Foundation, and executive board of A Christian Ministry in the National Parks.

Having led a life full of accomplishments, Kay also received numerous awards over the years. She was one of the few women ever to be named an Honorary Park Ranger by the National Park Service. She was the first woman to receive the South Dakotan of the Year Distinguished Service Award from the University of South Dakota and was named South Dakota Small Business Person of the Year by the Small Business Administration in 1980. May 5, 1982, was designated as Kay Riordan Day by Gov. Bill Janklow. In 1985, Kay received South Dakota's prestigious Ben Black Elk Award for Tourism.

In addition to her philanthropic contributions to numerous civic projects, Kay also helped many people privately on an individual basis. She frequently took young people under her wings and assisted them with furthering their education or getting started in business. Kay was a strong patron of the arts, particularly for native American artists.

Those of us who knew Kay can recall our own special encounters with her. I recall Kay's gracious hospitality when my wife, Harriet, and I spent our honeymoon in the Black Hills in the early 1980's. Kay always made visitors feel welcome whenever they stopped by her

business or her second-story office with the beautiful view of Mount Rushmore. Many lessons can be learned from Kay's perseverance in the business world, her strongly held personal convictions, and her courageous struggle with cancer these past few years.

South Dakota has lost a true pioneer. In business, in her community, and in her heart, Kay was a trailblazer. Harriet and I extend our sympathies to her husband, Charlie; her nephew, Jack; and all her family and friends.

## RECOGNIZING RECIPIENTS OF THE GIRL SCOUT GOLD AWARD FROM THE STATE OF MARYLAND

Ms. MIKULSKI. Mr. President, each year an elite group of young women rise above the ranks of their peers and confront the challenge of attaining the Girl Scouts of the United States of America's highest rank in scouting, the Girl Scout Gold Award.

It is with great pleasure that I recognize and applaud young women from the State of Maryland who are this year's recipients of this most prestigious and time honored award.

These young women are to be commended on their extraordinary commitment and dedication to their families, their friends, their communities, and to the Girl Scouts of the United States of America.

The qualities of character, perseverance, and leadership which enabled them to reach this goal will also help them to meet the challenges of the future. They are our inspiration for today and our promise for tomorrow.

I am honored to ask my colleagues to join me in congratulating the recipients of this award from the State of Maryland. They are the best and the brightest and serve as an example of character and moral strength for us all to imitate and follow.

Finally, I wish to salute the families, Scout leaders, and the Girl Scouts of Central Maryland who have provided these young women with continued support and encouragement.

It is with great pride that I submit a list of this year's Girl Scout Gold Award recipients from the State of Maryland, and I ask unanimous consent that the list be printed in the RECORD.

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

GIRL SCOUT GOLD AWARD RECIPIENTS

Keri Albright.
Laura Bopp.
Elizabeth Brousil.
Linda Chermock.
Christina Chillemi.
Christy Gordon.
Devon Grove.
Sarah Hoyt.
Jennifer Kehm.
Melissa Kowalczyk.
Julie Kowalewski.
Janet Kuba.
Kara Lundell.
Carole Madden.
Karen Malinowski.
Jodie Manning.
Kristy Manning.
Rebecca Milanoski.
Katie Owens.
Leslie Perkins.
Dana Phillips.
Patricia L. Potler.
Virginia-Marie Prevas.
Courtney Risch.
Kristen Repoli.
Nicole Richardson.
Danielle Rivera.
Jennifer Rutledge.
Sherry D. Servia.
Shannon Skidmore.
Catherine Smith.
Katherine E. Stephens.
Laura A. Vanbrunt.
Rachel Wright.

## WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, the skyrocketing Federal debt which long ago soared into the stratosphere is in a category like the weather—everybody talks about it but almost nobody had undertaken the responsibility of trying to do anything about it until immediately following the elections last November.

When the 104th Congress convened in January, the House of Representatives approved a balanced budget amendment. In the Senate only 1 of the Senate's 54 Republicans opposed the balanced budget amendment; only 13 Democrats supported it. Thus, the balanced budget amendment failed by just one vote. There will be another vote later this year or next year.

As of the close of business yesterday, Tuesday, May 16, the Federal debt stood—down to the penny—at exactly $4,882,765,436,860.06 or $18,535.06 for every man, woman, and child on a per capita basis.

## MESSAGES FROM THE HOUSE

At 2:11 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that pursuant to the provisions of section 4355(a) of title 10, United States Code, the Speaker appoints the following Members as members of the Board of Visitors to the United States Military Academy on the part of the House: Mrs. KELLY, Mr. TAYLOR of North Carolina, Mr. HEFNER, and Mr. LAUGHLIN.

The message further announced that pursuant to the provisions of section 6968(a) of title 10, United States Code, the Speaker appoints the following Members as members of the Board of Visitors to the United States Naval Academy on the part of the House: Mr. SKEEN, Mr. GILCHREST, Mr. HOYER, and Mr. MFUME.

The message also announced that pursuant to the provisions of section 5(b) of Public Law 93-642, the Speaker appoints the following Members as members of the Board of Trustees of the Harry S Truman Scholarship Foundation on the part of the House: Mr. EMERSON and Mr. SKELTON.

The message further announced that pursuant to the provisions of section 1505 of Public Law 99-498, the Speaker appoints the following Members as members of the Board of Trustees of the Institute of American Indian and Alaska Native Culture and Arts Development on the part of the House: Mr. YOUNG of Alaska and Mr. KILDEE.

## REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled "Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1995" (Rept. No. 104-84).

## 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. SIMON (for himself, Mr. REID, Mr. MOYNIHAN, Mr. BRYAN, Mr. BROWN, Mr. CAMPBELL, Mr. MACK, Mr. GRAHAM, Mrs. BOXER, Mrs. FEINSTEIN, and Mr. ROBB):

S. 811. A bill to authorize research into the desalinization and reclamation of water and authorize a program for States, cities, or qualifying agencies desiring to own and operate a water desalinization or reclamation facility to develop such facilities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. THURMOND:

S. 812. A bill to establish the South Carolina National Heritage Corridor, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MURKOWSKI:

S. 813. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MCCAIN (for himself, Mr. INOUYE, and Mr. DOMENICI):

S. 814. A bill to provide for the reorganization of the Bureau of Indian Affairs, and for other purposes; to the Committee on Indian Affairs.

By Mr. HATCH:

S. 815. A bill to amend the Internal Revenue Code of 1986 to simplify the assessment and collection of the excise tax on arrows; to the Committee on Finance.

By Mr. DEWINE (for himself, Mr. STEVENS, Mr. ASHCROFT, Mr. HATCH, and Mr. THURMOND):

S. 816. A bill to provide equal protection for victims of crime, to facilitate the exchange of information between Federal and State law enforcement and investigation entities, to reform criminal procedure, and for

other purposes; to the Committee on the Judiciary.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. D'AMATO (for himself and Mr. DOLE):

S. Res. 120. A resolution establishing a special committee administered by the Committee on Banking, Housing, and Urban Affairs to conduct an investigation involving Whitewater Development Corporation, Madison Guaranty Savings and Loan Association, Capital Management Services, Inc., the Arkansas Development Finance Authority, and other related matters; considered and agreed to.

By Mr. FEINGOLD (for himself, Mrs. KASSEBAUM, Mr. HELMS, Mr. PELL, and Mr. SIMON):

S. Res. 121. A resolution in support of the Angola Peace Process; considered and agreed to.

By Mr. HELMS (for himself, Mr. CRAIG, Mr. COVERDELL, Mr. MACK, Mr. THOMAS, Mr. SMITH, and Mr. D'AMATO):

S. Con. Res. 14. A concurrent resolution urging the President to negotiate a new base rights agreement with the Government of Panama to permit United States Armed Forces to remain in Panama beyond December 31, 1999; to the Committee on Foreign Relations.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SIMON (for himself, Mr. REID, Mr. MOYNIHAN, Mr. BRYAN, Mr. BROWN, Mr. CAMPBELL, Mr. MACK, Mr. GRAHAM, Mrs. BOXER, Mrs. FEINSTEIN, and Mr. ROBB):

S. 811. A bill to authorize research into the desalinization and reclamation of water and authorize a program for States, cities, or qualifying agencies desiring to own and operate a water desalinization or reclamation facility to develop such facilities, and for other purposes; to the Committee on Environment and Public Works.

THE WATER DESALINIZATION RESEARCH AND DEVELOPMENT ACT OF 1995

Mr. SIMON. Mr. President, I am introducing a bill today which is being cosponsored by Senator REID of Nevada, Senator MOYNIHAN of New York, Senator BRYAN of Nevada, Senator BROWN of Colorado, Senator NIGHTHORSE CAMPBELL of Colorado, Senator MACK of Florida, Senator GRAHAM of Florida, Senator BOXER of California, Senator FEINSTEIN of California, and Senator ROBB of Virginia.

It is legislation that has, frankly, passed this body twice but has gotten mired down not because of controversy but because of jurisdictional problems over in the other body. It is a bill that says we have to do more in the area of research on finding less expensive ways of converting salt water to fresh water.

I do not have a chart here of the world population and water supply, I regret to say. I will get that later when we are on the floor for discussion. But it would be dramatic. We have in the world today somewhere between 5.5 billion and 5.8 billion people. By the middle of the next century, when these pages will be around, in the middle of the next century, we will have around 10 billion people. The world population is going up like this. Our water supply is not going up. It is constant. You do not need to be an Einstein to recognize that we are headed for problems. This is not new.

On April 12, 1961, President John F. Kennedy was asked at a press conference what would be the great breakthrough he would like to see in his administration. He responded:

> We have made some exceptional scientific advances in the last decade. They are not as spectacular as the man in space or the first Sputnik, but they are important. I have said that I thought that if we could ever competitively, at a cheap rate, get fresh water from salt water, that it would be in the long-range interests of humanity which would really dwarf any other scientific accomplishments. I am hopeful that we will intensify our efforts in that area.

And for a short time after his Presidency, we were doing some things in this area, and then because there is not an immediate problem, interest diminished and research has diminished. Yet, we face some very serious problems. We know already about what is happening in California. The interesting thing is that the areas where we have severe water shortages frequently are right at the water's edge. California has problems. I was just reading about Tampa, FL, the other day. Virginia Beach, VA, has problems. These are areas right at the water's edge.

Our problems, frankly, Mr. President, are very minor compared to the problems in the rest of the world. If we can look at my next chart here, this is what is happening in terms of water shortages versus water scarcity. The nations in blue face water scarcity, and water shortage are the nations in red. You will see what is happening very clearly. When you talk about water scarcity, you are talking about nations where the average water consumption is dramatically less—less than half of what we consume in the United States per person in terms of water. They face very severe problems.

So those are the figures in blue, going from 7 nations in 1955 to 20 nations in 1990, and 34 nations are anticipated to have serious problems by the year 2025.

In the Middle East, it is very interesting that you had President Sadat, who was a giant in this century, saying, "Egypt will never go to war again for land. If we go to war, it will be for water." In the Middle East, also, both Prime Minister Rabin and King Hussein have said, "The potential for conflict in our area is because of water." The agreement that has been worked out between Jordan and Israel includes an agreement on water. It is just vital. Mauritania on the northern coast of Africa, when I was there a few years ago, was growing 8 percent of their own food. It is a desperately poor country right on the ocean. We do have a process of converting salt water to fresh water, inexpensive enough that we can use it for drinking water. But 85 percent of the water that we use is used for industrial and agricultural purposes. And it is not inexpensive enough to use for those purposes.

Spain is experiencing a drought right now. Spain has a number of desalination plants, but they face major long-term problems. Greece and Cyprus have a very similar situation. You can go through a whole series of countries. The Cape Verde islands are totally dependent on desalination, except for very, very minimal rain fall that they get. Egypt, right on the Mediterranean, has a mushrooming population. If the Presiding Officer has not had a chance to visit Egypt, I hope he will one of these years. You see that population in the capital city and you know people have to eat and they have to drink. Egypt is dependent on 2 percent of its land. Yet, it is right on the Mediterranean. It potentially can be a garden spot. We have to turn that around.

Senator REID joined me, I guess about 3 years ago, on a trip where we looked at some water spots, including the Aral Sea. We looked in Uzekistan. The Aral Sea was the fourth largest body of water in the world, and the Aral Sea, Mr. Khrushchev was told, "You can divert some of the water for cotton growing and it will eventually get back into the Aral Sea." And, in the old Soviet Union, when the boss said, "Do this," it was done. And the water began to recede.

Senator REID and I stood at the banks of the Aral Sea and looked down 50 or 75 feet to dry land. The dramatic scene there was because shipowners—of course, not shipowners, but the people who ran them; everything was owned by the Soviet Union—the people who ran the ships were told, "Just keep your ships there, the water will come back." The water did not come back. And you had this dramatic scene of ships sitting on dry land, 50 miles from where the water is.

It is a powerful thing. We have had headlines about oil shortages and gasoline shortages. Let me tell my colleagues, they are minor compared to the headlines we are going to have in another decade or two if we do not get ahold of this question of converting salt water to fresh water more inexpensively. What we are asking in this legislation that has now twice passed this body unanimously is that we devote some of our resources to this cause. It is extremely important. Water is absolutely essential for the survival of humanity.

UNICEF, the United Nations Children's Fund, tells us that 35,000 children worldwide die each day, the majority on the African Continent, either from hunger or disease caused either by lack of water or by contaminated water. I wrote to Secretary General Boutros Boutros-Ghali some time ago about what I am doing, and he wrote back:

I am particularly pleased to hear of your interest in water issues and the legislation you are sponsoring on research on less costly desalinization methods. As you rightly point out, such concerns are uppermost in the minds of people in regions where fresh water is scarce, not least in my own part of the world. During my tenure as a Secretary General, I will do my utmost to promote international cooperation regarding this most crucial resource.

This may seem like something someone from Illinois or Oklahoma should not be that much interested in. It affects all of us. It affects the future stability of the world, and it affects us even very directly in terms of prices. When California does not get enough water, fruits, and vegetables from California are going to cost more in Oklahoma and in Illinois. But it is much more significant than that. If we do not find a less expensive way of converting salt water to fresh water, and more than 90 percent of the world's water is salt water, the world is headed for some very, very difficult times. I hope we will pass this legislation and do the responsible thing.

I have one more chart here showing what is happening in the United States alone. The United States, again, does not face problems anywhere near as severe as the rest of the world. But you see the water availability is the blue line and you see it going down like this. You see our population going up. It is clearly a problem that the United States has to face and the world has to face.

I am pleased to have bipartisan cosponsorship. I am pleased this body has passed this legislation before. I hope we will do it again, and I hope our friends in the House can get the jurisdictional problems solved and we can pass it over there. I believe it is genuinely noncontroversial and is clearly needed by this country and by the world.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 811

*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 "Water Desalinization Research and Development Act of 1995".

**SEC. 2. DECLARATION OF POLICY.**

In view of the increasing shortage of usable surface and ground water in many parts of the United States and the world, it is the policy of the United States to—

(1) perform research to develop low-cost alternatives for desalinization of saline water and reclamation of nonusable nonsaline water to provide water of a quality suitable for environmental enhancement, agricultural, industrial, municipal, and other beneficial consumptive or nonconsumptive uses; and

(2) provide, through cooperative activities with local sponsors, desalinization and water reclamation processes and facilities that provide proof-of-concept demonstrations of advanced technologies for the purpose of developing and conserving the water resources of this Nation and the world.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) DESALINIZATION.—The term "desalinization" means the use of any process or technique (by itself or in conjunction with other processes or techniques) for the removal and, when feasible, adaptation to beneficial use, of organic and inorganic elements and compounds from saline water.

(2) NONUSABLE NONSALINE WATER.—The term "nonusable nonsaline water" that is not saline water but, because it contains biological or other impurities, is not usable water.

(3) RECLAMATION.—The term "reclamation" means the use of any process or techniques (by itself or in conjunction with other processes or techniques) for the removal and, when feasible, adaptation to beneficial use, of organic and inorganic elements and compounds from nonusable nonsaline water.

(4) SALINE WATER.—The term "saline water" means sea water, brackish water, and other mineralized or chemically impaired water.

(5) SPONSOR.—The term "sponsor" means a local, State, or interstate agency responsible for the sale and delivery of usable water that has the legal and financial authority and capability to provide the financial and real property requirements needed for a desalinization or reclamation facility.

(6) UNITED STATES.—The term "United States" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

(7) USABLE WATER.—The term "usable water" means water of a high quality suitable for environmental enhancement, agricultural, industrial, municipal, and other beneficial consumptive or nonconsumptive uses.

**SEC. 4. RESEARCH AND DEVELOPMENT.**

(a) IN GENERAL.—In order to gain basic knowledge concerning the most efficient means by which usable water can be produced from saline or nonusable nonsaline water, the Secretary of the Interior, in consultation with the Secretary of the Army, shall conduct a basic research and development program under this section.

(b) CONTENTS OF PROGRAM.—For the basic research and development program, the Secretary of the Interior shall—

(1) conduct, encourage, and promote fundamental scientific research and basic studies to develop the best and most economical processes and methods for converting saline water and nonusable nonsaline water into usable water through research grants and contracts—

(A) to conduct research and technical development work;

(B) to make studies in order to ascertain the optimum mix of investment and operating costs;

(C) to determine the best designs for different conditions of operation; and

(D) to investigate increasing the economic efficiency of desalinization or reclamation processes by using the processes as dual-purpose co-facilities with other processes involving the use of water;

(2) study methods for the recovery of byproducts resulting from the desalinization or reclamation of water to offset the costs of treatment and to reduce the environmental impact from those byproducts; and

(3) prepare a management plan for conduct of the research and development program established under this section.

(c) COORDINATION WITH OTHER AGENCIES.—

(1) IN GENERAL.—The Secretary of the Interior shall conduct activities under this section in coordination with—

(A) the Department of Commerce, specifically with respect to marketing and international competition; and

(B)(i) the Departments of Defense, Agriculture, State, Health and Human Services, and Energy;

(ii) the Environmental Protection Agency;

(iii) the Agency for International Development; and

(iv) other concerned public and private entities.

(2) OTHER AGENCIES.—In addition to the agencies identified in paragraph (1), other interested agencies may furnish appropriate resources to the Secretary of the Interior to further the activities in which such other agencies are interested.

(d) AVAILABILITY OF RESEARCH.—All research sponsored or funded under this section shall be carried out in such a manner that information, products, processes, and other developments resulting from Federal expenditures or authorities shall (with exceptions necessary for national defense and the protection of patent rights) be available to the general public.

(e) RELATIONSHIP TO ANTITRUST LAWS.—Section 10 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5909) shall apply to the activities of persons in connection with grants and contracts made by the Secretary of the Interior under this section.

**SEC. 5. DESALINIZATION DEVELOPMENT PROGRAM.**

(a) IN GENERAL.—The Secretary of the Interior and the Secretary of the Army shall jointly—

(1) conduct a desalinization development program; and

(2) in connection with the program, design and construct desalination facilities.

(b) SELECTION OF DESALINIZATION DEVELOPMENT FACILITIES.—

(1) APPLICATION.—A sponsor shall submit to the Secretary of the Interior and Secretary of the Army an application for the design and construction of a facility and certification that the sponsor will provide the required cost sharing.

(2) SELECTION.—Facilities shall be selected subject to availability of Federal funds.

(c) COST SHARING.—

(1) INITIAL COST.—The initial cost of a facility shall include—

(A) design costs;

(B) construction costs;

(C) lands, easements, and rights-of-way costs; and

(D) relocation costs.

(2) MINIMUM SPONSOR SHARE.—The sponsor for a facility under the desalinization development program shall pay, during construction, at least 25 percent of the initial cost of the facility, including providing all lands,

easements, and rights-of-way and performing all related necessary relocations.

(3) MAXIMUM FEDERAL SHARE.—The Secretary of the Interior and Secretary of the Army shall pay not more than $10,000,000 of the initial cost of a facility.

(d) OPERATION AND MAINTENANCE.—Operation, maintenance, repair, and rehabilitation of a desalinization facility shall be the responsibility of the sponsor of the facility.

(e) REVENUE.—All revenue generated from the sale of usable water from a desalinization facility shall be retained by the sponsor of the facility.

**SEC. 6. MISCELLANEOUS AUTHORITIES.**

In carrying out sections 5 and 6, the Secretary of the Interior and the Secretary of the Army may—

(1) accept technical and administrative assistance from a State or other public entities and from private persons in connection with research and development activities relating to desalinization and reclamation of water;

(2) enter into contracts or agreements stating the purpose for which the assistance is contributed and, in appropriate circumstances, providing for the sharing of costs between the Secretary and such entities or persons;

(3) make grants to educational and scientific institutions;

(4) contract with educational and scientific institutions and engineering and industrial firms;

(5) by competition or noncompetitive contract or any other means, engage the services of necessary personnel, industrial and engineering firms, and educational institutions;

(6) use the facilities and personnel of Federal, State, municipal, and private scientific laboratories;

(7) contract for or establish and operate facilities and tests to conduct research, testing, and development necessary for the purposes of this Act;

(8) acquire processes, data, inventions, patent applications, patents, licenses, lands, interests in lands and water, facilities, and other property by purchase, license, lease, or donation;

(9) assemble and maintain domestic and foreign scientific literature and issue pertinent bibliographical data;

(10) conduct inspections and evaluations of domestic and foreign facilities and cooperate and participate in their development;

(11) conduct and participate in regional, national, and international conferences relating to the desalinization of water;

(12) coordinate, correlate, and publish information which will advance the development of the desalinization of water; and

(13) cooperate with Federal, State, and municipal departments, agencies and instrumentalities, and with private persons, firms, educational institutions, and other organizations, including foreign governments, departments, agencies, companies, and instrumentalities, in effectuating the purposes of this Act.

**SEC. 7. DESALINIZATION CONFERENCE.**

(a) ESTABLISHMENT.—The President is requested to instruct the Administrator of the Agency for International Development to sponsor an international desalinization conference within 1 year after the date of enactment of this Act.

(b) PARTICIPANTS.—Participants in the conference under subsection (a) should include scientists, private industry experts, desalinization experts and operators, government officials from the nations that use and conduct research on desalinization, and government officials from nations that could benefit from low-cost desalinization technology (particularly nations in the developing world), and international financial institutions.

(c) PURPOSE.—The conference under subsection (a) shall—

(1) explore promising new technologies and methods to make affordable desalinization a reality in the near term; and

(2) propose a research agenda and a plan of action to guide longer-term development of practical desalinization applications.

(d) FUNDING.—

(1) AID FUNDS.—Funding for the conference under subsection (a) may come from operating or program funds of the Agency for International Development.

(2) OTHER NATIONS.—The Agency for International Development shall encourage financial and other support from other nations, including those that have desalinization technology and those that might benefit from such technology.

**SEC. 8. REPORTS.**

(a) IN GENERAL.—Not later than 1 year after following the date of enactment of this Act, and annually thereafter, the Secretary of the Interior, in consultation with the Secretary of the Army, shall prepare a report to the President and Congress concerning the administration of this Act.

(b) CONTENTS.—A report under subsection (a) shall describe—

(1) the actions taken by the Secretary of the Interior and the Secretary of the Army during the calendar year preceding the year in the report is submitted; and

(2) the actions planned for the following calendar year.

**SEC. 11. AUTHORIZATION OF APPROPRIATIONS.**

(a) RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated to carry out section 4—

(1) $5,000,000 for fiscal year 1996;

(2) $10,000,000 for fiscal year 1997; and

(3) such sums as are necessary for fiscal years 1998, 1999, and 2000.

(b) DESALINIZATION DEVELOPMENT PROGRAM.—There are authorized to be appropriated to carry out section 5 such sums as are necessary, up to a total of $50,000,000, for fiscal years 1996, 1997, 1998, 1999, and 2000, of which 50 percent shall be made available to the Department of the Interior and 50 percent shall be made available to the civil works program of the Army Corps of Engineers.

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By Mr. THURMOND:

S. 812. A bill to establish the South Carolina National Heritage Corridor, and for other purposes; to the Committee on Energy and Natural Resources.

THE SOUTH CAROLINA NATIONAL HERITAGE CORRIDOR ACT OF 1995

Mr. THURMOND. Mr. President, I rise today, along with Senator HOLLINGS, to introduce the South Carolina National Heritage Corridor Act of 1995. This legislation would establish a framework to help protect, conserve, and promote the natural, historical, cultural, and recreational resources of the region which have national significance. A companion bill, H.R. 1553, was introduced in the House of Representatives on May 3, 1995.

Specifically, this legislation would establish a national heritage corridor in South Carolina running from the western Piedmont down along the Savannah Valley toward Augusta, GA, then following the route of the old Charleston to Hamburg Railroad along the Ashley River Road to Charleston. This route contains 14 South Carolina counties: Oconee, Pickens, Anderson, Abbeville, Greenwood, McCormick, Edgefield, Aiken, Barnwell, Orangeburg, Bamberg, Dorchester, Colleton, and Charleston.

Further, this measure would establish a 23 member Commission, consisting of county representatives, South Carolina State officials, and Federal officials, including the Director of the National Park Service. It authorizes the Commission to oversee the development and implementation of a corridor management action plan. This plan will inventory the resources of the heritage corridor and discuss advisory standards for the use and promotion of those resources. Mr. President, let me emphasize that this legislation protects private property rights and will not interfere with local land use ordinances or plans.

The legislation requires the active participation of the Secretary of the Interior, who shall appoint Commission members, approve the corridor management action plan, provide assistance to the Commission, and report to Congress on the actions taken to carry out the act.

Finally, this legislation requires that the Federal cost share percentage, including annual operating expenses, may not exceed 50 percent. However, non-Federal matching funds may be not only cash, but also services or in-kind contributions.

Mr. President, the heritage corridor concept is a technique that has been used successfully in various parts of our Nation to promote historic preservation, natural resource protection, tourism, and economic revitalization for both urban and rural areas. Congress, recognizing that heritage corridors provide a flexible framework for governmental and private organizations to work together on a coordinated regional basis, has recognized and formally designated numerous heritage corridor areas throughout the Nation. Many more are in various stages of planning or development.

The initiative to develop the South Carolina National Heritage Corridor is an outgrowth of a grassroots effort in my home State to promote the history, culture, natural resources, and economy of the region. County visitor councils, historical societies, and other private and government entities are now participating in this project.

The corridor project was awarded a Federal grant for a demonstration project linking cultural and economic development. Another grant has been awarded to conduct a feasibility study and plan for the development and management of the corridor. That work is

well underway and will be completed this year.

As a result of those planning efforts, the corridor project has conducted a thorough asset inventory and is exploring management and marketing alternatives. The enactment of this legislation, to provide for national recognition, will permit the heritage corridor project to broaden its efforts to preserve and promote the resources of the corridor and to expand tourism and economic development in the region.

Mr. President, I would like to describe some of the historic, cultural, and natural resources and sites of national significance which are contained in the South Carolina National Heritage Corridor. Let me begin by referencing correspondence between Dr. Rodger E. Stroup of the South Carolina State Museum and Ms. Joan Davis of the South Carolina Department of Parks, Recreation and Tourism. In his letter, Dr. Stroup describes the path of the corridor, noting many specific sites and areas of national significance. I ask unanimous consent that a copy of Dr. Stroup's correspondence be printed in the RECORD following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. In many respects, the heritage corridor forms a microcosm of the lower South and its history. In the upper region of the corridor, during the 1750's and 1760's, settlers and migrants came in search of rich lands. This area became a center of cotton and agricultural production. As westward lands opened up for settlement, it was a major jumping off point for migration during the antebellum years.

Significant events in the industrial and transportation history of the South took place in the corridor. Graniteville was the birthplace of the southern textile industry. It is the site of the first large-scale cotton mill in the South, built in 1845. This became one of the most important manufacturing centers in the pre-Civil-War South, a model for the textile industry. Located on one of the South's major cotton routes, it remains a textile center today. To accommodate the westward moving cotton crop, South Carolina merchants built the Charleston to Hamburg railroad, the longest railroad in the Nation in 1832. The corridor also contains precious natural resources. The Francis Beidler Forest contains the largest remaining virgin stand of bald cyprus and tupelo trees in the world. Additionally, the Cathedral Bay Heritage Wildlife Preserve contains unique geological features known as the Carolina Bays. These oval depressions in the earth, the origin of which remains a mystery, hold black water lakes. The significant riverine and estuarine systems of the ACE Basin form an ecologically diverse area which contains rare plants and serves as a wildlife and waterfowl habitat.

Finally, Mr. President, located within the corridor are numerous historical sites and national historic landmarks. For example, Middleton Place, on the banks of the Ashley River is an 18th century plantation and the site of America's oldest landscaped gardens. It has survived revolution, civil war, and natural disasters. It was home to Henry Middleton, President of the Continental Congress and his son, Arthur, a signer of the Declaration of Independence. Battlefields of both the Revolutionary War and of the Civil War are located in the corridor. Of great historical significance is the Burt-Stark House in Abbeville. At this site, less than a month after General Lee's surrender at Appomattox, the President of the Confederate States of America, Jefferson Davis, counseled with his generals on the conduct of the war. A decision was reached at this meeting to disband the Armies of the Confederacy.

Mr. President, these are just a few examples of the richness of this corridor. The corridor has much more to offer; much that reminds us of where we have been as a nation and where we are today. These and other attractions are representative of the merging of several cultures along the corridor—African, Caribbean, European, and native American. This legislation will assist the communities throughout the heritage corridor who are committed to the conservation and development of these assets.

Mr. President, the effort to establish a heritage corridor in South Carolina has broad support. The Governor of South Carolina, David Beasley, supports this endeavor. Various State agencies are working on this project, continuing the efforts which began under the direction of our former Governor, Carroll Campbell. I ask unanimous consent that a letter of support from Governor Beasley be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. THURMOND. Mr. President, I urge my colleagues to support this legislation. Further, I ask unanimous consent that the text of this bill be printed in the CONGRESSIONAL RECORD.

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

S. 812

*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 "South Carolina National Heritage Corridor Act of 1995".

**SEC. 2. FINDINGS AND PURPOSE.**

(a) FINDINGS.—Congress finds that—

(1) the South Carolina National Heritage Corridor, more than 250 miles in length, possesses a wide diversity of significant rare plants, animals, and ecosystems, agricultural and timber lands, shellfish harvesting areas, historic sites and structures, and cultural and multicultural landscapes related to the past and current commerce, transportation, maritime, textile, agricultural, mining, cattle, pottery, and national defense industries of the region, which provide significant ecological, natural, tourism, recreational, timber management, educational, and economic benefits;

(2) there is a national interest in protecting, conserving, restoring, promoting, and interpreting the benefits of the Corridor for the residents of, and visitors to, the Corridor area;

(3) a primary responsibility for conserving, preserving, protecting, and promoting the benefits resides with the State of South Carolina and the units of local government having jurisdiction over the Corridor area; and

(4) in view of the longstanding Federal practice of assisting States in creating, protecting, conserving, preserving, and interpreting areas of significant natural and cultural importance, and in view of the national significance of the Corridor, the Federal Government has an interest in assisting the State of South Carolina, the units of local government of the State, and the private sector in fulfilling the responsibilities described in paragraph (3).

(b) PURPOSES.—The purposes of this Act are—

(1) to protect, preserve, conserve, restore, promote, and interpret the significant land and water resource values and functions of the Corridor;

(2) to encourage and support, through financial and technical assistance, the State of South Carolina, the units of local government of the State, and the private sector in the development of a management action plan for the Corridor to ensure coordinated public and private action in the Corridor area in a manner consistent with subsection (a);

(3) to provide, during the development of an integrated Corridor Management Action Plan, Federal financial and technical assistance for the protection, preservation, and conservation of land and water areas in the Corridor that are in danger of being adversely affected or destroyed;

(4) to encourage and assist the State of South Carolina and the units of local government of the State to identify the full range of public and private technical and financial assistance programs and services available to implement the Corridor Management Action Plan;

(5) to encourage adequate coordination of all government programs affecting the land and water resources of the Corridor; and

(6) to develop a management framework with the State of South Carolina and the units of local government of the State for—

(A) planning and implementing the Corridor Management Action Plan; and

(B) developing policies and programs that will preserve, conserve, protect, restore, enhance, and interpret the cultural, historical, natural, economic, recreational, and scenic resources of the Corridor.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) COMMISSION.—The term "Commission" means the South Carolina National Heritage Corridor Commission established by section 5.

(2) CORRIDOR.—The term "Corridor" means the South Carolina National Heritage Corridor established by section 4.

(3) CORRIDOR MANAGEMENT ACTION PLAN.—The term "Corridor Management Action

Plan'' means the management action plan developed under section 7.

(4) GOVERNOR.—The term ''Governor'' means the Governor of the State of South Carolina.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

**SEC. 4. SOUTH CAROLINA NATIONAL HERITAGE CORRIDOR.**

(a) ESTABLISHMENT.—There is established in the State of South Carolina the South Carolina National Heritage Corridor.

(b) BOUNDARIES.—

(1) IN GENERAL.—The boundaries of the Corridor are generally the boundaries of the western counties of the State of South Carolina, extending from the western Piedmont along the Savannah Valley to Augusta, Georgia, along the route of the old Southern Railroad, along the Ashley River to Charleston.

(2) INCLUDED COUNTIES.—The Corridor shall consist of the following counties of South Carolina, in part or in whole, as the Commission may specify on the recommendations of the units of local government within the Corridor area:

(A) Oconee.
(B) Pickens.
(C) Anderson.
(D) Abbeville.
(E) Greenwood.
(F) McCormick.
(G) Edgefield.
(H) Aiken.
(I) Barnwell.
(J) Orangeburg.
(K) Bamberg.
(L) Dorchester.
(M) Colleton.
(N) Charleston.

(3) DETAIL.—The boundaries shall be specified in detail in the Corridor Management Action Plan.

**SEC. 5. SOUTH CAROLINA NATIONAL HERITAGE CORRIDOR COMMISSION.**

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established the South Carolina National Heritage Corridor Commission.

(2) RESPONSIBILITIES.—The Commission shall assist Federal, State, and local authorities and the private sector in developing and implementing the Corrridor Management Action Plan.

(b) MEMBERSHIP.—The Commission shall be composed of 23 members, appointed by the Secretary as follows:

(1) One member shall be the Director of the National Park Service, or a delegate of the Director, who shall be a nonvoting member.

(2) Six members shall be appointed from among recommendations submitted by the Governor, as follows:

(A) One member shall represent the interests of the South Carolina Department of Parks, Recreation, and Tourism or a successor agency to the department.

(B) One member shall represent the South Carolina Department of Natural Resources or a successor agency to the department.

(C) One member shall represent the South Carolina Arts Commission or a successor agency of the Commission.

(D) One member shall represent the South Carolina Museum Commission or a successor agency to the Commission.

(E) One member shall represent the South Carolina State Historic Preservation Office or a successor agency to the office.

(F) One member shall represent the South Carolina Department of Commerce or a successor agency to the department.

(3) Fourteen members shall be appointed from among recommendations submitted by the county commissioners, of which 1 member shall be appointed from each of the counties of Oconee, Pickens, Anderson, Abbeville, Greenwood, McCormick, Edgefield, Aiken, Barnwell, Orangeburg, Bamberg, Dorchester, Colleton, and Charleston of the State of South Carolina. The recommendations submitted by each county shall be based on recommendations from community visitor councils located within the county.

(4) One member with knowledge and experience in the field of historic preservation shall be appointed from among recommendations submitted by the Director of the National Park Service.

(5) One member shall be appointed from among recommendations submitted by the South Carolina Downtown Development Association.

(c) PERIOD OF APPOINTMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), each member of the Commission shall be appointed to serve a term of 3 years and, on expiration of a term, may be reappointed to serve for 1 or more additional terms.

(2) LIMITED APPOINTMENTS.—The members appointed under subsection (b) (2), (4), and (5) shall be appointed to serve a term of 2 years and, on expiration of a term, may be reappointed to serve for 1 or more additional terms.

(d) INITIAL APPOINTMENTS.—The Secretary shall appoint the initial members of the Commission not later than 180 days after the date of enactment of this Act.

(e) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the initial appointment was made. A member of the Commission appointed to fill a vacancy shall serve for the remainder of the term for which the initial member was appointed. A member of the Commission appointed for a definite term may serve after the expiration of the term until a successor is appointed.

(f) CHAIRPERSON.—The members of the Commission shall elect a Chairperson from among the members of the Commission. The Chairperson shall serve as Chairperson for the duration of the term for which the Chairperson was appointed.

(g) QUORUM.—A simple majority of Commission members shall constitute a quorum, but a lesser number may hold meetings. The affirmative vote of not less than 11 members of the Commission shall be required to approve the budget of the Commission.

(h) MEETINGS.—The Commission shall meet at least quarterly or at the call of the Chairperson or a majority of its members. Meetings of the Commission shall be subject to section 552b of title 5, United States Code.

(i) PERSONNEL MATTERS.—

(1) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall serve without compensation. Each member of the Commission who is an officer or employee of the Federal Government shall serve without compensation in addition to compensation received for service an officer or employee of the Federal Government.

(2) TRAVEL EXPENSES.—The members of the Commission, when engaged in Commission business, shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for persons employed intermittently in the Government service under section 5703 of title 5, United States Code.

(j) STAFF.—

(1) IN GENERAL.—The Commission may, without regard to civil service laws (including regulations), appoint and fix the compensation of such staff members as are necessary to enable the Commission to carry out its duties. The Commission may appoint a Director and other officers as the Commission considers necessary or appropriate. The Commission may appoint to the staff such specialists as the Commission considers necessary or appropriate to carry out the duties of the Commission, including specialists in the areas of planning, community development, interpretive services, historic preservation, recreation, natural resources, commerce and industry, education, financing, and public relations.

(2) COMPENSATION.—The Commission may fix the compensation of the Director and other staff members without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that no staff member may receive pay in excess of the annual rate payable for grade level GS–15 of the General Schedule.

(k) EXPERTS AND CONSULTANTS.—Subject to such rules as the Commission may adopt, the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates determined by the Commission to be reasonable.

(l) DETAIL OF GOVERNMENT EMPLOYEES.—On request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, the personnel of the agency to the Commission to assist the Commission in carrying out the duties of the Commission. The Commission may accept the services of personnel detailed from the State of South Carolina, or any political subdivision of the State, and may reimburse the State or political subdivision for the services.

(m) ADMINISTRATIVE SUPPORT.—The Administrator of General Services shall provide such administrative support services as the Commission may request, on a reimbursable basis.

**SEC. 6. POWERS OF THE COMMISSION.**

(a) PUBLIC MEETINGS.—The Commission may, for the purpose of carrying out this Act, hold such public meetings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may not issue subpoenas or exercise subpoena authority.

(b) BYLAWS.—The Commission may make such bylaws, rules, and regulations, consistent with this Act, as the Commission considers necessary to carry out its functions under this Act.

(c) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission, if authorized by the Commission, may take any action that the Commission is authorized to take under this section.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(e) USE OF FUNDS TO OBTAIN MONEY.—The Commission may use its funds to obtain money from any source under any program or law requiring the recipient of the money to make a contribution in order to receive the money.

(f) RETENTION OF REVENUES.—The Commission may retain revenue from the sale or lease of any goods or services.

(g) GIFTS.—Notwithstanding any other law, the Commission may seek and accept gifts, bequests, and donations of funds, property, or services from private individuals, foundations, corporations, and other private entities, and from public entities for the purpose

of carrying out its duties. For purposes of section 170(c) of the Internal Revenue Code of 1986, any donation to the Commission shall be considered to be a gift to the United States.

(h) ACQUISITION AND DISPOSITION OF REAL PROPERTY.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the Commission may not acquire real property or an interest in real property.

(2) CONDITIONS FOR ACQUISITION.—Subject to paragraph (3), the Commission may acquire real property or an interest in real property in the Corridor—

(A) by gift or devise;

(B) by purchase from a willing seller using donated or appropriated land acquisition funds; or

(C) by exchange.

(3) CONVEYANCE.—Any real property or interest in real property acquired by the Commission shall be conveyed by the Commission to an appropriate public agency or private nonprofit organization, as determined by the Commission—

(A) as soon as practicable after the acquisition; and

(B) on the condition that the real property or interest in real property limits use of the property to uses that are consistent with this Act.

(4) DISPOSAL OF PROPERTY.—The Commission may, with approval of the Secretary, sell any real property or interest in real property acquired pursuant to paragraph (2)(A) or (B) and retain the revenue from the sale.

(i) TECHNICAL ASSISTANCE.—For the purposes of implementing the Corridor Management Action Plan, the Commission may provide technical assistance to Federal agencies, the State of South Carolina, political subdivisions of the State, and persons (including corporations).

(j) ADVISORY GROUPS.—The Commission may establish public technical advisory groups to assist the Commission in carrying out the duties of the Commission with respect to the areas of economic development, historic preservation, natural resources, tourism, recreation and open space, and transportation. The Commission may establish such additional advisory groups as are necessary to carry out the duties of the Commission and ensure open communication with and assistance from interested persons (including organizations), the State of South Carolina, and political subdivisions of the State.

(k) LOCAL AUTHORITY AND PRIVATE PROPERTY RIGHTS.—Nothing in this Act shall be construed to authorize the Commission to interfere with—

(1) the rights of any person with respect to private property; or

(2) any local land use ordinance or plan of the State of South Carolina or a political subdivision of the State.

**SEC. 7. DUTIES OF THE COMMISSION.**

(a) IN GENERAL.—The Commission shall exercise powers authorized by section 6 to coordinate activities of Federal, State, and local governments and private businesses and organizations to further historic preservation, cultural conservation, natural area protection, soil conservation, timber management, and economic development in a manner consistent with this Act and in accordance with the Corridor Management Action Plan developed under subsection (b).

(b) CORRIDOR MANAGEMENT ACTION PLAN.—

(1) PERIOD FOR DEVELOPMENT.—Not later than 18 months after the date on which the Commission conducts its first meeting, the Commission shall submit a Corridor Management Action Plan for the Corridor to the Secretary and to the Governor for review and approval.

(2) PLAN REQUIREMENTS.—The Corridor Management Action Plan shall take into consideration State, county, and local plans existing on the date on which the Corridor Management Action Plan is prepared. The Corridor Management Action Plan shall—

(A) provide an inventory that includes any real property in the Corridor that should be conserved, protected, preserved, restored, managed, developed, or maintained because of the natural, cultural, historic, recreational, or scenic significance of the property;

(B) provide an analysis of then current and potential land uses within the Corridor that affect the character of the Corridor;

(C) determine the boundaries of the Corridor on the basis of the information collected pursuant to subparagraphs (A) and (B);

(D) recommend advisory standards and criteria applicable to the construction, preservation, restoration, alteration, and use of real property of natural, cultural, historic, recreational, or scenic significance within the Corridor;

(E) include a heritage interpretation plan to interpret the resources and values of the Corridor and provide for appropriate educational, recreational, and tourism opportunities and development of the Corridor;

(F) identify the full range of public and private technical and financial assistance programs available to implement the Corridor Management Action Plan and detail how appropriate Federal, State, and local programs may best be coordinated to promote the purposes of this Act; and

(G) contain a coordinated implementation plan that—

(i) specifies the activities of Federal, State, and local governments in relation to the Corridor; and

(ii) includes cost estimates, schedules, and a commitment of resources for the accomplishment of the implementation plan.

(c) APPROVAL OF PLAN.—

(1) APPROVAL BY GOVERNOR.—Not later than 60 days after receiving a Corridor Management Action Plan submitted by the Commission under subsection (b), the Governor shall approve or disapprove the Corridor Management Action Plan.

(2) APPROVAL BY SECRETARY.—A Corridor Management Action Plan approved by the Governor under paragraph (1) shall be submitted to the Secretary for approval or disapproval. Not later than 30 days after receipt of the Corridor Management Action Plan, the Secretary shall approve or disapprove the Corridor Management Action Plan.

(3) CRITERIA FOR DECISION.—The Governor and the Secretary shall approve a Corridor Management Action Plan if—

(A) the Corridor Management Action Plan will adequately protect the significant natural, cultural, historic, recreational, and scenic resource values and functions of the Corridor;

(B) the Commission has afforded adequate opportunity for public involvement in the preparation of the Corridor Management Action Plan; and

(C) the Secretary and the Governor receive adequate assurances from appropriate officials of the State of South Carolina that the recommended implementation program identified in the Corridor Management Action Plan will be initiated within a reasonable time after the date of approval of the Corridor Management Action Plan.

(d) DISAPPROVAL OF PLAN.—

(1) IN GENERAL—If the Secretary or the Governor disapproves a Corridor Management Action Plan, the Secretary or the Governor, as the case may be, shall—

(A) advise the Commission in writing of the reasons for the disapproval; and

(B) recommend revisions to the Corridor Management Action Plan.

(2) REVISION OF DISAPPROVED PLAN.—Not later than 90 days after the receipt of a notice of disapproval under paragraph (1), the Commission shall revise and resubmit the Corridor Management Action Plan for approval in accordance with subsection (c).

(e) IMPLEMENTATION OF PLAN.—

(1) IN GENERAL.—After the Secretary and the Governor review and approve a Corridor Management Action Plan, the Commission shall implement the Corridor Management Action Plan by taking appropriate steps to—

(A) conserve, protect, restore, preserve, and interpret the natural, cultural, and historic resources of the Corridor;

(B) promote the educational and recreational resources and opportunities with respect to the Corridor that are consistent with the resources of the Corridor; and

(C) support public and private efforts to achieve economic revitalization, in a manner consistent with the goals of the Corridor Management Action Plan.

(2) STEPS.—The steps referred to in paragraph (1) may include—

(A) assisting State and local governmental entities and nonprofit organizations in planning and implementing programs, projects, or activities in a manner consistent with this Act, including visitor use facilities, tour routes, and exhibits;

(B) encouraging, by appropriate means, enhanced economic development in the Corridor in a manner consistent with the goals of the Corridor Management Action Plan; and

(C) promoting public awareness and appreciation for historical, cultural, natural, recreational, and scenic resources and associated values of the Corridor.

(f) ANNUAL REPORTS.—

(1) REPORT OF THE COMMISSION.—As soon as practicable after the end of the first fiscal year in which the Commission is established, and annually thereafter, the Commission shall submit a report to the Secretary. The report shall describe, for the fiscal year that is the subject of the report—

(A) the expenses and income of the Commission; and

(B) a general description of the activities of the Commission.

(2) REPORT OF THE SECRETARY.—As soon as practicable after the date on which the Commission submits a report to the Secretary under paragraph (1), the Secretary shall submit a report to Congress that includes—

(A) for the fiscal year that is the subject of the report—

(i) a description of the loans, grants, and technical assistance provided by the Secretary, and from other Federal and non-Federal sources, to carry out this Act; and

(ii) an analysis of the adequacy of actions taken to carry out this Act; and

(B) a statement of the amount of funds and number of personnel that the Secretary anticipates will be made available to carry out this Act for the fiscal year following the fiscal year that is the subject of the report.

**SEC. 8. TERMINATION OF THE COMMISSION.**

(a) TERMINATION.—

(1) IN GENERAL.—Except as provided in subsection (b), the Commission shall terminate

on the date that is 12 years after the date of enactment of this Act.

(2) TRANSFER OF PROPERTY.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), any property or funds of the Commission remaining upon the expiration of the Commission shall be transferred by the Commission to the Secretary, to a State or local government agency, to a private nonprofit organization referred to in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from income taxes under section 501(a) of the Internal Revenue Code of 1986, or to any combination of the foregoing.

(b) EXTENSIONS.—The Commission may be extended for a period of not more than 5 years beginning on the date referred to in subsection (a) if, not later than 180 days before that date—

(1) the Commission determines that an extension is necessary to carry out this Act;

(2) the Commission submits the proposed extension to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate before the termination date; and

(3) the Secretary and the Governor approve the extension.

**SEC. 9. DUTIES OF THE SECRETARY.**

(a) ASSISTANCE.—On request of the Commission, and subject to the availability of funds appropriated specifically for the purpose, or made available on a reimbursable basis, the Secretary shall provide administrative, technical, financial, development, and operations assistance. The assistance may include—

(1) general administrative support in planning, finance, personnel, procurement, property management, environmental and historical compliance, and land acquisition;

(2) personnel;

(3) office space and equipment;

(4) planning and design services for visitor use facilities, trails, interpretive exhibits, publications, signs, and natural resource management;

(5) development and construction assistance, including visitor use facilities, trails, river use and access facilities, scenic byways, signs, waysides, and rehabilitation of historic structures; and

(6) operations functions, including interpretation and visitor services, maintenance, and natural resource management services conducted within the boundaries of the Corridor.

(b) LOANS, GRANTS, AND COOPERATIVE AGREEMENTS.—For the purposes of assisting in the development and implementation of the Corridor Management Action Plan, the Secretary may, in consultation with the Commission, make loans and grants to, and enter into cooperative agreements with, the State of South Carolina (or a political subdivision of the State), private nonprofit organizations, corporations, or other persons.

(c) LAND TRANSFERS.—The Secretary may accept transfers of real property from the Commission within the boundaries of the Corridor as established in the Corridor Management Action Plan.

**SEC. 10. DUTIES OF OTHER FEDERAL ENTITIES.**

Any Federal entity conducting or supporting activities directly affecting the Corridor shall—

(1) consult with the Secretary and the Commission with respect to such activities;

(2) cooperate with the Secretary and the Commission in carrying out their duties under this Act and, to the maximum extent practicable, coordinate those activities with the carrying out of those duties; and

(3) to the maximum extent practicable, conduct or support those activities in a manner that the Commission determines will not have an adverse effect on the Corridor.

**SEC. 11. AUTHORIZATION OF APPROPRIATIONS.**

(a) IN GENERAL.—Subject to subsection (b), there are authorized to be appropriated such sums as are necessary to carry out this Act.

(b) COST SHARING.—

(1) FEDERAL SHARE.—The Federal share of the funding provided to the Commission to carry out this Act for any year may not exceed 50 percent of the total cost of—

(A) the expenditures of the Commission for administrative matters for that year;

(B) the expenditures of the Commission for the development and implementation of the Corridor Management Action Plan for that year; and

(C) the expenditures of the Commission for land acquisition for that year.

(2) NON-FEDERAL SHARE.—The non-Federal share of the expenditures described in paragraph (1) may be in the form of cash, services, or in-kind contributions, fairly valued.

Mr. HOLLINGS. Mr. President, I am privileged today to join with Senator THURMOND in introducing the South Carolina National Heritage Corridor Act of 1995. This act aims to protect, restore, and promote the South Carolina National Historic Corridor—a 200-mile-long, 14 county swath in the western part of the State, running along the Savannah River Valley from the foothills of the Piedmont to North Augusta, at which point it follows the route of the old Hamburg-to-Charleston railroad all the way to Charleston.

This act has several objectives. It would protect the significant land and water resources of the national heritage corridor. It would support, through financial and technical assistance, the State and local governments, as well as the private sector, in developing a management action plan for the corridor. And it would create a management framework to bring together the State and local governments to jointly develop policies and programs to conserve and enhance the cultural, natural, economic, recreational, and scenic resources of the corridor.

Mr. President, the historic corridor concept has been used by a variety of public and private groups across the Nation to encourage historic and natural preservation, and to promote tourism and economic revitalization. The approach has been used successfully in the Blackstone River Valley National Heritage Corridor in Rhode Island and Massachusetts, in the lower Eastern Shore of Maryland, in the Lackawanna River Valley in Pennsylvania, and elsewhere. The heritage corridor concept offers a flexible way for government and private organizations to work together to promote economic growth and job creation.

Mr. President, with industry concentrated in a limited number of urban areas, it is no secret that small, scenic, towns, and rural areas are looking to tourism as a means of strengthening and diversifying their declining economies. The heritage corridor concept offers an opportunity for many communities to work cooperatively and pool their resources in order to boost tourism.

The South Carolina Heritage Corridor originated with a tourism committee in the city of Abbeville, SC, and has grown to include 14 counties and over 40 towns and rural communities. This is a grassroots movement that has captured the imagination and enthusiasm of citizens across the western part of my State. The South Carolina Heritage Corridor is well conceived and holds tremendous promise for my State. I urge my colleagues' support for this important bill.

EXHIBIT 1

SOUTH CAROLINA STATE MUSEUM,
*Columbia, SC.*

JOAN DAVIS,
*Community Development Division, S.C. Dept. of Parks, Recreation and Tourism, Columbia, SC.*

DEAR JOAN: I am intrigued with the concept of developing a Heritage Corridor in fourteen counties along South Carolina's western boundary. Stretching from Charleston to the mountains the proposed corridor would take in all of the elements that have characterized South Carolina for the past three centuries.

Beginning in Charleston, one of the most cosmopolitan of American cities before 1860, the corridor follows the route of the old South Carolina Railroad through Colleton, Bamberg, Barnwell and into Aiken County. When completed in 1831 this was the longest railroad in the world. Prior to the civil War this area was dotted with cotton plantations, the predominant economic factor in the state's antebellum years. In Aiken's Horsecreek Valley the state's textile industry was born during the 1830's. Only a few miles away the Savannah River Site was the nation's supplier of plutonium for nuclear weapons during the Cold War years. From North August, the terminus of the old South Carolina Railroad, the proposed corridor follows the Savannah Valley to the foothills in Oconee County.

Also a major cotton producing area before 1860, Edgefield County was home to ten governors, a remarkable number for a small county. Beginning in the 1820's the production of alkaline glazed stoneware began in Edgefield and subsequently spread throughout the South. Originally produced as utilitarian storage ware, today Edgefield pottery is a highly prized collectible.

The corridor continues along the Savannah Valley through once prosperous cotton fields into Anderson County, a major center of the state's textile industry. Around Anderson one finds both traditional textile companies as well as a recent influx of major multinational corporations.

The last section of the corridor takes one to the foothills of the Appalachian Mountains. A journey through the proposed corridor encompasses all of South Carolina's past and present. From cosmopolitan Charleston in the 1700's with its wealthy merchants and rice planters to the challenges facing low income residents of the Appalachians, the corridor crosses not only the state's entire geography, but also encompasses all of the state's peoples.

Historic sites, natural resources, cultural diversity and modern manufacturing successes are all part of the proposed corridor. A visitor who journeys through the corridor

certainly departs with an understanding of South Carolina's history and development, as well as an appreciation for the state's diverse geography and natural features.

This proposed corridor has several components of national significance. As the cotton culture spread through this area more and more planters became entrenched in defending slavery, contributing to the forces that lead to the Civil War. Leading proslavery advocates John C. Calhoun and James Henry Hammond lived in the corridor. As residences of the area their theories on states rights and slavery evolved from personal experiences.

After the war the development of the textile industry in the corridor changed the focus of South Carolina's economy from an agricultural to an industrial base, a phenomena which subsequently spread across the South. Finally, the location of the Savannah River Site in the center of the corridor reflects not only the Cold War strategy of the United States, but also the challenge of the cleanup facing all the nuclear production facilities across the country.

Sincerely,

RODGER E. STROUP, Ph.D.,
*Director of Collections and Interpretation.*

EXHIBIT 2

STATE OF SOUTH CAROLINA,
OFFICE OF THE GOVERNOR
*Columbia, SC, April 5, 1995.*

Hon. STROM THURMOND,
*Russell Senate Office Building,*
*Washington, DC.*

DEAR SENATOR: Developing the economies of the rural areas of our state requires that we employ creative non-traditional economic development methods. One such method is the application of a deliberate strategy to capitalize on the economic value of the rich cultural heritage and natural resources embodied in many of the rural areas of our state. Cultural or heritage tourism is one of the fastest growing trends in tourism. The resulting potential for job creation and tourism-related investment, if properly managed, can be a significant factor in the economic growth of these rural communities.

The proposed designation of a fourteen county region of our state as a South Carolina National Heritage Corridor represents a significant step forward in our efforts to recognize and capture this valuable economic resource. This is an area rich in cultural and natural resources with an important American story to tell. What happened along this corridor set in motion a style of socio-economic development that spread throughout the lower South and Southwest and eventually led to the industrialization of the region as well as war between the states. It tells the story of the development of agriculture, industry and transportation in the South.

The direct effort from the state level, I have designated the Department of Parks, Recreation and Tourism through its Community Development program, to be responsible for staffing this effort and providing a broad array of support for the South Carolina Heritage Corridor.

We all recognize the tremendous importance and long-range benefit of the initiative for South Carolina, and are particularly pleased that the proposed area includes your hometown of Edgefield.

Thank you for your assistance.

Sincerely,

DAVID M. BEASLEY,
*Governor.*

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By Mr. MURKOWSKI:

S. 813. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes; to the Committee on Energy and Natural Resources.

THE PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION AMENDMENT ACT

• Mr. MURKOWSKI. Mr. President, I introduced a bill, at the request of the administration, to amend the Pennsylvania Avenue Development Corporation Act of 1972, to authorize appropriations for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes.

The bill, when enacted, would authorize appropriations for salaries and expenses for the Pennsylvania Avenue Development Corporation [PADC] for fiscal years 1996 and 1997. PADC is the agency which is responsible for the revitalization of the Pennsylvania area between the White House and the Capitol. Since PADC was created by an act of Congress in 1972, it has achieved notable success in transforming America's Main Street from "a scene of desolation," in the words of a Presidential commission formed in the late 1960's to study the condition of the avenue, to a great boulevard worthy of its role in the Nation's history and its place in the center of the Nation's Capital City.

PADC is a successful example of how Government can work in partnership with the private sector to achieve beneficial results for both. Since PADC's work began, it has spent $120 million in appropriations to build new parks, plazas, sidewalks, and other kinds of improvements to the public areas and attracted over $1.5 billion in private investment to the blocks on the north side of Pennsylvania Avenue. From the Willard Hotel to the Canadian Embassy, virtually every one of the buildings that one sees in walking or driving down the avenue from the Treasury Building to the Capitol has been constructed or restored since PADC began its block development program in 1978, guided by a master plan approved by Congress in 1975. Now over 20 privately funded office, retail, hotel, and residential structures border a public thoroughfare improved with seven parks and plazas and widened sidewalks.

With only a few blocks remaining uncommitted for development, PADC is close to finishing its master plan and is scheduled to terminate operation at the end of fiscal year 1997. The bill I am introducing, by request of the administration, will allow the PADC's 27-person staff to complete its original mission to economically revitalize and beautify Pennsylvania Avenue.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

PENNSYLVANIA AVENUE
DEVELOPMENT CORPORATION,
*Washington, DC, March 22, 1995.*

Hon. ALBERT GORE,
*President of the Senate,*
*Washington, DC.*

DEAR MR. PRESIDENT: Enclosed is a draft bill, "To amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes." A similar package has been transmitted to the Speaker of the House.

The draft bill would amend the Pennsylvania Avenue Development Corporation Act of 1972 (86 Stat. 1266, 40 U.S.C. 871, as amended) to authorize appropriations of $3,043,000 for fiscal year 1996 and such sums as may be necessary for fiscal year 1997 for the operating and administrative expenses of the Pennsylvania Avenue Development Corporation.

The draft bill is part of the Pennsylvania Avenue Development Corporation's legislative program for the 104th Congress. The Administration recommends the draft bill be introduced, referred to the appropriate committee for consideration, and enacted.

The Office of Management and Budget advises that there is no objection to the presentation of this legislation for consideration of Congress, and that enactment of the legislation would be in accord with the program of the President.

Sincerely,

RICHARD A. HAUSER,
*Chairman.*•

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By Mr. MCCAIN (for himself, Mr. INOUYE, and Mr. DOMENICI):

S. 814. A bill to provide for the reorganization of the Bureau of Indian Affairs, and for other purposes; to the Committee on Indian Affairs.

THE BUREAU OF INDIAN AFFAIRS REORGANIZATION ACT

• Mr. MCCAIN. Mr. President, I am pleased to introduce legislation to reorganize and restructure the Bureau of Indian Affairs. I am very pleased to be joined by Senators INOUYE and DOMENICI as original cosponsors of this legislation. This legislation is intended to stimulate discussion in the Congress and among the tribes on the reorganization of the Bureau of Indian Affairs.

Since 1834, the Congress, the administration, and the American Indian people have tried to reorganize and reform the Bureau of Indian Affairs. Like the crusades of history, with each change in administration the assembled bureaucrats have gone charging off in one direction or another, commissioning studies or writing reports on the BIA, downsizing, centralizing, or decentralizing, whatever the political whim of the day dictated. From the Meriam Report in 1929 to the joint tribal/BIA/DOI reorganization task force report, the Congress has commissioned report after report on how to reform the way this Nation deals with native Americans and their governments. Since the

establishment of the BIA in 1824, there have been over 1,050 investigations, reports, commissions, and studies detailing how the BIA should be restructured, reorganized, or reformed. To measure the success of all of these efforts, one needs only to look at the statistics in the most recent census.

Nearly one of every three native Americans in this Nation is living in poverty. One-half of the families living on reservations are living in poverty. One-half of the Indian children under the age of six living on reservations are living in poverty. Unemployment on Indian reservations exceeds 25 percent. For every $100 earned by U.S. families, Indian families earn $62. The per capital income for an Indian living on the reservation is $4,478. There are approximately 90,000 Indian families who are homeless or underhoused. Nearly one in five Indian families living on the reservation are classified as severely overcrowded. One out of every five Indian homes lack complete plumbing facilities. These simple conveniences, that the rest of us take for granted, remain out of the grasp of many Indian families.

Since its creation in 1824, native Americans have relied on the Bureau of Indian Affairs as the principle agency of the Federal Government which is responsible for meeting this Nation's trust responsibility to American Indians and Alaska Natives. And yet based on its own studies and investigations, the Bureau of Indian Affairs has failed miserably in carrying out this Nation's solemn obligations to American Indians. If the health, social, and economic conditions on Indian reservations are the measure of our performance as the trustee for American Indians, then as a nation we have failed miserably.

It is time to change the way this Nation deals with American Indians. It is time to bring an end to the long and dismal history of the failures of the Federal Government to carry out its trust responsibilities to American Indians. It is time to break down the barriers to true tribal self-governance and self-determination by providing Indian tribes with the authority to design both the structure and function of its trustee, the Bureau of Indian Affairs. I remain convinced that we will not make significant improvements in the living conditions on most reservations without a major reform of the Bureau of Indian Affairs.

Today, I am introducing legislation which will provide Indian tribes with the authority to reorganize and restructure the Bureau of Indian Affairs at each level of the government. It provides Indian tribes with the ability to tailor the Bureau of Indian Affairs to meet their unique circumstances and needs. It will allow tribes to shape and redefine the trust relationship with the Federal Government.

This legislation is the culmination of over 4 years of work by Indian tribes, the administration, and the Congress. This bill reflects the recommendations of the joint tribal/BIA/DOI reorganization task force, which was established at the direction of former Interior Secretary Lujan. Over the course of 4 years, the task force held 22 meetings across all parts of Indian country to develop their recommendations for the reorganization of the Bureau of Indian Affairs. These recommendations fall into four general categories: Organizational reform, regulatory reform, education reform, and budget reform. The guiding principles established by the joint tribal/BIA/DOI reorganization task force are to decentralize decisionmaking of the Bureau of Indian Affairs, to provide maximum funding to Indian tribes for service delivery, to maintain the flexibility of the area/agency organizational design, to establish well-defined Federal and tribal roles at all levels of the bureaucracy, and to create a tribal-Federal consultation process to govern all aspects of the reorganization.

The legislation I am introducing closely adheres to the spirit and intent of the report of the joint tribal/BIA/DOI reorganization task force. This bill will provide for the reorganization of the BIA at the agency, area and central offices with savings attendant to such reorganization to be allocated to the tribes. It will provide for the transfer or delegation of decisionmaking authority to the tribe or the agency level of the BIA, consistent with the principles of self-governance and self-determination. The bill provides the authority to Indian tribes to develop, in negotiations with the Interior Department, reorganization plans for the area and agency offices of the Bureau of Indian Affairs. These plans may include a reorganization of BIA organizational structures, reallocation of personnel, delegations of secretarial authority, transfers of functions, waivers of regulations or other authorities, reordering of funding priorities, and the transfer of any savings realized by such reorganization directly to the tribes.

The bill also provides for the reorganization of the central office of the BIA so that Indian tribes from each area office can determine how the central office resources used to provide services to their area should be allocated. Tribes in each area of the BIA will be able to determine what services will be provided by the central office, what funds and authorities should be distributed or delegated to the area and agency offices and what funds and authorities should be distributed or delegated to the tribes themselves. Finally, the bill will require the Secretary to repeal the provisions of the BIA manual. Any provision of the BIA manual which are deemed necessary will have to be promulgated as regulations subject to review and comment. The bill will also provide for the establishment of a tribal task force to recommend regulatory reforms in title 25 of the Code of Federal Regulations.

The introduction of this legislation marks only the first step in carrying out the commitment made to Indian tribes when the joint tribal/BIA/DOI reorganization task force was first chartered. I remain committed to work with Indian tribes and the administration to realize the vision of those tribal leaders who met for hundreds of hours in developing recommendations to bring real and necessary change to the Bureau of Indian Affairs. I look forward to full and complete discussions with tribal leaders on this legislation and I urge all of our colleagues to join with us to ensure prompt enactment of legislation to reorganize the Bureau of Indian Affairs.

Mr. President, I ask unanimous consent that the full text of the bill and the accompanying section-by-section analysis appear in the RECORD.

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

S. 814

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE, TABLE OF CONTENTS, AND DEFINITIONS.**

(a) SHORT TITLE.—This Act may be cited as the "Bureau of Indian Affairs Reorganization Act of 1995".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title, definitions, and table of contents.

TITLE I—REORGANIZATION COMPACTS

Sec. 101. Reorganization of area offices.
Sec. 102. Reorganization of agency offices.
Sec. 103. Reorganization of central office.
Sec. 104. Savings provisions.
Sec. 105. Additional conforming amendments.
Sec. 106. Authorization of appropriations.
Sec. 107. Effective date.
Sec. 108. Separability.
Sec. 109. Suspension of certain administrative actions.
Sec. 110. Statutory construction.

TITLE II—AMENDMENT TO THE INDIAN SELF-DETERMINATION ACT

Sec. 201. Budget development.

TITLE III—REFORM OF THE REGULATIONS OF THE BUREAU OF INDIAN AFFAIRS

Sec. 301. BIA Manual.
Sec. 302. Task force.
Sec. 303. Authorization of appropriations.

(c) DEFINITIONS.—For purposes of this Act, the following definitions shall apply:

(1) AREA OFFICE.—The term "area office" means 1 of the 12 area offices of the Bureau of Indian Affairs.

(2) AREA OFFICE PLAN.—The term "area office plan" means a plan for the reorganization of an area office negotiated by the Secretary and Indian tribes pursuant to section 101.

(3) AGENCY OFFICE.—The term "agency office" means an agency office of the Bureau of Indian Affairs.

(4) AGENCY OFFICE PLAN.—The term "agency office plan" means a plan for the reorganization of an agency office negotiated by

the Secretary and Indian tribes pursuant to section 102.

(5) BIA MANUAL.—The term "BIA Manual" means the most recent edition of the Bureau of Indian Affairs Manual issued by the Department of the Interior.

(6) BUREAU.—The term "Bureau" means the Bureau of Indian Affairs.

(7) CENTRAL OFFICE.—The term "central office" means the central office of the Bureau, that is housed in the offices of the Department in Washington, D.C. and in Albuquerque, New Mexico.

(8) CENTRAL OFFICE PLAN.—The term "central office plan" means the plan for the reorganization of the central office negotiated by the Secretary and Indian tribes pursuant to section 103.

(9) DEPARTMENT.—The term "Department" means the Department of the Interior.

(10) DIRECTOR.—The term "Director" means, with respect to an area office, the Director of the area office.

(11) FUNCTION.—The term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(12) INDIAN TRIBE.—The term "Indian tribe" has the same meaning as in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)).

(13) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(14) SUPERINTENDENT.—The term "Superintendent" means the Superintendent of an agency office.

(15) TRIBAL PRIORITY ALLOCATION ACCOUNT.—The term "tribal priority allocation account", means an account so designated by the Bureau, with respect to which program priorities and funding levels are established by individual Indian tribes.

(16) TRIBAL RECURRING BASE FUNDING.—The term "tribal recurring base funding" means recurring base funding (as defined and determined by the Secretary) for the tribal priority allocation accounts of an Indian tribe allocated to a tribe by the Bureau.

## TITLE I—REORGANIZATION COMPACTS

### SEC. 101. REORGANIZATION OF AREA OFFICES.

(a) IN GENERAL.—Notwithstanding any other provision of law, not later than 120 days after the date of enactment of this Act, the Secretary shall enter into negotiations with the Indian tribes served by each area office to prepare a reorganization plan for the area office.

(b) CONTENTS OF AREA OFFICE PLANS.—

(1) IN GENERAL.—Each area office plan that is prepared pursuant to this subsection shall provide for the organization of the area office covered under the plan. To the extent that the majority of Indian tribes served by the area office do not exercise the option to maintain current organizational structures, functions, or funding priorities pursuant to paragraph (2), the reorganization plan shall provide, with respect to the area office covered under the plan, for—

(A) the reorganization of the administrative structure of the area office;

(B) the reallocation of personnel (including determinations of office size and functions);

(C) the delegation of authority of the Secretary to the Director;

(D) transfers of functions;

(E) the specification of functions—

(i) retained by the Bureau; or

(ii) transferred to Indian tribes served by the area office;

(F) the issuance of waivers or other authorities by the Secretary so that functions and other responsibilities of the Secretary may be carried out by the area office or transferred to Indian tribes;

(G) the promulgation of revised regulations relating to the functions of the area office that are performed by the area office or transferred to Indian tribes;

(H) the reordering of funding priorities; and

(I) a formula for the transfer, to the tribal recurring base funding for each Indian tribe served by the area office, of unexpended balances of appropriations and other Federal funds made available to the area office in connection with any function transferred to Indian tribes pursuant to subparagraph (E)(ii).

(2) SHARE OF FUNDING.—An area office plan may include, for each Indian tribe served by the area office, a determination of the share of the Indian tribe of the funds used by the area office to carry out programs, services, functions and activities of the tribe (referred to in this subsection as the "tribal share").

(3) OPTION OF MAINTENANCE OF CURRENT STATUS.—At the option of a majority of the Indian tribes served by an area office, a reorganization plan may provide for the continuation of organizational structures, functions, or funding priorities of the area office that are substantially similar to those in effect at the time of the development of the area office plan.

(4) APPROVAL OF AREA OFFICE PLAN BY INDIAN TRIBES.—Upon completion of the negotiation of an area office plan, the Secretary shall submit the plan to the Indian tribes served by the area office for approval. If a majority of the Indian tribes approve the area office plan by a tribal resolution pursuant to the applicable procedures established by the Indian tribes, the Secretary shall enter into a reorganization compact pursuant to subsection (c).

(5) SINGLE TRIBE AREA OFFICE.—In an area office that serves only 1 Indian tribe, if the tribe elects to develop a reorganization plan for the area office, the Secretary shall enter into negotiations with the tribe to prepare a reorganization plan for the area office. Not later than 60 days after the date on which a reorganization plan referred to in the preceding sentence is approved by the Indian tribe, the Secretary shall enter into a reorganization compact with the tribe to carry out the area office plan.

(6) OPTION TO TAKE TRIBAL SHARE.—

(A) IN GENERAL.—If a majority of the Indian tribes served by an area office fail to approve an area office plan, an Indian tribe may elect to receive directly the tribal share of the Indian tribe.

(B) DETERMINATION OF TRIBAL SHARE.—If an Indian tribe elects to receive a tribal share under subparagraph (A), the Secretary shall enter into negotiations with the Indian tribe to determine the tribal share of the Indian tribe.

(C) AGREEMENT.—Upon the determination of a tribal share of an Indian tribe under subparagraph (B), the Secretary shall enter into an agreement with the Indian tribe for transferring directly to the Indian tribe an amount equal to the tribal share. The agreement shall include—

(i) a determination of the amount of residual Federal funds to be retained by the Secretary for the area office; and

(ii) the responsibilities of—

(I) the area office; and

(II) the Indian tribe.

(c) AREA OFFICE REORGANIZATION COMPACT.—

(1) IN GENERAL.—Not later than 60 days after the date on which a majority of the Indian tribes served by the area office that is the subject of a reorganization plan have approved the plan pursuant to subsection (b)(3), the Secretary shall enter into an area office reorganization compact with the Indian tribes to carry out the area office plan (referred to in this subsection as the "area office reorganization compact"). The Secretary may not implement the area office plan until such time as the Indian tribes have entered into an area office reorganization compact with the Secretary pursuant to this paragraph. If the Indian tribes do not enter into an area office reorganization compact with the Secretary pursuant to this paragraph, the organizational structure, functions, and funding priorities of the area office in effect at the time of the development of the area office plan shall remain in effect.

(2) PROHIBITION AGAINST CERTAIN LIMITATIONS.—With respect to an Indian tribe that is not a party to an area office reorganization compact entered into by the Secretary under this subsection, nothing in this section may limit or reduce the level of any service or funding that the Indian tribe is entitled to pursuant to applicable Federal law (including any contract that the Indian tribe is entitled to enter into pursuant to applicable Federal law).

### SEC. 102. REORGANIZATION OF AGENCY OFFICES.

(a) IN GENERAL.—Notwithstanding any other provision of law, not later than 120 days after the date of enactment of this Act, the Secretary, acting through the Superintendent (or a designee of the Superintendent) of each agency office, shall enter into negotiations with the Indian tribes served by each agency office to prepare an agency office plan for each agency office.

(b) CONTENTS OF AGENCY OFFICE PLANS.—

(1) IN GENERAL.—Each agency office plan that is prepared by the Secretary pursuant to this subsection shall provide for the organization of the agency office covered under the plan. To the extent that the majority of Indian tribes served by the agency office do not exercise the option to maintain current organizational structures, functions, or funding priorities pursuant to paragraph (2), the agency office plan shall provide, with respect to the agency office covered under the agency office plan, for—

(A) the reorganization of the administrative structure of the agency office;

(B) the reallocation of personnel (including determinations of office size and functions);

(C) the delegation of authority of the Secretary to the Superintendent;

(D) transfers of functions;

(E) the specification of functions—

(i) retained by the Bureau; or

(ii) transferred to Indian tribes served by the agency office;

(F) the issuance of waivers or other authorities by the Secretary so that functions and other responsibilities of the Secretary may be carried out by the agency office or transferred to Indian tribes;

(G) the promulgation of revised regulations relating to the functions of the agency office that are carried by the agency office or transferred to Indian tribes;

(H) the reordering of funding priorities; and

(I) a formula for the transfer, to the tribal recurring base funding for each Indian tribe served by the agency office, of unexpended balances of appropriations and other Federal funds made available to the agency office in connection with any function transferred to Indian tribes pursuant to subparagraph (E)(ii).

(2) SHARE OF FUNDING.—An agency office plan may include, for each Indian tribe served by the agency office, a determination of the share of the Indian tribe of the funds used by the agency office to carry out programs, services, functions and activities of the tribe (referred to in this subsection as the "tribal share").

(3) OPTION OF MAINTENANCE OF CURRENT STATUS.—At the option of a majority of the Indian tribes served by an agency office, an agency office plan may provide for the continuation of organizational structures, functions, or funding priorities of the agency office that are substantially similar to those in effect at the time of the development of the agency office plan.

(4) APPROVAL OF AGENCY OFFICE PLAN BY INDIAN TRIBES.—Upon completion of the negotiation of an agency office plan, the Secretary shall submit the agency office plan to the Indian tribes served by the agency office for approval. If a majority of the Indian tribes approve the agency office plan by a tribal resolution pursuant to the applicable procedures established by the Indian tribes, the Secretary shall enter into a reorganization compact pursuant to subsection (c).

(5) SINGLE TRIBE AGENCY OFFICE.—In an agency office that serves only 1 Indian tribe, if the tribe elects to develop a reorganization plan for the agency office, the Secretary shall enter into negotiations with the tribe to prepare a reorganization plan for the agency office. Not later than 60 days after the date on which a reorganization plan referred to in the preceding sentence is approved by the Indian tribe, the Secretary shall enter into a reorganization compact with the tribe to carry out the agency office plan.

(6) OPTION TO TAKE TRIBAL SHARE.—

(A) IN GENERAL.—If a majority of the Indian tribes served by an agency office fail to approve an agency office plan, an Indian tribe may elect to receive directly the tribal share of the Indian tribe.

(B) DETERMINATION OF TRIBAL SHARE.—If an Indian tribe elects to receive a tribal share under subparagraph (A), the Secretary shall enter into negotiations with the Indian tribe to determine the tribal share of the Indian tribe.

(C) AGREEMENT.—Upon the determination of a tribal share of an Indian tribe under subparagraph (B), the Secretary shall enter into an agreement with the Indian tribe for transferring directly to the Indian tribe an amount equal to the tribal share. The agreement shall include—

(i) a determination of the amount of residual Federal funds to be retained by the Secretary for the agency office; and

(ii) the responsibilities of—

(I) the agency office; and

(II) the Indian tribe.

(c) AGENCY OFFICE REORGANIZATION COMPACTS.—

(1) IN GENERAL.—Not later than 60 days after the date on which a majority of the Indian tribes served by the agency office that is the subject of an agency office plan have approved the agency office plan pursuant to subsection (b)(3), the Secretary shall enter into a reorganization compact with the Indian tribes to carry out the agency office plan (referred to in this subsection as the "agency office reorganization compact"). The Secretary may not implement the agency office plan until such time as the Indian tribes have entered into an agency office reorganization compact with the Secretary pursuant to this paragraph. If the Indian tribes do not enter into an agency office reorganization compact with the Secretary pursuant to this paragraph, the organizational structure, functions, and funding priorities of the agency office in effect at the time of the development of the agency office plan shall remain in effect.

(2) PROHIBITION AGAINST CERTAIN LIMITATIONS.—With respect to an Indian tribe that is not a party to an agency office reorganization compact entered into under this subsection, nothing in this section may limit or reduce the level of any service or funding that the Indian tribe is entitled to pursuant to applicable Federal law (including any contract that the Indian tribe is entitled to enter into pursuant to applicable Federal law).

(3) COORDINATION WITH AREA OFFICE PLANS.—Each agency office reorganization compact entered into by the Secretary under this subsection shall specify that in the event that the Secretary determines that the agency office reorganization compact is inconsistent with an area office reorganization compact entered into under section 101(c), the Secretary, in consultation with the Indian tribes that are parties to the compact, shall make such amendments to the agency office reorganization compact entered into under this subsection as are necessary to ensure consistency with the applicable area office plan.

**SEC. 103. REORGANIZATION OF CENTRAL OFFICE.**

(a) IN GENERAL.—Notwithstanding any other provision of law, not later than 120 days after the date of enactment of this Act, the Secretary shall enter into negotiations with Indian tribes to develop a central office plan. In developing the plan, the Secretary shall enter into negotiations on an area-by-area basis with a representative from each of the Indian tribes in each area, to determine the appropriate allocation of personnel and funding made available to the central office to serve the area and agency offices and Indian tribes in each area office.

(b) CONTENT OF CENTRAL OFFICE PLAN.—

(1) IN GENERAL.—The central office plan shall provide for determinations by the Secretary, on the basis of the negotiations described in subparagraph (a), concerning—

(A) which portion of the funds made available to the Secretary for the central office shall—

(i) be used to support the area and agency offices in each area; and

(ii) be considered excess funds that may be allocated directly to Indian tribes in each area pursuant to a formula developed pursuant to paragraph (2)(J); and

(B) the allocation of the personnel of the central office to provide support to the area and agency offices.

(2) REALLOCATION OF FUNDS AND PERSONNEL.—In developing the central office plan, to the extent that the Secretary and the Indian tribes do not exercise the option to maintain current organizational structures, functions, or funding priorities, the central office plan shall provide, to the extent necessary to accommodate the determinations made under paragraph (1), for—

(A) the reorganization of the administrative structure of the central office;

(B) the reallocation of personnel (including determinations of office size and functions);

(C) the delegation of authority of the Secretary carried out through the central office to the Directors, Superintendents, or Indian tribes;

(D) transfers of functions;

(E) the specification of functions—

(i) retained by the central office; or

(ii) transferred to area offices, agency offices or Indian tribes;

(F) the issuance of waivers or other authorities by the Secretary so that functions and other responsibilities of the Secretary may be carried out by the central office or transferred to area offices, agency offices, or Indian tribes;

(G) the promulgation of revised regulations relating to the functions of the central office that are carried by the central office or transferred to area offices, agency offices, or Indian tribes;

(H) the reordering of funding priorities;

(I) allocation formulas to provide for the remaining services to be provided to the area and agency offices and Indian tribes by the central office; and

(J) with respect to the allocation of funds to the area and agency offices and Indian tribes in each area, a formula, negotiated with the tribal representatives identified in subsection (a), for the allocation to the Indian tribes of a portion of excess funds described in paragraph (1)(A)(ii).

(c) CENTRAL OFFICE REORGANIZATION COMPACTS.—

(1) IN GENERAL.—Not later than 60 days after the Secretary develops a central office plan pursuant to subsection (a), the Secretary shall, for each area office, enter into a central office reorganization compact with the Indian tribes in that area to implement the central office plan (referred to in this subsection as the "central office reorganization compact"). The Secretary may not implement the component of a central office plan relating to an area until such time as a majority of the Indian tribes in that area have entered into a central office reorganization compact. If a majority of the Indian tribes in an area do not enter into a central reorganization compact with the Secretary pursuant to this paragraph, the organizational structure, functions, and funding priorities of the central office relating to the area and agency offices and Indian tribes in that area and in effect at the time of the development of the central office plan shall remain in effect.

(2) COORDINATION WITH AREA AND AGENCY OFFICE PLANS.—Each central office reorganization compact entered into by the Secretary under this subsection shall specify that in the event the Secretary determines that a central office reorganization compact is inconsistent with a related area office reorganization compact entered into under section 101(c) or a related agency office reorganization compact entered into under section 102(c), the Secretary, in consultation with the Indian tribes that are parties to the central office reorganization compact, shall amend the compact to make such modifications as are necessary to ensure consistency with the applicable area or agency office plan.

**SEC. 104. SAVINGS PROVISIONS.**

(a) IN GENERAL.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(1) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of any function that is transferred to Indian tribes pursuant to a reorganization compact that the Secretary enters into pursuant to section 101, 102, or 103; and

(2) that are in effect on the effective date of the reorganization compact, or were final before the effective date of the reorganization compact and are to become effective on or after such date;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS NOT AFFECTED.—

(1) IN GENERAL.—The provisions of a reorganization compact that the Secretary enters into pursuant to section 101, 102, or 103 shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Bureau at the time the reorganization compact takes effect, with respect to the functions transferred by the reorganization compact.

(2) CONTINUATION OF PROCEEDINGS.—The proceedings and applications referred to in paragraph (1) shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from such orders, and payments shall be made pursuant to such orders, as if the compact had not been entered into, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(3) STATUTORY CONSTRUCTION.—Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this title had not been enacted.

(c) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Bureau or by or against any individual in the official capacity of such individual as an officer of the Bureau shall abate by reason of the enactment of this title.

**SEC. 105. ADDITIONAL CONFORMING AMENDMENTS.**

(a) RECOMMENDED LEGISLATION.—After consultation with Indian tribes, the appropriate committees of the Congress and the Director of the Office of Management and Budget, the Secretary shall prepare and submit to the Congress recommended legislation containing technical and conforming amendments to reflect the changes made pursuant to this title.

(b) SUBMISSION TO THE CONGRESS.—Not later than 120 days after the effective date of this title, the Secretary shall submit to the Congress the recommended legislation referred to in subsection (a).

**SEC. 106. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such sums as may be necessary to carry out this title.

**SEC. 107. EFFECTIVE DATE.**

This title shall take effect on the date of enactment of this Act.

**SEC. 108. SEPARABILITY.**

If a provision of this title or its application to any person or circumstance is held invalid, neither the remainder of this title nor the application of the provision to other persons or circumstances shall be affected.

**SEC. 109. SUSPENSION OF CERTAIN ADMINISTRATIVE ACTIONS.**

(a) IN GENERAL.—Notwithstanding any other provision of law, during the 2-year period beginning on the date of enactment of this Act, the Secretary shall suspend the implementation of all administrative activities that affect the Bureau of Indian Affairs associated with reinventing government, national performance review, or other downsizing initiatives.

(b) CONSIDERATION OF COMPACTS.—During the period specified in subsection (a), the reorganization compacts entered into under this title shall be deemed to satisfy the goals of the initiatives referred to in subsection (a).

**SEC. 110. STATUTORY CONSTRUCTION.**

Nothing in this title may be construed to alter or diminish the Federal trust responsibility to Indian tribes, individual Indians, or Indians with trust allotments.

## TITLE II—AMENDMENT TO THE INDIAN SELF-DETERMINATION ACT

**SEC. 201. BUDGET DEVELOPMENT.**

The Indian Self-Determination Act (25 U.S.C. 450f et seq.), as amended by the Tribal Self-Governance Act of 1994, is amended by adding at the end the following new title:

### "TITLE V—BUDGET DEVELOPMENT

**"SEC. 501. PARTICIPATION OF INDIAN TRIBES IN THE DEVELOPMENT OF BUDGET REQUESTS.**

"(a) BUDGET REQUESTS FOR THE BUREAU OF INDIAN AFFAIRS.—Notwithstanding any other provision of law, not later than 120 days after the date of enactment of this title, the Secretary of the Interior shall establish a program—

"(1) to provide information to Indian tribes concerning the development of budget requests for the Bureau of Indian Affairs that are submitted to the President by the Secretary of the Interior for inclusion in the annual budget of the President submitted to the Congress pursuant to section 1108 of title 31, United States Code; and

"(2) to ensure, to the maximum extent practicable, the participation by each Indian tribe in the development of the budget requests referred to in paragraph (1).

"(b) BUDGET REQUESTS FOR THE INDIAN HEALTH SERVICE.—Notwithstanding any other provision of law, not later than 120 days after the date of enactment of this title, the Secretary of Health and Human Services shall establish a program—

"(1) to provide information to Indian tribes concerning the development of budget requests by the Secretary of Health and Human Services for the Indian Health Service that are submitted to the President by the Secretary for inclusion in the annual budget referred to in subsection (a)(1); and

"(2) to ensure, to the maximum extent practicable, the participation by each Indian tribe in the development of the budget requests referred to in paragraph (1).

"(c) REQUIREMENTS FOR PROGRAMS.—

"(1) IN GENERAL.—Each program established under this section shall, to the maximum extent practicable—

"(A) provide for the estimation of—

"(i) the funds authorized to be appropriated on an annual basis for the benefit of Indians tribes; and

"(ii) for each Indian tribe, the portion of the funds described in clause (i) that will be provided for the benefit of the Indian tribe;

"(B) provide, for each Indian tribe—

"(i) the opportunity to establish priorities for using the estimated funds described in subparagraph (A)(ii); and

"(ii) flexibility in the design of tribal and Federal programs that receive Federal funds to best meet the needs of the community served by the Indian tribe; and

"(C) provide for the collection and dissemination of information that is necessary for effective planning, evaluation, and reporting by the Secretary of the Interior or the Secretary of Health and Human Services and Indian tribes concerning the comparative social and public health conditions of Indian communities (as defined and determined by the Secretary of the Interior and the Secretary of Health and Human Services) at local, regional, and national levels.

"(2) DUTIES OF THE SECRETARIES.—In carrying out the programs established under this section, the Secretary of the Interior and the Secretary of Health and Human Services shall—

"(A) use any information provided by Indian tribes concerning the priorities referred to in paragraph (1)(B);

"(B) support the creation of stable recurring base funding (as defined and determined by each such Secretary) for each Indian tribe;

"(C) seek to maintain stability in the planning and allocation of the amounts provided for in the budget of the Bureau of Indian Affairs and the Indian Health Service for Indian tribes; and

"(D) assess the Federal programs or assistance provided to each Indian tribe to determine—

"(i) the relative need for providing Federal funds to carry out each such program; and

"(ii) the amount of recurring base funding available to each Indian tribe to carry out each such program.

"(3) CONTRACTS, GRANTS, AND ANNUAL FUNDING AGREEMENTS.—To provide, to the maximum extent practicable, for the full participation by the governing bodies of Indian tribes on an effective government-to-government basis in carrying out the collection and sharing of information under this section, the Secretary of the Interior or the Secretary of Health and Human Services may—

"(A) enter into a self-determination contract with an Indian tribe or make a grant to an Indian tribe pursuant to section 102 or 103;

"(B) with respect to the Secretary of Health and Human Services, enter into a funding agreement with a participating Indian tribe pursuant to title III; and

"(C) with respect to the Secretary of the Interior, enter into a funding agreement with a participating Indian tribe pursuant to title IV.

**"SEC. 502. ASSESSMENT METHODOLOGY.**

"(a) IN GENERAL.—Not later than 180 days after the date of enactment of this title, the Secretary shall, in cooperation with Indian tribes, and in accordance with the negotiated rulemaking procedures under subchapter III of chapter 5 of title 5, United States Code, promulgate standardized assessment methodologies to be used in carrying out any budget determination for the Bureau of Indian Affairs concerning the levels of funding that are necessary to fund each program area (as defined and determined by the Secretary) of the Bureau.

"(b) PARTICIPATION BY INDIAN TRIBES.—In carrying out subsection (a), the Secretary shall take such action as may be necessary to ensure, to the maximum extent practicable, the direct and active participation of Indian tribes at the local, regional, and national levels in the negotiated rulemaking process specified in subchapter III of chapter 5 of title 5, United States Code.

"(c) COMMITTEE.—

"(1) COMPOSITION.—The negotiated rulemaking committee established pursuant to section 565 of title 5, United States Code, to carry out subsection (a) shall only be comprised of—

"(A) individuals who represent the Federal Government; and

"(B) individuals who represent Indian tribes.

"(2) REPRESENTATION BY INDIAN TRIBES.—A majority of the members of the committee

referred to in paragraph (1) shall be individuals who represent Indian tribes.

"(d) ADAPTATION OF PROCEDURES.—The Secretary shall adapt the negotiated rulemaking procedures carried out under this section in the same manner as the Secretary adapts, in accordance with section 407(c), the procedures carried out pursuant to section 407.

**"SEC. 503. REPORTS TO THE CONGRESS.**

"(a) REPORT ON BUDGET NEEDS.—Not later than the earliest date after the date of promulgation of the regulations under section 502 on which the Secretary of the Interior submits a budget request to the President for inclusion in the annual budget of the President submitted to the Congress pursuant to section 1108 of title 31, United States Code, and annually thereafter, the Secretary shall prepare and submit to the President a report that—

"(1) describes the standardized methodologies that are the subject of the regulations promulgated pursuant to section 502; and

"(2) includes—

"(A) for each program area of the Bureau of Indian Affairs, an assessment of the level of funding that is necessary to fund the program area; and

"(B) for each Indian tribe served by a program area referred to in paragraph (2)—

"(i) an assessment of the level of funding that is necessary for each Indian tribe served by the program area;

"(ii) the total amount of funding necessary to cover all program areas with respect to which the tribe receives services (as determined by taking the aggregate of the applicable amounts determined under paragraph (3)); and

"(iii) a breakdown, for each program area with respect to which the Indian tribe receives service, of the amount determined under clause (ii).

**"SEC. 504. AUTHORIZATION OF APPROPRIATIONS.**

"There are authorized to be appropriated such sums as may be necessary to carry out this title.".

## TITLE III—REFORM OF THE REGULATIONS OF THE BUREAU OF INDIAN AFFAIRS

**SEC. 301. BIA MANUAL.**

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall—

(1) conduct a review of all provisions of the BIA Manual;

(2) promulgate as proposed regulations those provisions of the BIA Manual that the Secretary deems necessary for the efficient implementation of the Federal functions retained by the Bureau under the reorganization compacts authorized by this Act; and

(3) revoke all provisions of the BIA Manual that are not promulgated as proposed regulations under paragraph (2).

(b) CONSULTATION WITH INDIAN TRIBES.—In carrying out subsection (a), the Secretary shall, to the maximum extent practicable, consult with Indian tribes in such manner as to provide for the full participation of Indian tribes.

**SEC. 302. TASK FORCE.**

(a) ESTABLISHMENT OF TASK FORCE.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary shall establish a task force on regulatory reform (referred to in this section as the "task force").

(2) DUTIES.—The task force shall—

(A) review the regulations under title 25, Code of Federal Regulations; and

(B) make recommendations concerning the revision of the regulations.

(3) MEMBERSHIP.—The task force shall be composed of 16 members, including 12 members who are representatives of Indian tribes from each of the 12 areas served by area offices.

(4) INITIAL MEETING.—Not later than 60 days after the date on which all members of the task force have been appointed, the task force shall hold its first meeting.

(5) MEETINGS.—The task force shall meet at the call of the Chairperson.

(6) QUORUM.—A majority of the members of the task force shall constitute a quorum, but a lesser number of members may hold hearings.

(7) CHAIRPERSON.—The task force shall select a Chairperson from among its members.

(b) REPORTS.—

(1) REPORTS TO SECRETARY.—The task force shall submit to the Secretary such reports as the Secretary determines to be appropriate.

(2) REPORTS TO THE CONGRESS AND TO INDIAN TRIBES.—In addition to submitting the reports described in paragraph (1), not later than 120 days after its initial meeting, the task force shall prepare, and submit to the Congress and to the governing body of each Indian tribe, a report that includes—

(A) the findings of the task force concerning the review conducted pursuant to subsection (a)(2)(A); and

(B) the recommendations described in subsection (a)(2)(B).

(c) POWERS OF THE TASK FORCE.—

(1) HEARINGS.—The task force may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the task force considers advisable to carry out the duties of the task force specified in subsection (a)(2).

(2) INFORMATION FROM FEDERAL AGENCIES.—The task force may secure directly from any Federal department or agency such information as the task force considers necessary to carry out the duties of the task force specified in subsection (a)(2).

(3) POSTAL SERVICES.—The task force may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(4) GIFTS.—The task force may accept, use, and dispose of gifts or donations of services or property.

(d) TASK FORCE PERSONNEL MATTERS.—

(1) COMPENSATION OF MEMBERS.—Each member of the task force who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the task force. All members of the task force who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) TRAVEL EXPENSES.—The members of the task force shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the task force.

(3) STAFF.—

(A) IN GENERAL.—The Chairperson of the task force may, without regard to the civil service laws, appoint and terminate such personnel as may be necessary to enable the task force to perform its duties.

(B) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the task force may procure temporary and intermittent service under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(e) TERMINATION OF TASK FORCE.—The task force shall terminate 30 days after the date on which the task force submits its reports to the Congress and to Indian tribes under subsection (b)(2).

(f) EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.—All of the activities of the task force conducted under this title shall be exempt from the Federal Advisory Committee Act (5 U.S.C. App.).

(g) PROHIBITION.—Beginning on the date of enactment of this Act, the Secretary may not—

(1) promulgate any unpublished regulation or agency guidance that affects Indian tribes; or

(2) impose any nonregulatory requirement that affects Indian tribes.

**SEC. 303. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such sums as may be necessary to carry out this title.

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SECTION-BY-SECTION ANALYSIS

SECTION ONE

Section 1 cites the short title of the Act as the Bureau of Indian Affairs Reorganization Act of 1995. This section sets forth the table of contents for the Act and the definitions used in the Act.

*Title I—Reorganization compacts*

SECTION 101. REORGANIZATION COMPACTS

Section 101 of the Act provides that not later than 120 days after enactment, the Secretary shall enter into negotiations with the Indian tribes served by each area office of the BIA to prepare a reorganization plan for the area office.

Subsection (b) of this section provides that each area plan shall provide for the reorganization of the administrative structure of the area office, the reallocation of personnel, the delegation of secretarial authorities, the issuance of waivers of regulations and other authorities, the reordering of funding priorities, and specify which functions are retained by the BIA and which functions are transferred to the tribes. The area office plan shall include a formula for allocation of savings to the recurring base funding of the tribes. This subsection also provides that an area plan may include a determination of the share of funds used by the Area office to carry out programs, services, functions and activities of the tribe.

Paragraph (3) of this subsection provides that a majority of tribes in an area may elect to continue the existing organizational structures, functions, or funding priorities of the area office.

Paragraph (4) of this subsection provides that upon completion of the negotiation of an area office plan the Secretary shall submit the plan for approval by the Indian tribes in the area. If a majority of tribes approve the area office plan by tribal resolution the Secretary shall enter into a reorganization compact with the tribes.

Paragraph (5) of this subsection provides that for those area offices which serve only 1 Indian tribe, the Secretary shall enter into negotiations with the tribe to prepare a reorganization plan if the tribe elects to develop a reorganization plan for the area office. It

further provides that within 60 days from the date the plan is approved, the Secretary shall enter into a reorganization compact with the tribe to carry out the reorganization plan.

Paragraph (6) of this subsection provides that an Indian tribe may elect to receive its tribal share of the funds used by the area office to carry out programs, services, functions, and activities directly from the Secretary. The agreement to receive the tribal share shall include a determination of the amount of residual funds to be retained by the Secretary for the area office and the respective responsibilities of the area office and the Indian tribe.

Subsection (c) provides that not later than 60 days from the date on which a majority of tribes in the area office have approved a reorganization plan, the Secretary shall enter into an area office reorganization compact with the Indian tribes to carry out the area office reorganization plan. The Secretary may not implement an area office reorganization plan until the tribes have entered into a reorganization compact with the Secretary. This subsection also provides that nothing in this section may limit or reduce the level of any service or funding for an Indian tribe that is not a party to a reorganization compact.

SECTION 102. REORGANIZATION OF AGENCY OFFICES

Subsection (a) provides that not later than 120 days after enactment, the Secretary acting through the Superintendent of each agency office, shall enter into negotiations with the Indian tribes served by each agency office to develop a reorganization plan for the agency office.

Subsection (b) provides that each agency office plan shall provide for the reorganization of the administrative structure of the agency office, the reallocation of personnel, the delegation of secretarial authorities, the issuance of waivers of regulations and other authorities, the reordering of funding priorities, and specify which functions are retained by the BIA and which functions are transferred to the Indian tribes. The agency office plan shall include a formula for allocation of savings to the recurring base funding of the tribes. This subsection also provides that an agency office plan may include a determination of the share of funds used by the agency office to carry out programs, services, functions and activities of the tribe.

Paragraph (3) of this subsection provides that a majority of tribes in an agency office may elect to continue the existing organizational structures, functions, or funding priorities of the agency office.

Paragraph (4) of this subsection provides that upon completion of the negotiation of an agency office plan the Secretary shall submit the agency plan to the tribes served by the agency for approval. If a majority of tribes approve the agency reorganization plan by tribal resolution, the Secretary shall enter into a reorganization compact with the tribes served by the agency.

Paragraph (5) of this subsection provides that for those agency offices which serve only 1 Indian tribe, the Secretary shall enter into negotiations with the tribe to prepare a reorganization plan if the tribe elects to develop a reorganization plan for the agency office. It further provides that within 60 days from the date the plan is approved, the Secretary shall enter into a reorganization compact with the tribe to carry out the reorganization plan.

Paragraph (6) of this subsection provides that an Indian tribe may elect to receive its tribal share of the funds used by the agency office to carry out programs, services, functions, and activities directly from the Secretary. The agreement to receive the tribal share shall include a determination of the amount of residual funds to be retained by the Secretary for the agency office and the respective responsibilities of the agency office and the Indian tribe.

Subsection (c) provides that not later than 60 days from the date on which a majority of tribes in the agency office have approved a reorganization plan, the Secretary shall enter into an agency office reorganization compact with the Indian tribes to carry out the agency office reorganization plan. The Secretary may not implement an agency office reorganization plan until the tribes have entered into a reorganization compact with the Secretary. This subsection also provides that nothing in this section may limit or reduce the level of any service or funding for an Indian tribe that is not a party to a reorganization compact. Finally, this subsection states that where the Secretary has determined that an agency office reorganization compact is inconsistent with an area office reorganization compact, the Secretary in consultation with the Indian tribes that are parties to the compact shall make such amendments to the agency office compact as are necessary to ensure consistency with the applicable area office plan.

SECTION 103. REORGANIZATION OF CENTRAL OFFICE

Section 103 provides that not later than 120 days from the date of enactment the Secretary shall enter into negotiations with Indian tribes to develop a central office reorganization plan. The Secretary shall enter into negotiations on an area by area basis with representatives from each tribe in the area in order to develop the central office plan. As part of these negotiations, the Secretary shall determine the appropriate allocation of personnel and funding made available to central office to serve the area and agency offices and the tribes in each area.

Subsection (b) provides that the central office plan shall contain a determination of funds and personnel used to support the area and agency offices in each area and those funds which may be allocated directly to Indian tribes pursuant to the formula developed under this section.

Paragraph (2) states that the central office reorganization plan shall provide for the reorganization of administrative structure of the central office, the reallocation of personnel, the delegation of secretarial authorities, the issuance of waivers of regulations and other authorities, the reordering of funding priorities, and specify which functions are retained by the BIA and which functions are transferred to the Indian tribes. The central office plan shall include an allocation formula to provide for the remaining services to be provided to the area and agency offices and the Indian tribes by the central office and a formula for allocation of savings to the recurring base funding of the tribes and to the area and agency offices.

Subsection (c) provides not later than 60 days after the Secretary develops a central office plan, the Secretary shall for each area office enter into a central office reorganization compact with the tribes in that area to implement the central office reorganization plan. The Secretary may not implement the component of a central office reorganization plan relating to an area until a majority of tribes in that area have entered into a central office reorganization compact with the Secretary. This subsection also provides that if a majority of Indian tribes in an area do not enter into a central office reorganization compact the existing organizational structure relating to that area shall remain in effect. Finally, this subsection states that where the Secretary has determined that a central office reorganization compact is inconsistent with a related area or agency office reorganization compact, the Secretary in consultation with the Indian tribes that are parties to the compact shall make such amendments as are necessary to ensure consistency with the applicable area or agency office plan.

SECTION 104. SAVINGS PROVISIONS

Subsection (a) states that all orders, determinations, rules, regulations, permits, agreements, grants, contracts, licenses, and other administrative actions that are in effect on the effective date of the reorganization compact shall continue in effect according to their terms until modified, terminated, superseded or set aside in accordance with law.

Subsection (b) states that the provisions of a reorganization compact shall not affect any proceedings, including any notices for proposed rulemaking, that are pending at the time the reorganization compact takes effect. These proceedings shall continue as if the compact had not been entered into and any orders issued in such proceedings shall continue in effect until modified, terminated or superseded by a duly authorized official, a court of competent jurisdiction, or by operation of law.

Subsection (c) states that no suit, action, or other proceeding commenced by or against the BIA or any official in the BIA shall abate by reason of enactment of this title.

SECTION 105. ADDITIONAL CONFORMING AMENDMENTS

Subsection (a) authorizes the Secretary to prepare and submit to the Congress, after consultation with the tribes, the Committees of jurisdiction in the Congress, and the OMB, recommended legislation containing technical and conforming amendments to reflect changes made pursuant to this title.

Subsection (b) requires the Secretary to submit such legislation to the Congress within 120 days of enactment of this title.

SECTION 106. AUTHORIZATION OF APPROPRIATIONS

Section 106 authorizes such sums as may be necessary to carry out this title to be appropriated.

SECTION 107. EFFECTIVE DATE

Section 107 states that this title shall take effect on the date of enactment.

SECTION 108. SEPARABILITY

Section 108 provides that if a provision of this title or its application is held invalid, neither the remainder of this title nor the application of the provision to other persons or circumstances shall be affected.

SECTION 109. SUSPENSION OF CERTAIN ADMINISTRATIVE ACTIONS

Section 109 provides that during the 2 year period beginning on the date of enactment the Secretary shall suspend the implementation of all administrative activities associated with reinventing government, the national performance review and other downsizing initiatives affecting the Bureau of Indian Affairs. It also states that during this 2 year period the reorganization compacts entered into under this title shall be deemed to satisfy the goals of reinventing government, the national performance review and other downsizing initiatives.

SECTION 110. STATUTORY CONSTRUCTION

Section 110 provides that nothing in this title may be construed to alter or diminish the Federal trust responsibility to Indian tribes, individual Indians, or Indians with trust allotments.

*Title II—Amendment to the Indian Self-Determination Act*

SECTION 201. BUDGET DEVELOPMENT

Section 201 amends the Indian Self-Determination Act (25 U.S.C. 450f et seq.) by adding the following new title:

*Title V—Budget development*

SECTION 501. PARTICIPATION OF INDIAN TRIBES IN THE DEVELOPMENT OF BUDGET REQUESTS

Subsection (a) of this section requires, within 120 days after enactment, the Secretary to establish a program to provide information to Indian tribes concerning the development of budget requests for the Bureau of Indian Affairs and to ensure that each Indian tribe participates to the maximum extent practicable in the development of the budget request for the Bureau of Indian Affairs.

Subsection (b) of this section requires, within 120 days after enactment, the Secretary of Health and Human Services to establish a program to provide information to Indian tribes concerning the development of budget for the Indian Health Service and to ensure that each Indian tribe participates to the maximum extent practicable in the development of the budget request for the Indian Health Service.

Subsection (c) of this section requires programs to the maximum extent practicable to develop an estimation of funds annually authorized to be appropriated for the benefit of Indian tribes, develop an estimation of individual tribal shares of the funds to be provided for the benefit of the Indian tribes, and to provide each tribe with an opportunity to establish individual tribal funding priorities. The program shall also collect and disseminate information necessary for effective planning and evaluation relating to the comparative social and public health conditions of Indian communities at the local, regional, and national levels.

Paragraph (2) of this subsection requires the Secretary of the Interior and the Secretary of Health and Human Services to support the creation of stable recurring base funding for each Indian tribe, to maintain stability in the planning and allocation of the IHS and BIA budgets to Indian tribes, to assess the Federal programs of assistance to Indian tribes to determine the relative need for providing Federal funds to carry out each such program and determine the amount of recurring base funding available to each Indian tribe to carry out each such program.

Paragraph (3) of this subsection authorizes the Secretary of the Interior and the Secretary of Health and Human Services to enter into self-determination contracts, self-governance compacts or make a grant to an Indian tribe to carry out the information collection and dissemination functions under this title.

SECTION 502. ASSESSMENT METHODOLOGY

Subsection (a) of this section requires the Secretary of the Interior within 180 days of enactment to promulgate standardized assessment methodologies to be used in carrying out any budget determination for the BIA concerning levels of funding that are necessary for each program area.

Subsection (b) of this section requires the Secretary to ensure the direct and active participation of Indian tribes at the local, regional and national levels in the negotiated rulemaking process established under this section.

Subsection (c) of this section provides that the negotiated rulemaking committee created under this section shall be comprised of individuals who represent the Federal Government and individuals who represent Indian tribes. A majority of the Committee shall be comprised of individuals who represent Indian tribes.

Subsection (d) of this section authorizes the Secretary to adapt the negotiated rulemaking procedures in accordance with section 407 of this Act.

SECTION 503. REPORTS TO THE CONGRESS

Subsection (a) provides that the Secretary shall annually prepare a report that describes the standardized methodologies and includes an assessment of the level of funding that is necessary to fund each program area of the Bureau of Indian Affairs. This report shall include an assessment for each Indian tribe of the level funding necessary for each Indian tribe to carry out each program area and an assessment of the total amount of funds needed to carry out all the programs areas with respect to which the tribe receives services.

SECTION 504. AUTHORIZATION OF APPROPRIATIONS

This section authorizes to be appropriated such sums as may be necessary to carry out this title.

*Title III—Reform of the Regulations of the Bureau of Indian Affairs*

SECTION 301. BIA MANUAL

Section 301 requires the Secretary not later than 180 days after enactment to conduct a review of all the provisions of the BIA manual and to promulgate as proposed regulations those provisions of the BIA manual that are deemed necessary and to revoke all provisions of the BIA manual that are not promulgated as proposed regulations. In carrying out this section, the Secretary shall consult with Indian tribes to the maximum extent practicable.

SECTION 302. TASK FORCE

Section 302 provides for the establishment of a Joint Tribal-Federal task force on regulatory reform. The task force shall be composed of 16 members, including 12 members who are representatives of Indian tribes from each of the 12 areas served by the BIA. The task force shall review the regulations under Title 25 of the Code of Federal Regulations and make recommendations concerning revision of the regulations. The task force shall submit reports to the Secretary as is deemed appropriate and shall not later than 120 days after its initial meeting submit a report to the Congress and the governing body of each Indian tribe that includes their findings and recommendations after reviewing Title 25 of the Code of Federal Regulations. The task force shall terminate 30 days after the date on which the task force submits its report to the Congress. This section also prohibits the Secretary from promulgating any unpublished regulation or agency guidance that affects Indian tribes and from imposing any nonregulatory requirement that affects Indian tribes.

SECTION 303. AUTHORIZATION OF APPROPRIATIONS

Section 303 authorizes to be appropriated such sums as may be necessary to carry out this title.●

● Mr. INOUYE. Mr. President, I join my esteemed colleague, the chairman of the Committee on Indian Affairs, Senator JOHN MCCAIN, in the sponsorship of a measure that is intended to initiate discussion in the Senate of the means by which the reorganization of the Bureau of Indian Affairs is to be accomplished.

Mr. President, I am aware that there is some concern amongst my colleagues that they have not sufficient time to review this measure prior to its introduction, and I want to assure these members that I too have questions about the mechanics of the proposed reorganization process, as well as the scope of the proposed reorganization—but I believe that it is important that we begin somewhere—and that we have a legislative vehicle that will engender discussion and consideration of the specifies or reorganization.

For instance, it will be important, I believe, that reorganization at the agency, area and central offices proceed in some orderly fasion—given the interdependency of the functions and responsibilities of each of these offices.

In the absence of some order—reorganization of agency offices prior to reorganization of area offices culminating in the reorganization of the central office, for instance, as one possible means—there will undoubtedly be a predictable chaos if reorganization plans and compacts that have significant impacts on other organizational units are attempted to be implemented—all at the same time.

Mr. President, I am also aware of the concern expressed by some members as to what impact the proposed reorganization may have on the Bureau's responsibilities in the areas of education, tribal justice systems, and other centrally administered programs.

But I believe that this discussion draft will, at a minimum, provide us with a framework for addressing these concerns, and I look forward to working with the chairman of the committee—our colleagues on the Indian Affairs Committee and the leaders of indian country—to refine this discussion draft into an effective instrument for the implementation of the recommendations of the joint Department of Interior, Bureau of Indian Affairs, and tribal task force on the reorganization of the Bureau of Indian Affairs.●

● Mr. DOMENICI. Mr. President, I am pleased today to join Chairman MCCAIN of the Senate Committee on Indian Affairs in sponsoring legislation to bring about many needed changes to the Bureau of Indian Affairs [BIA] of the U.S. Department of the Interior. It is a special honor for me to endorse the fine work of Wendell Chino, president of the Mescalero Apache Tribe of New Mexico. He has worked for decades to change the BIA. More recently, President Chino has focused his fine efforts through the BIA Reorganization Task Force for the last 4 years. As the elder statesman of Indian leaders, President

Wendell Chino's incisive and powerful voice has been heard about the continuing problems in the BIA. We are pleased to introduce legislation to help bring these recommendations to fruition.

Wendell has long been a vociferous and humorous critic of the infamous BIA. Wendell tells me that humor is necessary when you really want to cry. We have a special trust relationship with Indians in America, but far too often this trust has been neglected by a cumbersome bureaucracy.

As cosponsor of Chairman MCCAIN's excellent effort to launch an important debate, I am aligning myself with those who view the BIA as a detriment rather than a benefit to Indian people. I have spoken several times in Senate Budget and Indian Affairs Committee meetings this year about the need to meet our special trust and treaty obligations to the Indian people.

As a proponent of the largest budget reductions ever presented in the history of the Senate, I have maintained the need to keep our promises to the Indian people. This is not only good for Indians, it is good for America to know that her word is meaningful and can be relied upon.

When the Congress passes legislation and the President signs it, Americans should be able to know that they have been well represented and action will follow that is in line with the promises. Unfortunately, America's history has not been so sterling when it comes to its promises to Indian people. There are books, movies, and testimony to the many tragedies in our history with Indian people.

There have been some improvements in this century, but the violations continue. For example, as recently as 1962, the Congress and the President, in Public Law 87-483, promised to provide an irrigation system to the Navajo Tribe in exchange for water rights in the San Juan Chama water diversion project. The Navajos have kept their agreement about water rights, but the Federal Government is 20 years behind schedule in building the promised irrigation system.

I will not take the time to review other incidents here, I just want my colleagues to know that we are aware of the promises, and that we should do our part in promoting character counts in our own legislative activity. I believe the bill we are introducing today is in line with this goal.

Mr. President, I ask unanimous consent to print the leading themes of the executive summary of the joint tribal/BIA/Department of Interior advisory task force on the reorganization of the Bureau of Indian Affairs, August 1994, in the RECORD. This is for the benefit of my colleagues who may want to look at the parameters of the fine work of this task force, upon which Chairman MCCAIN has based our legislative effort. I refer my colleagues to Chairman MCCAIN's statement for a further explanation of the purposes of this legislation, and I urge my colleagues to review this exciting new thrust for the BIA.

On a closing note, I would like to add that my own bill, S. 346, cosponsored by Senator DANIEL INOUYE of the Senate Committee on Indian Affairs, is not included in the bill we are introducing today. It is my intention to offer S. 346, a bill to establish an Office of Indian Women and Families in the BIA, as an amendment during committee markup of this legislation. For the benefit of my colleagues, I ask unanimous consent that my "Dear Colleague" letter of February 22, 1995, be printed in the RECORD.

Finally, Mr. President, I would be remiss if I did not acknowledge the fine work of a former New Mexico Congressman who became Secretary of the Interior, Manuel Lujan. It was Secretary Lujan who appointed Wendell Chino and Eddie Brown as cochairs of the BIA reorganization task force.

It is my pleasure to join Senator MCCAIN in introducing this bill. It is an honest and good effort to reform, in significant and positive way, our trust relationship with the American Indian people.

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

U.S. SENATE,
*Washington, DC, February 22, 1995.*

DEAR COLLEAGUE: As we consider better ways to meet our treaty and statutory obligations to the Indian people of America through an improved Bureau of Indian Affairs, I would like you to keep Indian women and youth in mind. It is my belief that they are too often ignored in the Washington-based policy decisions that can have a most direct impact on their daily lives.

I am asking my Senate Colleagues to join me and the Vice Chairman of the Senate Committee on Indian Affairs, Senator Daniel K. Inouye, in sponsoring legislation to establish an Office of Indian Women and Families in the Bureau of Indian Affairs, U.S. Department of the Interior.

Indian women are most often at the very bottom of the economic ladder in America. They are the *poorest of the poor*. While the tide of public opinion is against adding virtually any new federal government employees, I believe it is time to directly address the concerns and problems of Indian women in the agency that is most responsible for their well-being.

In January of 1994, I held hearings in Window Rock, Arizona and in Rio Grande Pueblo country in Albuquerque, New Mexico. Hundreds of women and tribal leaders expressed their support for enacting this legislation. In the 103rd Congress, Senator McCain worked very hard to bring the problems of Indian child abuse to light. Many abusers were their BIA teachers.

Ramah Navajo District Judge Irene Toledo testified in Window Rock that "we do have a lot of children falling through the cracks." Elsie Redbird told us, "While American women come up against a 'glass ceiling,' Indian women have problems getting off the floor."

There are problems with gang violence, teen pregnancies and AIDS. Child care, domestic violence, poor housing conditions, and minimal economic opportunity are continuous problems on our nation's Indian reservations.

How would this new Office of Indian Women and Families help resolve these problems? The monitoring of participation rates and beneficial outcomes for Indian women and children in on-going programs of the BIA and other federal departments and agencies would be a critical first step.

Job opportunities outside the domestic or clerical levels are too rare for Indian women. Yet the BIA and the U.S. Department of Labor have little precise and current information about the unemployment or underemployment problems of Indian women.

Obviously, an Office of Indian Women and Families could not be expected to move on all fronts at once. In fact, our bill gives jobs and business development opportunities for Indian women the first priority. Without such a permanent office to advocate program and policy changes for them, I am afraid one of our most precious and yet most neglected federal responsibilities will continue to be a national shame.

Indian women and their families have little choice but to live at the mercy of some of the most perplexing bureaucratic mazes in our federal government. I believe this group of American Indians would benefit by a more systematic monitoring of their lifestyle problems, a more consistent effort on our part to improve their lives, and a more interactive approach that includes their active participation in resolving their own concerns.

I hope you will join in cosponsoring S. 346, a bill to establish an Office of Indian Women and Families in the Department of Interior. Joe Trujillo of my staff can be reached at 224-7086 if you have further comments or questions. Thank you for your interest in American Indian women and their families.

Sincerely yours,

PETE V. DOMENICI,
*U.S. Senator.*

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LEADING THEMES OF REORGANIZATION

Tribes recognized that simply changing the organizational structure of the BIA would not result in a change in how well it could deliver on its responsibility. All aspects of the organization, systems and processes utilized by the BIA were reviewed. The BIA's mission needed to be clearly defined to guide its future directions. Four leading themes emerged early, and the Task Force organized its efforts around them:

Organization Reform: The organizational levels and functions needed to be clearly defined as to appropriate roles, with the operational roles moved as close as possible to where services were to be delivered. Accordingly, roles were recommended for Central Office, Areas and Agencies. Keeping in mind the differences between Areas, the Task Force recognized that the Tribes in each Area and Agency needed to be involved in the redesign of these organizations to meet their respective needs. Too much of the overall resources of the BIA were being dedicated to Central Office and Area functions. Tribes felt that these resources could be better utilized at the Tribe/Agency/school service delivery level.

Regulatory Reform: The authority by which BIA decisions were made had been eroded at the levels nearest Tribes. The Task Force recognized that laws, regulations and internal BIA policies needed to change to return decision making to the BIA organizational units closest to the client. In addition,

many inherent Tribal authorities had been usurped. Laws, regulations and policies needed to be reviewed to remove obstacles to Tribes freely exercising authorities for decisions which were inherently Tribal.

Education Reform: The Task Force strongly felt that emphasis needed to be placed on education for the following reasons: (1) The failure to fully implement all provisions of P.L. 95-561. (2) The indefinite organizational status of education functions within the Bureau. (3) An assessment of the current level of education services within the Bureau. It was determined that a comprehensive plan was necessary to ensure maximum efficiency and effectiveness in education.

Budget Reform: The processes of planning, budgeting and reporting on budget needs were in serious need of reform. Throughout the first 20 years of implementation of the Self-Determination policy, Tribal participation in decisions regarding the designs of programs and the priorities for funding them had actually been diminished. Tribes felt that their needs were consistently understated or not reported to Congress at all. Though they had assumed management of about half of the budget resources under various Self-Determination Act awards, the BIA and others in the Federal government seemed to retain full control, and frequently disrupted the maintenance of funding and services. A new system of planning, budgeting and needs assessment was needed, and it needed to be based on the Federal policies of Indian Self-Determination and of dealing with Tribes on a government-to-government basis.●

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By Mr. HATCH:

S. 815. A bill to amend the Internal Revenue Code of 1986 to simplify the assessment and collection of the excise tax on arrows; to the Committee on Finance.

SIMPLIFICATION OF IMPOSITION OF EXCISE TAX ON ARROWS

Mr. HATCH. Mr. President, I rise today to introduce legislation that would simplify the Internal Revenue Code regarding the imposition of the Federal excise tax on arrows.

Mr. President, this bill will benefit manufacturers, wholesalers, retailers, assemblers, and, most importantly, the consumers of archery equipment. In 1993, there were nearly 3 million licensed bow and arrow hunters in the United States, including 28,000 in my home State of Utah. These figures exclude the millions of individuals who enjoy archery as a hobby but do not hunt with a bow and arrows. Let me explain both the present status of this excise tax and why simplification is needed.

Under section 4161(b) of the Internal Revenue Code, an excise tax of 11 percent is imposed upon the sale by the manufacturer, producer, or importer of an arrow or an arrow's component parts and accessories. A complete arrow consists of various component parts, namely: a shaft, a point, a nock, and a vane. The arrow shaft is sold separately from the point, nock, and vane, which are attached to the shaft to make a complete arrow. The assembly of these parts into a finished arrow may take place at a wholesale manufacturing level, a distribution level, a retail level, or at the consumer level. Identifying the manufacturer for purposes of the excise tax is difficult because of the long distribution chain between the raw material supplier and the consumer. Under current law, anyone who manufactures arrows, or the various parts of arrows, may be required to collect the excise tax.

The current interpretation of the tax on arrows has resulted in a great deal of confusion among retailers as well as among IRS field agents enforcing the law. Currently, local shops are subject to different interpretations of what is taxable. Ultimately, the tax falls on the last person in the chain to materially change the article before it is sold to the consumer. Unfortunately, several members of this chain may fit the definition of a manufacturer, and each is liable for the tax unless certain registration requirements are met and exemption forms filed.

As you can see, Mr. President, the method for collecting the excise tax on arrows needs to be streamlined. My bill would change the imposition of the excise tax to fall on the component shafts, points, nocks, and vanes as they are manufactured, rather than on the aggregated value of the assembled arrow. This is a significant change, but one that will greatly simplify the administration of the tax. Under my bill, individual distributors, assemblers, and retail sellers of arrows or parts of arrows would no longer be responsible for collecting the excise tax. Only the manufacturers of these parts would bear the responsibility of the excise tax. Thus, identification of the manufacturer would be much simpler and clearer. Industry representatives, who support these changes, have indicated to me that this simplification should increase compliance and therefore enhance revenues. Enforcement by the IRS should also be much easier under this legislation.

Mr. President, the result of this bill is a narrowing of the collection base. Instead of having thousands of distributors, retailers, or custom arrow shops being potentially liable for the tax as under the current law, about 65 companies would be liable under the bill. This simplification would save the IRS a considerable amount of time and money in enforcing the tax. It also would free smaller dealers and stores from the burden of computing and remitting the excise tax.

The language in this bill accomplishes the needed simplification of this particular section of the Tax Code. One consequence of this change is the possibility that a higher excise tax rate may be needed to make the measure revenue neutral. The arrow manufacturing industry agrees that this simplification is not intended to decrease revenue to the Federal Government. I am working with the Joint Committee on Taxation to find a rate of tax that will make the end result revenue neutral. The bill, as introduced, Mr. President, includes an 11 percent tax rate, which is the same as under present law. It is my intention to adjust this rate, up or down, as needed, to keep this bill revenue neutral. I want to point out, however, that greater compliance should be achieved by having a much smaller number of entities responsible for the tax. This greater compliance, together with the savings realized from the reduced manpower requirements the IRS needs to enforce this tax, should combine to allow an equal or lesser tax rate than under current law. These factors should be considered when determining the revenue impact of this legislation.

Mr. President, the amount of revenue we are talking about is around $13 million a year. These revenues are, by law, required to go to the Pittman-Robertson fund, established by the Federal Aid to Wildlife Restoration Act. The proceeds of this fund go toward wildlife restoration and hunter education programs administered by the U.S. Fish and Wildlife Service. The bulk of this fund is, in turn, passed onto the States to fund their own wildlife programs.

Under current law, arrows made by native Americans are exempt from the Federal excise tax. The simplification bill I am introducing today would not remove or alter this exemption in any way.

In conclusion, Mr. President, I believe that today, more than ever, we need to be mindful of the many burdens we are placing on small businesses and consumers through numerous Federal mandates and burdensome tax compliance measures. Businesses and consumers nationwide spend billions of dollars each year on tax compliance. Consumers, of course, pay for this compliance through higher retail prices for goods and services. We all know this money could be put to more productive use. Even though this bill is small in comparison to the immense Tax Code, I think it is right on target in terms of helping us to achieve tax simplification.

Mr. President, this legislation is a beneficial modification to the Tax Code presented in a win-win framework. This bill has the support of the Archery Manufacturers and Merchants Association, which represents the majority of this industry. I hope this bill will be swiftly adopted, and I encourage my colleagues to support and cosponsor this bill.

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. 815

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SIMPLIFICATION OF IMPOSITION OF EXCISE TAX ON ARROWS.**

(a) IN GENERAL.—Subsection (b) of section 4161 of the Internal Revenue Code of 1986 (relating to imposition of tax) is amended to read as follows:

"(b) BOWS AND ARROWS, ETC.—

"(1) BOWS.—

"(A) IN GENERAL.—There is hereby imposed on the sale by the manufacturer, producer, or importer of any bow which has a draw weight of 10 pounds or more, a tax equal to 11 percent of the price for which so sold.

"(B) PARTS AND ACCESSORIES.—There is hereby imposed upon the sale by the manufacturer, producer, or importer—

"(i) of any part of accessory suitable for inclusion in or attachment to a bow described in subparagraph (A), and

"(ii) of any quiver suitable for use with arrows described in paragraph (2), a tax equivalent to 11 percent of the price for which so sold.

"(2) ARROWS.—There is hereby imposed on the sale by the manufacturer, producer, or importer of any shaft, point, nock, or vane of a type used in the manufacture of any arrow which after its assembly—

"(A) measures 18 inches overall or more in length, or

"(B) measures less than 18 inches overall in length but is suitable for use with a bow described in paragraph (1)(A),

a tax equal to 11 percent of the price for which so sold.

"(3) COORDINATION WITH SUBSECTION (a).—No tax shall be imposed under this subsection with respect to any article taxable under subsection (a).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to articles sold by the manufacturer, producer, or importer after the date of the enactment of this Act.

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By Mr. DEWINE (for himself, Mr. STEVENS, Mr. ASHCROFT, Mr. HATCH, and Mr. THURMOND):

S. 816. A bill to provide equal protection for victims of crime, to facilitate the exchange of information between Federal and State law enforcement and investigation entities, to reform criminal procedure, and for other purposes; to the Committee on the Judiciary.

THE LOCAL LAW ENFORCEMENT ENHANCEMENT ACT

Mr. DEWINE. Mr. President, today I am introducing the Local Law Enforcement Enhancement Act for myself as well as Senator STEVENS and Senator ASHCROFT.

Mr. President, for the past week, beginning last Wednesday, I have discussed on the Senate floor different aspects of the bill that I am introducing this afternoon. I do not intend to go through every single provision of the bill again this afternoon. But I would like to highlight three or four of the principal areas of this bill.

I believe that when we look at any crime bill proposed in this Congress, we always have to ask several questions. The first is, what is the proper role of the Federal Government in an area that we all know and understand is primarily local. Ninety to 95 percent of all prosecutions are done at the State, county and local level, not the Federal level. So if we are going to have a national crime bill, what is that niche? What is the proper role of the Federal Government?

The second question I believe that we always have to ask is, what works? What can this Congress do in legislation, with Federal dollars, that will really make a difference?

The bill that I am introducing this afternoon is the product of my 20 years of being involved at different levels of Government, in law enforcement, being involved in this battle against crime. That certainly does not mean that I am an expert. I do not think we have any experts in this area.

However, I have seen it from every angle. I have seen it from the angle of a young county prosecuting attorney, a State senator who dealt with it on the State level and tried to write appropriate State laws, then on the House Judiciary Committee for 8 years, and then as Lieutenant Governor of Ohio, where my principal job was to oversee our anticrime effort.

This bill is a product of that experience, but also probably more importantly, it is the product of my listening and discussing the crime issues with the men and women in Ohio who are on the front line every single day, the police officers who have to deal with this problem—what works, what does not work.

One thing, Mr. President, that we know works, from our experience, is the tools of technology. My bill will take America from 19th-century technology in the anticrime area into the 21st century. It does it in a unique way. It does it by putting $1 billion—which is certainly a lot of money, but only a little over 3 percent of this total crime package that was passed last year, which my bill essentially is a rewrite of—a little over 3 percent of that total money over a 5-year period we spend on technology for the local communities, for the local States.

What I have been advised by law enforcement throughout Ohio and what I have been advised by the FBI is that while last year's crime bill went a long way to create the national databases that we need here in Washington and in the new facility that is being built in West Virginia, it will never be a complete system unless we grow the system locally.

I come from Greene County in Ohio, and the Xenia police department, when they put information into the system or try to get information back out, it is not only important for them to do it accurately and for that information to be in; it is not only important for the FBI to have the national database; but for it to really be successful and work for the local police department wherever that police department is, every other jurisdiction in the country has to do the same thing. Criminals move around, information moves around, and it has to be accurate.

What our bill does is put the money into the local communities. What are we talking about? We are talking about, basically, four national systems: a DNA system; a fingerprint system; a ballistic system, where we can compare the grooves, for example, on shells and bullets; and the fourth, of course, is to identify criminals.

This type of technology matters. It does, in fact, help to solve crimes. It matters when a police officer, at 3 o'clock in the morning, or a sheriff's deputy out on some dark road, has to pull someone over. It matters when that police officer activates his or her computer or calls back into the station to run that license plate. It matters that the information in that computer is accurate so that police officer knows as well as humanly possible who that person is before the apprehension has to be made, before that person is approached.

It matters when we have an investigation of a case and all the police have is an unknown fingerprint, and they have to try to figure out where that fingerprint came from. It matters under the technology that we have today: Take that unknown print and compare it with 4 or 5 million known prints of known criminals. It matters.

That is the type of thing that we can do with this new technology that we never would dream of being able to do without the computers. All this does, in fact, matter. This is a tool, a tool that will be relatively cheap in regard to the entire crime bill.

Let me make very clear, Mr. President, the crime bill that we are introducing today does not spend any more money. It basically accepts as given what this Congress has decided last year, and appears to be deciding again this year, and that is over the next 5 years, we will devote 30 billion Federal dollars, taxpayers' dollars, to the fight against crime.

The question that we have before Congress today is how best to spend that money, and can we improve upon what the Congress did last year? I believe that we can.

The first thing that matters is technology. Our bill provides that. It will make a difference. We will solve crimes. We will save lives.

Let me move now to the second area. The second thing that we know does, in fact, matter in law enforcement. It matters, Mr. President, if we can take violent criminals off the streets. If we can take violent criminals off the streets and lock them up and keep then locked up, we know they at least will not be continuing to commit crimes.

My bill reinstitutes a program that the Bush administration had in place

for over a year and a half. It was called Project Triggerlock. The principle behind Project Triggerlock was very simple. The principle was that violent offenders who use a gun in the commission of a felony need to be targeted by all U.S. attorneys in this country. And in cooperation with local State prosecutors and county prosecutors, if they wish, then the U.S. attorney takes that case into Federal court, and under Federal law prosecutes that person. Then, when the person is convicted, they are housed courtesy of the Federal Government. That is a great assistance to law enforcement because in most cases, the Federal mandatory sentencing laws for violent offenders, particularly violent offenders who use a gun in the commission of a felony, is tougher than it is in most States. We have a great deterrent effect.

During the last administration, in an 18-month period of time, 15,000 violent career criminals were taken off the streets, prosecuted, locked up, and put away for a long, long time. That matters. That is what the people in law enforcement call a specific deterrent. That person is locked up and is going to be specifically deterred from committing another crime as long as they are, in fact, locked up.

Let me turn now, Mr. President, to the third thing that matters: Technology matters. Technology will solve crimes. It matters to lock up dangerous, violent people, particularly those who use a gun. The third thing that clearly matters that we have learned from experience, if a community deploys police officers into a high-crime area, and if they are deployed correctly—call it community policing, call it whatever—but if they are deployed correctly in the community, they will, in fact, reduce crime. There is an inverse relationship between the number of police officers put out on the street and the crime, the violent crime that occurs in a given area.

President Clinton was right in regard to that basic concept. He is to be congratulated for that. I think, though, that between the rhetoric and the details, something in last year's crime bill was lost. What was lost was a dedication of those tax dollars to be targeted to our most dangerous areas.

What my bill, the bill we introduce today, is doing, is to take a finite amount of money that we have, $5 billion, and target it to the 250 most dangerous places in this country to live, the 250 places in this country where according to the FBI's own statistics, the crime rate is the highest. We are not talking about writing bad checks. We are not talking about forgery. What we are talking about is rape, murder, armed robbery, and aggravated assault—the meanest, toughest crimes that there are. When we put that into the computer and run that and compare that then by factoring with regard to population, that is how we divided this money up.

We went further in our bill. Where the bill that was passed last year provided that this money would last for 3 years and that these police officers that the Clinton administration envisioned would be paid for 3 years, our bill pays for them for 5 full years.

In addition to that, our bill provides for full funding, at 100 percent, so the local community has no match. There is no money the local community has to put in. The Clinton bill is a 75-25-match, where the local community has to come up with 25 percent. There have been a number of communities that have had a problem with that, coming up with those dollars. In fact, in Ohio it is my understanding the city of Cincinnati, at least up until now, has not made a match to have any police officers come in under this program. So our bill targets the 250 communities in this country where the violent crime rate is the highest. Let me just give some examples of what this will actually mean. Let me just skip around the country.

In Detroit, MI, 96 police officers have been hired so far under the Clinton plan. Our bill provides, at full funding for 5 years the hiring of 747.

Dallas, TX, 70 police officers hired so far. Our bill provides for 604 police officers to be hired.

Atlanta, GA, 38 under the Clinton bill. Ours provides for 442.

Miami, FL, only six, according to the figures that we have come up with—only six so far in Miami. Yet our bill provides for 402.

St. Louis, 23 under the Clinton plan, 386 under our plan.

Chicago, 308 under the Clinton plan, under ours 2,219.

There will be some people who have already suggested to me that maybe what you are doing makes sense but it does not make political sense because you are not spreading these police officers in every community. And that is true, we are not doing that. But I think what the American people expect us to do and what we should do is to target those police officers in those areas of the country where they are most needed. Our bill provides money to be targeted. But we also provide, for those communities that are not in that top 250 where the crime rate is the highest, additional funds over and above what the Clinton administration bill provided. We add an additional $1.8 billion over 5 years. So those communities will have additional money, but not only additional money, they will have a great deal of flexibility so if they want to take that money and hire police officers or pay for overtime, they can do that as well.

We may say, would it not be better just to spread these police officers throughout the country? We talked about, particularly this year, the basic functions of Government. What should Government do? What should Government not do? What should the Federal Government not do? What should the State government do?

One of the basic functions of government, maybe the basic function of government—certainly the oldest function of government, going back thousands of years to the time when governments of some sort were originally formed, it may have been nothing more than a chieftain or a king or someone guaranteeing to provide safety for people—but the primary function of government is to protect people and to make a safe environment for them to live.

We have a crisis today in our inner cities. We have a crisis in many parts of our country. It is not totally, exclusively devoted to the inner cities, but the inner cities certainly provide an example of where crime is very, very high. I think we have a moral obligation to try as a country to address that problem. In 1987 the Justice Department estimated that 8 out of every 10 Americans will be victims of a violent crime at least once in their lifetime. Every year, one out of four households is victimized by a crime. An American is more likely to be injured by a violent crime than by a car accident.

So crime is a big problem and it is a big problem for all Americans. But the crime we are talking about, the violent crime, is really heavily concentrated in certain areas. Princeton Prof. John DeIulio reports that while Philadelphia—just as an example—while Philadelphia contains only 14 percent of the population of the State of Pennsylvania, it accounts for 42 percent of the entire State's crime—an unbelievable figure. What is happening to the children who live in these high-crime areas? They are living a life, frankly, that would be unimaginable for Americans of my parents' generation.

Over 25 percent of inner-city children growing up in this country think they are likely to be shot at some point in their life—25 percent, one-fourth of these children growing up. A male teenager growing up in an inner city is at least six times more likely to be a victim of violent crime than a male teenager growing up somewhere else in the country—six times. I do not think we can give up on these young people, these young Americans. They need hope and opportunity every bit as much as any other child in this country. They need a chance. And I believe putting more police in their neighborhoods is something we can do to start giving them that chance, the chance to live without constant fear for themselves and for their families.

Let us make no mistake about it, putting more police into those crime-infested areas, the most crime-ridden areas of our country, is not going to solve all the problems of those communities. We all know that and we all

have an obligation to work on the other problems—welfare reform, jobs, making sure the schools in every neighborhood in this country are good schools so the children do in fact have a chance and opportunity. But no matter what we do with our schools, no matter what we do with welfare, no matter what we do with job creation, nothing positive can really take place as long as crime does exist.

So, having community policing, having law enforcement targeted to these areas, I believe, is clearly the right thing to do. I do not think it is fair to say to that child who, because of accident of birth, happens to be growing up in an area where he or she is six times more likely to be killed than a child in a suburb, I do not think it is fair to say to that child: We cannot do anything about it. We are, for political reasons, going to spread out these police officers, these new police men and women. We are going to spread them out throughout the country because for political reasons we think we can get more votes that way for a particular bill. I do not think that is right. I think the right thing to do is to target where these police men and women go, and that is what our bill does.

Our bill does many other things. I see my colleague from Michigan is on the floor, so I am not going to speak very much longer, let me advise him. But let me say in conclusion that this bill is aimed at doing things that matter, doing things that will make a difference, doing things that will get the job done. It is a very pragmatic bill, a very hardheaded bill. And it basically says this: If we as a Congress have made the decision, as apparently we have, that over the next 5 years we are going to spend $30 billion on this very, very important problem, then we should spend it correctly and we should listen to the men and women who are professionals, who can tell us how to spend it: More technology, more police officers deployed correctly, and finally, taking off the streets the violent repeat career criminals.

Let me conclude by saying that I want to thank the original cosponsors of this bill, Senator ASHCROFT, Senator STEVENS, and Senator HATCH, and ask for additional cosponsors. I look forward to working with the Members of the Senate as we take these ideas that I presented today, this past week, presented in this bill, take these ideas, incorporate them with other ideas of my colleagues to come up with a final bill this year, or next year, that will in fact make a difference and will save lives, that will reduce crime.

Mr. President, thank you very much. At this point, I yield the floor.

## ADDITIONAL COSPONSORS

S. 338

At the request of Mr. DASCHLE, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 338, a bill to amend title 38, United States Code, to extend the period of eligibility for inpatient care for veterans exposed to toxic substances, radiation, or environmental hazards, to extend the period of eligibility for outpatient care for veterans exposed to such substances or hazards during service in the Persian Gulf, and to expand the eligibility of veterans exposed to toxic substances or radiation for outpatient care.

S. 389

At the request of Mr. JOHNSTON, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 389, a bill for the relief of Nguyen Quy An and his daughter, Nguyen Ngoc Kim Quy.

S. 433

At the request of Mr. KERRY, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 433, a bill to regulate handgun ammunition, and for other purposes.

S. 619

At the request of Mr. SMITH, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 619, a bill to phase out the use of mercury in batteries and provide for the efficient and cost-effective collection and recycling or proper disposal of used nickel cadmium batteries, small sealed lead-acid batteries, and certain other batteries, and for other purposes.

S. 641

At the request of Mrs. KASSEBAUM, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 641, a bill to reauthorize the Ryan White CARE Act of 1990, and for other purposes.

S. 684

At the request of Mr. HATFIELD, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from Maryland [Ms. MIKULSKI], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 689

At the request of Mrs. MURRAY, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 689, a bill to amend the Solid Waste Disposal Act regarding the use of organic sorbents in landfills, and for other purposes.

S. 770

At the request of Mr. DOLE, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Alabama [Mr. HEFLIN], and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 770, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

## SENATE CONCURRENT RESOLUTION 14—RELATIVE TO THE PANAMA CANAL

Mr. HELMS (for himself, Mr. CRAIG, Mr. COVERDELL, Mr. MACK, Mr. THOMAS, Mr. SMITH, and Mr. D'AMATO) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 14

Whereas the Panama Canal is a vital strategic asset to the United States, its allies, and the world;

Whereas the Treaty on the Permanent Neutrality and Operation of the Panama Canal signed on September 7, 1977, provides that Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure;

Whereas such Treaty also provides that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal;

Whereas the United States instrument of ratification of such Treaty includes specific language that the two countries should consider negotiating future arrangements or agreements to maintain military forces necessary to fulfill the responsibility of the two countries of maintaining the neutrality of the Canal after 1999;

Whereas the Government of Panama, in the bilateral Protocol of Exchange of instruments of ratification, expressly "agreed upon" such arrangements or agreements;

Whereas the Navy depends upon the Panama Canal for rapid transit in times of emergency, as demonstrated during World War II, the Korean War, the Vietnam conflict, the Cuban Missile Crisis, and the Persian Gulf conflict;

Whereas drug trafficking and money laundering has proliferated in the Western Hemisphere since the Treaty on the Permanent Neutrality and Operation of the Panama Canal was signed on September 7, 1977, and such trafficking and laundering poses a grave threat to peace and security in the region;

Whereas certain facilities now utilized by the United States Armed Forces in Panama are critical to combat the trade in illegal drugs;

Whereas the United States and Panama share common policy goals such as strengthening democracy, expanding economic trade, and combating illegal narcotics throughout Latin America;

Whereas the Government of Panama has dissolved its military force and has maintained only a civilian police organization to defend the Panama Canal against aggression; and

Whereas certain public opinion polls in Panama suggest that many Panamanians desire a continued United States military presence in Panama: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That it is the sense of the Congress that—

(1) the President should negotiate a new base rights agreement with the Government of Panama—

(A) to allow the stationing of United States Armed Forces in Panama beyond December 31, 1999, and

(B) to ensure that the United States will be able to act appropriately, consistent with

the Panama Canal Treaty, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, and the resolutions of ratification thereto, for the purpose of assuring that the Panama Canal shall remain open, neutral, secure, and accessible; and

(2) the President should consult with the Congress throughout the negotiations described in paragraph (1).

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

Mr. HELMS. Mr. President, in a moment I shall send to the desk, a resolution urging the President to negotiate a new base rights agreement with the Government of Panama to permit the United States Armed Forces to remain in Panama beyond December 31, 1999. Senators CRAIG, COVERDELL, THOMAS, MACK, SMITH, and D'AMATO are principal cosponsors of the resolution, as are several other Senators who desire cosponsorship, and we will add those names this afternoon.

We feel strongly that it is in the United States strategic interest to maintain a military presence in Panama. Millions of Americans feel that the Senate allowed President Carter to give away the Panama Canal to the great detriment of the security of the United States, and it was indeed a perilous mistake.

But what is done is done; I am not here today to reopen the Panama Canal Treaty debate. That may come later. For the moment we seek only a simple base rights agreement—the kind of agreement we pursue with other countries in Europe and in Asia.

This resolution strongly advocates U.S. presence after the implementation of the existing canal treaties. We believe it to be obvious that a U.S. military presence offers the best means of protecting the canal and ensuring its neutrality.

Eighty percent of the Panamanians agree with that. The Panamanian Foreign Minister agrees with that.

If nothing is done, then the American flag will be lowered for the last time in Panama at noon on December 31, 1999, after having flown there for almost a century. Thus, absent any change in the matter, a historical and unique relationship between the United States and Panama will come to a close. The United States will withdraw completely its military presence from Panama, and this Senator is absolutely persuaded that should not happen.

In the Exchange of Instruments of the Ratification of the Panama Canal Treaties, a protocol—in "The Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal" [Neutrality Treaty]—makes clear that nothing in the treaties precludes Panama and the United States from agreeing to the stationing of United States military forces or the maintenance of defense sites in Panama after December 1999. Specifically, the Permanent Neutrality Treaty states:

Nothing in the treaty shall preclude the Republic of Panama and the United States of America from making, in accordance with their respective constitutional processes, any agreement or arrangement between the two countries to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the Treaty, including agreements or arrangements for the stationing of any United States military forces or the maintenance of defense sites after that date in the Republic of Panama that the Republic of Panama and the United States of America may deem necessary or appropriate.

Latin America is important to the United States, and vice versa. Every few years something dramatic happens in Latin America that has a direct impact on the United States, whether it be a security threat or a natural disaster. The United States needs a strategic military capability in the region, and maintaining United States military forces in Panama will give us the best option and capability.

Many Americans have the misleading impression that Latin America is as close and accessible as their back yard. While parts of Latin America are indeed only hours away, the vast majority of the region is not that easily or quickly accessible. Geographically, Europe is not even half the size of South America. Brazil is larger than the continental United States.

If total United States military withdrawal from Panama is allowed to happen, we will be left with no significant military presence in the region. Furthermore, it will be both politically difficult and enormously costly to reintroduce U.S. forces into the region.

Keeping United States forces in Panama promotes stable democracies and market economies throughout the region; also it helps support United States efforts to counter the flow of illegal drugs. Without question, then, United States forces offer the best protection and defense of the Panama Canal.

Although the United States is engaged in a draw-down of our forces both overseas and in the United States, we are, nevertheless, leaving more than 135,000 troops in Europe and almost 100,000 in the Pacific. Maintaining forces overseas is part of the military mission. Congress budgets for this.

By the end of this year, however, only 6,000 troops will remain in Panama. This number will continue to diminish. In other words, United States presence in all of Latin America is a mere drop in the bucket compared to our presence in other parts of the world.

A continued United States presence is also supported by the Panamanian people. Current polls in Panama indicate that more than 70 percent of Panamanians questioned want the United States to maintain a military presence in Panama.

Since a continued U.S. military presence is in the interests of both nations, it is the time to negotiate a new base rights agreement. The Panama Canal treaties provide for a continued United States military presence, and the Panamanian public overwhelmingly favors it. The United States Congress should strongly urge the President to begin negotiating a new base rights agreement to keep United States military forces in Panama.

Mr. President, I ask unanimous consent that a copy of the results of a recent public opinion poll commissioned by the U.S. Information Agency be printed in the RECORD.

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

PANAMANIANS WANT U.S. TROOPS TO STAY

Most Panamanians still hold favorable views of the United States, despite political and economic frustrations since Operation "Just Cause" in 1989. Moreover, Panamanians continue to believe that some U.S. troops should remain in Panama after 1999, despite the Canal Treaty agreements on complete withdrawal.

KEY FINDINGS

In a September 1994 poll, large majorities expressed favorable opinions of the United States. Most thought the U.S. had "done much" to promote democracy and economic development in Panama.

An overwhelming majority rated the U.S.-Panama relationship as "good;" many called it "very" good. Many also thought the U.S. treated Panama with "dignity and respect," but opinion was more negative on U.S. efforts to understand Panamanian problems. And a large majority thought the U.S. expected Panama to cede to its wishes on important issues.

Better than eight in ten continued to believe that at least some U.S. troops should remain in Panama beyond 1999—with half endorsing the maintenance of present troop levels and one-third favoring reduced levels. The main reasons given for the extended U.S. military presence were "security reasons" and "employment opportunities."

Eight in ten or more also said it would be acceptable for U.S. troops to remain in Panama to provide security for the Canal, to continue the regional counter narcotics, fight, and to provide assistance in natural emergencies or for refugees. Better than six in ten thought it acceptable that the U.S. provide support for American military forces in other parts of the hemisphere from Panama bases.

In contrast to widespread doubts expressed in previous years, half the public thought the Panamanian government would be able to manage the canal well when it assumes full control in the year 2000.

OPINION OF THE UNITED STATES REMAINS VERY HIGH

Panamanians have faced a variety of political and economic frustrations since 1989 when General Manuel Noriega was removed from power. These appear to have had little effect on the favorable views most Panamanians have held of the United States.[1] In a September 1994 poll, eight in ten (82%)—across all regional and educational levels—

[1] A USIA poll in mid-1990 found that 87 percent approved (77% "strongly") of the U.S. sending troops to remove Gen. Noriega and 75 percent considered the operation a "liberation" rather than an "invasion."

voiced favorable opinions of the United States. Half (47%) expressed "very" favorable views, while just over one in ten (14%) regarded the U.S. unfavorably. On two key U.S. initiatives:

Eight in ten (83%) agreed that the U.S. had "done much to promote democracy" in Panama. Six in ten were in strong agreement, perhaps influenced in part by the successful democratic elections in May.[2]

A similar majority (82%) also thought that the U.S. had "done much to promote the economic development" of Panama. Again, six in ten agreed strongly with the statement.

MOST JUDGE THE U.S.-PANAMA RELATIONSHIP AS GOOD

A great majority believed that relations between Panama and the United States were good (89%); four in ten (39%) felt they were "very" good. Seven in ten agreed (72%)—and half (48%) "strongly" agreed—that the U.S. treats Panama with "dignity and respect." (The university-educated were somewhat less likely to agree with this statement than Panamanians with less schooling.)

Public opinion was less favorable on two other aspects of the relationship:

Opinion was split about evenly on whether the U.S. tries to understand the problems facing Panama (44% said it does, 49% said it doesn't).

A large majority agreed (80%; 58% "strongly") that the U.S. expects Panama to "give in to its wishes in matters of importance to both countries." This perception apparently did not influence favorable opinions on other issues, however.

MOST STILL WANT SOME U.S. TROOPS TO REMAIN—

Panamanians continue to want a U.S. military presence in Panama beyond December, 1999, when the Torrijos-Carter Canal Treaties stipulate the withdrawal of all American troops. There has been virtually no change in public attitudes on this issue since 1991: Half the public (50%) said the U.S. should maintain "about the same number of troops it has now," while a third (35%) said the troop presence should remain in "reduced" form. Just one in ten (10%) preferred that all U.S. troops leave Panama. In general, the less-educated tended to support the status quo, while the university-educated were somewhat more likely to favor a reduced presence.

FOR SECURITY AND EMPLOYMENT REASONS

When those favoring a continued U.S. presence in Panama were asked why they thought the troops should stay, most mentioned either the security of the canal (46%) or employment opportunities generated by the U.S. base (34%). Political stability was mentioned by only a few (7%).

In addition, when asked if it would be "acceptable" for U.S. troops to remain in Panama for selected purposes, large majorities say yes to the following: to provide security for the canal (87%); to continue the fight against illegal drugs in the region (87%); to provide assistance in times of natural disasters or for refugees in Panama (81%); and to provide support for U.S. military forces in other parts of the hemisphere (64%).

Only the last purpose, "support for U.S. military forces in other parts," was considered "unacceptable" by significant minorities of the general public (27%) and the university-educated (40%).

[2] The winner, Perez Balladares, was inaugurated just a week before interviewing for the poll began on September 8.

CONFIDENCE INCREASES ON GOVERNMENT MANAGEMENT OF CANAL

Public confidence in the Panamanian government's ability to manage the canal when it assumes full control in 2000 appears to have increased in recent years: Half (51%) believed the government would manage the canal at least fairly well, while four in ten (42%) thought it would manage the canal badly. Interestingly, the university-educated were considerably more optimistic about the government's management capacity than the less-educated (62% to 45%). Polls in 1990 and 1992 had found that large majorities believed the Panamanian government was paying little or no attention to canal-management matters and that it would be best if the U.S. and Panama managed the canal together.

HOW THIS POLL WAS TAKEN

This public opinion survey was commissioned by USIA and conducted by CID-Gallup of Costa Rica. It is based on face-to-face interviews with 1200 adults aged 18 and over in all regions of Panama. Fieldwork took place September 8–18, 1994. Sample construction and fieldwork were performed by CID in accordance with USIA instructions. Questions were written by USIA in consultation with AID and USIS Panama. They were translated by the contractor, with final review by USIA.

The survey sample was selected by a modified probability method, and covered both urban and rural populations. When necessary, respondent selection was adjusted for age, sex, and education to more closely match estimated population profiles.

Ninety-five times out of one hundred, results from samples of this size will yield results which differ by no more than about 3 percentage points in either direction from what would have been obtained were it possible to interview everyone in the population. The comparison of smaller subgroups increases the margin of error. In addition, the practical difficulties of conducting any survey of public opinion may introduce other sources of error.

Additional information on methodology may be obtained from the analyst.

## SENATE RESOLUTION 120—ESTABLISHING A SPECIAL COMMITTEE ADMINISTERED BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. D'AMATO (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 120

*Resolved,*

**SECTION 1. ESTABLISHMENT OF SPECIAL COMMITTEE.**

(a) ESTABLISHMENT.—There is established a special committee administered by the Committee on Banking, Housing, and Urban Affairs to be known as the "Special Committee to Investigate Whitewater Development Corporation and Related Matters" (hereafter in this resolution referred to as the "special committee").

(b) PURPOSES.—The purposes of the special committee are—

(1) to conduct an investigation and public hearings into, and study of, whether improper conduct occurred regarding the way in which White House officials handled documents in the office of White House Deputy Counsel Vincent Foster following his death;

(2) to conduct an investigation and public hearings into, and study of, the following matters developed during, or arising out of, the investigation and public hearings concluded by the Committee on Banking, Housing, and Urban Affairs prior to the adoption of this resolution—

(A) whether any person has improperly handled confidential Resolution Trust Corporation (hereafter in this resolution referred to as the "RTC") information relating to Madison Guaranty Savings and Loan Association or Whitewater Development Corporation, including whether any person has improperly communicated such information to individuals referenced therein;

(B) whether the White House has engaged in improper contacts with any other agency or department in the Government with regard to confidential RTC information relating to Madison Guaranty Savings and Loan Association or Whitewater Development Corporation;

(C) whether the Department of Justice has improperly handled RTC criminal referrals relating to Madison Guaranty Savings and Loan Association or Whitewater Development Corporation;

(D) whether RTC employees have been improperly importuned, prevented, restrained, or deterred in conducting investigations or making enforcement recommendations relating to Madison Guaranty Savings and Loan Association or Whitewater Development Corporation; and

(E) whether the report issued by the Office of Government Ethics on July 31, 1994, or related transcripts of deposition testimony—

(i) were improperly released to White House officials or others prior to their testimony before the Committee on Banking, Housing, and Urban Affairs pursuant to Senate Resolution 229 (103d Congress); or

(ii) were used to communicate to White House officials or to others confidential RTC information relating to Madison Guaranty Savings and Loan Association or Whitewater Development Corporation;

(3) to conduct an investigation and public hearings into, and study of, all matters that have any tendency to reveal the full facts about—

(A) the operations, solvency, and regulation of Madison Guaranty Savings and Loan Association, and any subsidiary, affiliate, or other entity owned or controlled by Madison Guaranty Savings and Loan Association;

(B) the activities, investments, and tax liability of Whitewater Development Corporation and, as related to Whitewater Development Corporation, of its officers, directors, and shareholders;

(C) the policies and practices of the RTC and the Federal banking agencies (as that term is defined in section 3 of the Federal Deposit Insurance Act) regarding the legal representation of such agencies with respect to Madison Guaranty Savings and Loan Association;

(D) the handling by the RTC, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Federal Savings and Loan Insurance Corporation of civil or administrative actions against parties regarding Madison Guaranty Savings and Loan Association;

(E) the sources of funding and the lending practices of Capital Management Services, Inc., and its supervision and regulation by the Small Business Administration, including any alleged diversion of funds to Whitewater Development Corporation;

(F) the bond underwriting contracts between Arkansas Development Finance Authority and Lasater & Company; and

(G) the lending activities of Perry County Bank, Perryville, Arkansas, in connection with the 1990 Arkansas gubernatorial election;

(4) to make such findings of fact as are warranted and appropriate;

(5) to make such recommendations, including recommendations for legislative, administrative, or other actions, as the special committee may determine to be necessary or desirable; and

(6) to fulfill the constitutional oversight and informational functions of the Congress with respect to the matters described in this section.

**SEC. 2. MEMBERSHIP AND ORGANIZATION OF THE SPECIAL COMMITTEE.**

(a) MEMBERSHIP.—

(1) IN GENERAL.—The special committee shall consist of—

(A) the members of the Committee on Banking, Housing, and Urban Affairs; and

(B) the chairman and ranking member of the Committee on the Judiciary, or their designees from the Committee on the Judiciary.

(2) SENATE RULE XXV.—For the purpose of paragraph 4 of rule XXV of the Standing Rules of the Senate, service of a Senator as the chairman or other member of the special committee shall not be taken into account.

(b) ORGANIZATION OF SPECIAL COMMITTEE.—

(1) CHAIRMAN.—The chairman of the Committee on Banking, Housing, and Urban Affairs shall serve as the chairman of the special committee (hereafter in this resolution referred to as the "chairman").

(2) RANKING MEMBER.—The ranking member of the Committee on Banking, Housing, and Urban Affairs shall serve as the ranking member of the special committee (hereafter in this resolution referred to as the "ranking member").

(3) QUORUM.—A majority of the members of the special committee shall constitute a quorum for the purpose of reporting a matter or recommendation to the Senate. A majority of the members of the special committee, or one-third of the members of the special committee if at least one member of the minority party is present, shall constitute a quorum for the conduct of other business. One member of the special committee shall constitute a quorum for the purpose of taking testimony.

(c) RULES AND PROCEDURES.—Except as otherwise specifically provided in this resolution, the special committee's investigation, study, and hearings shall be governed by the Standing Rules of the Senate and the Rules of Procedure of the Committee on Banking, Housing, and Urban Affairs. The special committee may adopt additional rules or procedures not inconsistent with this resolution or the Standing Rules of the Senate if the chairman and ranking member agree that such additional rules or procedures are necessary to enable the special committee to conduct the investigation, study, and hearings authorized by this resolution. Any such additional rules and procedures shall become effective upon publication in the Congressional Record.

**SEC. 3. STAFF OF THE SPECIAL COMMITTEE.**

(a) APPOINTMENTS.—To assist the special committee in the investigation, study, and hearings authorized by this resolution, the chairman and the ranking member each may appoint special committee staff, including consultants.

(b) ASSISTANCE FROM THE SENATE LEGAL COUNSEL.—To assist the special committee in the investigation, study, and hearings authorized by this resolution, the Senate Legal Counsel and the Deputy Senate Legal Counsel shall work with and under the jurisdiction and authority of the special committee.

(c) ASSISTANCE FROM THE COMPTROLLER GENERAL.—The Comptroller General of the United States is requested to provide from the General Accounting Office whatever personnel or other appropriate assistance as may be required by the special committee, or by the chairman or the ranking member.

**SEC. 4. PUBLIC ACTIVITIES OF THE SPECIAL COMMITTEE.**

(a) IN GENERAL.—Consistent with the rights of persons subject to investigation and inquiry, the special committee shall make every effort to fulfill the right of the public and the Congress to know the essential facts and implications of the activities of officials of the United States Government and other persons and entities with respect to the matters under investigation and study, as described in section 1.

(b) DUTIES.—In furtherance of the right of the public and the Congress to know, the special committee—

(1) shall hold, as the chairman (in consultation with the ranking member) considers appropriate and in accordance with paragraph 5(b) of rule XXVI of the Standing Rules of the Senate, hearings on specific subjects, subject to consultation and coordination with the independent counsel appointed pursuant to chapter 40 of title 28, United States Code, in Division No. 94-1 (D.C. Cir. August 5, 1994) (hereafter in this resolution referred to as "the independent counsel");

(2) may make interim reports to the Senate as it considers appropriate; and

(3) shall make a final comprehensive public report to the Senate which contains—

(A) a description of all relevant factual determinations; and

(B) recommendations for legislation, if necessary.

**SEC. 5. POWERS OF THE SPECIAL COMMITTEE.**

(a) IN GENERAL.—The special committee shall do everything necessary and appropriate under the laws and the Constitution of the United States to conduct the investigation, study, and hearings authorized by section 1.

(b) EXERCISE OF AUTHORITY.—The special committee may exercise all of the powers and responsibilities of a committee under rule XXVI of the Standing Rules of the Senate and section 705 of the Ethics in Government Act of 1978, including the following:

(1) SUBPOENA POWERS.—To issue subpoenas or orders for the attendance of witnesses or for the production of documentary or physical evidence before the special committee. A subpoena or order may be authorized by the special committee or by the chairman with the agreement of the ranking member, and may be issued by the chairman or any other member of the special committee designated by the chairman, and may be served by any person designated by the chairman or the authorized member anywhere within or outside of the borders of the United States to the full extent permitted by law. The chairman, or any other member of the special committee, is authorized to administer oaths to any witnesses appearing before the special committee. If a return on a subpoena or order for the production of documentary or physical evidence is incomplete or accompanied by an objection, the chairman (in consultation with the ranking member) may convene a meeting or hearing to determine the adequacy of the return and to rule on the objection. At a meeting or hearing on such a return, one member of the special committee shall constitute a quorum. The special committee shall not initiate procedures leading to civil or criminal enforcement of a subpoena unless the person or entity to whom the subpoena is directed refuses to produce the required documentary or physical evidence after having been ordered and directed to do so.

(2) COMPENSATION AUTHORITY.—To employ and fix the compensation of such clerical, investigatory, legal, technical, and other assistants as the special committee, or the chairman or the ranking member, considers necessary or appropriate.

(3) MEETINGS.—To sit and act at any time or place during sessions, recesses, and adjournment periods of the Senate.

(4) HEARINGS.—To hold hearings, take testimony under oath, and receive documentary or physical evidence relating to the matters and questions it is authorized to investigate or study. Unless the chairman and the ranking member otherwise agree, the questioning of a witness or a panel of witnesses at a hearing shall be limited to one initial 30-minute turn each for the chairman and the ranking member, or their designees, including majority and minority staff, and thereafter to 10-minute turns by each member of the special committee if 5 or more members are present, and to 15-minute turns by each member of the special committee if fewer than 5 members are present. A member may be permitted further questions of the witness or panel of witnesses, either by using time that another member then present at the hearing has yielded for that purpose during the yielding member's turn, or by using time allotted after all members have been given an opportunity to question the witness or panel of witnesses. At all times, unless the chairman and the ranking member otherwise agree, the questioning shall alternate back and forth between members of the majority party and members of the minority party. In their discretion, the chairman and the ranking member, respectively, may designate majority or minority staff to question a witness or a panel of witnesses at a hearing during time yielded by a member of the chairman's or the ranking member's party then present at the hearing for his or her turn.

(5) TESTIMONY OF WITNESSES.—To require by subpoena or order the attendance, as a witness before the special committee or at a deposition, of any person who may have knowledge or information concerning any of the matters that the special committee is authorized to investigate and study.

(6) IMMUNITY.—To grant a witness immunity under sections 6002 and 6005 of title 18, United States Code, provided that the independent counsel has not informed the special committee in writing that immunizing the witness would interfere with the ability of the independent counsel successfully to prosecute criminal violations. Not later than 10 days before the special committee seeks a Federal court order for a grant of immunity by the special committee, the Senate Legal Counsel shall cause to be delivered to the independent counsel a written request asking the independent counsel promptly to inform the special committee in writing if, in the judgment of the independent counsel, the grant of immunity would interfere with the ability of the independent counsel successfully to prosecute criminal violations. The Senate Legal Counsel's written request of the independent counsel required by this paragraph shall be in addition to all notice requirements set forth in sections 6002 and 6005 of title 18, United States Code.

(7) DEPOSITIONS.—To take depositions and other testimony under oath anywhere within

the United States, to issue orders that require witnesses to answer written interrogatories under oath, and to make application for the issuance of letters rogatory. All depositions shall be conducted jointly by majority and minority staff of the special committee. A witness at a deposition shall be examined upon oath administered by a member of the special committee or an individual authorized by local law to administer oaths, and a complete transcription or electronic recording of the deposition shall be made. Questions shall be propounded first by majority staff of the special committee and then by minority staff of the special committee. Any subsequent round of questioning shall proceed in the same order. Objections by the witness as to the form of questions shall be noted for the record. If a witness objects to a question and refuses to answer on the basis of relevance or privilege, the special committee staff may proceed with the deposition, or may, at that time or at a subsequent time, seek a ruling on the objection from the chairman. If the chairman overrules the objection, the chairman may order and direct the witness to answer the question, but the special committee shall not initiate procedures leading to civil or criminal enforcement unless the witness refuses to answer after having been ordered and directed to answer.

(8) DELEGATIONS TO STAFF.—To issue commissions and to notice depositions for staff members to examine witnesses and to receive evidence under oath administered by an individual authorized by local law to administer oaths. The special committee, or the chairman with the concurrence of the ranking member, may delegate to designated staff members of the special committee the power to issue deposition notices authcrized pursuant to this paragraph.

(9) INFORMATION FROM OTHER SOURCES.—To require by subpoena or order—

(A) any department, agency, entity, officer, or employee of the United States Government;

(B) any person or entity purporting to act under color or authority of State or local law; or

(C) any private person, firm, corporation, partnership, or other organization;

to produce for consideration by the special committee or for use as evidence in the investigation, study, or hearings of the special committee, any book, check, canceled check, correspondence, communication, document, financial record, paper, physical evidence, photograph, record, recording, tape, or any other material relating to any of the matters or questions that the special committee is authorized to investigate and study which any such person or entity may possess or control.

(10) RECOMMENDATIONS TO THE SENATE.—To make to the Senate any recommendations, by report or resolution, including recommendations for criminal or civil enforcement, which the special committee may consider appropriate with respect to—

(A) the willful failure or refusal of any person to appear before it, or at a deposition, or to answer interrogatories, in compliance with a subpoena or order;

(B) the willful failure or refusal of any person to answer questions or give testimony during the appearance of that person as a witness before the special committee, or at a deposition, or in response to interrogatories; or

(C) the willful failure or refusal of—

(i) any officer or employee of the United States Government;

(ii) any person or entity purporting to act under color or authority of State or local law; or

(iii) any private person, partnership, firm, corporation, or organization;

to produce before the special committee, or at a deposition, or at any time or place designated by the committee, any book, check, canceled check, correspondence, communication, document, financial record, paper, physical evidence, photograph, record, recording, tape, or any other material in compliance with any subpoena or order.

(11) CONSULTANTS.—To procure the temporary or intermittent services of individual consultants, or organizations thereof.

(12) OTHER GOVERNMENT PERSONNEL.—To use, on a reimbursable basis and with the prior consent of the Government department or agency concerned, the services of the personnel of such department or agency.

(13) OTHER CONGRESSIONAL STAFF.—To use, with the prior consent of any member of the Senate or the chairman or the ranking member of any other Senate committee or the chairman or ranking member of any subcommittee of any committee of the Senate, the facilities or services of the appropriate members of the staff of such member of the Senate or other Senate committee or subcommittee, whenever the special committee or the chairman or the ranking member considers that such action is necessary or appropriate to enable the special committee to conduct the investigation, study, and hearings authorized by this resolution.

(14) ACCESS TO INFORMATION AND EVIDENCE.—To permit any members of the special committee, staff director, counsel, or other staff members or consultants designated by the chairman or the ranking member, access to any data, evidence, information, report, analysis, document, or paper—

(A) that relates to any of the matters or questions that the special committee is authorized to investigate or study under this resolution;

(B) that is in the custody or under the control of any department, agency, entity, officer, or employee of the United States Government, including those which have the power under the laws of the United States to investigate any alleged criminal activities or to prosecute persons charged with crimes against the United States without regard to the jurisdiction or authority of any other Senate committee or subcommittee; and

(C) that will assist the special committee to prepare for or conduct the investigation, study, and hearings authorized by this resolution.

(15) REPORTS OF VIOLATIONS OF LAW.—To report possible violations of any law to appropriate Federal, State, or local authorities.

(16) EXPENDITURES.—To expend, to the extent that the special committee determines necessary and appropriate, any money made available to the special committee by the Senate to carry out this resolution.

(17) TAX RETURN INFORMATION.—To inspect and receive, in accordance with the procedures set forth in sections 6103(f)(3) and 6104(a)(2) of the Internal Revenue Code of 1986, any tax return or tax return information, held by the Secretary of the Treasury, if access to the particular tax-related information sought is necessary to the ability of the special committee to carry out section 1(b)(3)(B).

**SEC. 6. PROTECTION OF CONFIDENTIAL INFORMATION.**

(a) NONDISCLOSURE.—No member of the special committee or the staff of the special committee shall disclose, in whole or in part or by way of summary, to any person other than another member of the special committee or other staff of the special committee, for any purpose or in connection with any proceeding, judicial or otherwise, any testimony taken, including the names of witnesses testifying, or material presented, in depositions or at closed hearings, or any confidential materials or information, unless authorized by the special committee or the chairman in concurrence with the ranking member.

(b) STAFF NONDISCLOSURE AGREEMENT.—All members of the staff of the special committee with access to confidential information within the control of the special committee shall, as a condition of employment, agree in writing to abide by the conditions of this section and any nondisclosure agreement promulgated by the special committee that is consistent with this section.

(c) SANCTIONS.—

(1) MEMBER SANCTIONS.—The case of any Senator who violates the security procedures of the special committee may be referred to the Select Committee on Ethics of the Senate for investigation and the imposition of sanctions in accordance with the rules of the Senate.

(2) STAFF SANCTIONS.—Any member of the staff of the special committee who violates the security procedures of the special committee shall immediately be subject to removal from office or employment with the special committee or such other sanction as may be provided in any rule issued by the special committee consistent with section 2(c).

(d) STAFF DEFINED.—For purposes of this section, the term "staff of the special committee" includes—

(1) all employees of the special committee;

(2) all staff designated by the members of the special committee to work on special committee business;

(3) all Senate staff assigned to special committee business pursuant to section 5(b)(13);

(4) all officers and employees of the Office of Senate Legal Counsel who are requested to work on special committee business; and

(5) all detailees and consultants to the special committee.

**SEC. 7. RELATION TO OTHER INVESTIGATIONS.**

(a) PURPOSES.—The purposes of this section are—

(1) to expedite the thorough conduct of the investigation, study, and hearings authorized by this resolution;

(2) to promote efficiency among all the various investigations underway in all branches of the United States Government; and

(3) to engender a high degree of confidence on the part of the public regarding the conduct of such investigation, study, and hearings.

(b) SPECIAL COMMITTEE ACTIONS.—To carry out the purposes stated in subsection (a), the special committee is encouraged—

(1) to obtain relevant information concerning the status of the investigation of the independent counsel, to assist in establishing a hearing schedule for the special committee; and

(2) to coordinate, to the extent practicable, the activities of the special committee with the investigation of the independent counsel.

**SEC. 8. SALARIES AND EXPENSES.**

A sum equal to not more than $950,000 for the period beginning on the date of adoption of this resolution and ending on February 29,

1996, shall be made available from the contingent fund of the Senate out of the Account for Expenses for Inquiries and Investigations for payment of salaries and other expenses of the special committee under this resolution, which shall include not more than $750,000 for the procurement of the services of individual consultants or organizations thereof, in accordance with section 5(b)(11). Payment of expenses shall be disbursed upon vouchers approved by the chairman, except that vouchers shall not be required for the disbursement of salaries paid at an annual rate.

**SEC. 9. REPORTS; TERMINATION.**

(a) COMPLETION OF DUTIES.—

(1) IN GENERAL.—The special committee shall make every reasonable effort to complete, not later than February 1, 1996, the investigation, study, and hearings authorized by section 1.

(2) EVALUATION OF PROGRESS.—The special committee shall evaluate the progress and status of the investigation, study, and hearings authorized by section 1 and, not later than January 15, 1996, make recommendations with respect to the authorization of additional funds for a period following February 29, 1996. If the special committee requests the authorization of additional funds for a period following February 29, 1996, the Majority Leader and the Democratic Leader shall meet and determine the appropriate timetable and procedures for the Senate to vote on any such request.

(b) FINAL REPORT.—

(1) SUBMISSION.—The special committee shall promptly submit a final public report to the Senate of the results of the investigation, study, and hearings conducted by the special committee pursuant to this resolution, together with its findings and any recommendations.

(2) CONFIDENTIAL INFORMATION.—The final report of the special committee may be accompanied by such confidential annexes as are necessary to protect confidential information.

(3) CONCLUSION OF BUSINESS.—After submission of its final report, the special committee shall promptly conclude its business and close out its affairs.

(c) RECORDS.—Upon the conclusion of the special committee's business and the closing out of its affairs, all records, files, documents, and other materials in the possession, custody, or control of the special committee shall remain under the control of the Committee on Banking, Housing, and Urban Affairs.

**SEC. 10. COMMITTEE JURISDICTION AND RULE XXV.**

The jurisdiction of the special committee is granted pursuant to this resolution, notwithstanding the provisions of paragraph 1 of rule XXV of the Standing Rules of the Senate relating to the jurisdiction of the standing committees of the Senate.

## SENATE RESOLUTION 121—RELATING TO THE ANGOLA PEACE PROCESS

Mr. FEINGOLD (for himself, Mrs. KASSEBAUM, Mr. HELMS, Mr. PELL, and Mr. SIMON) submitted the following resolution; which was considered and agreed to:

S. RES. 121

Whereas Angola has suffered one of the most violent and longest-running civil wars;

Whereas the United States was actively engaged in the war in Angola, has provided more than $200 million in humanitarian assistance to Angola since 1992, and has been a key facilitator on the ongoing peace negotiations;

Whereas Angola is the last civil conflict in southern Africa, and regional leaders including South African President Nelson Mandela consider its resolution to be a top priority;

Whereas an enduring peace in Angola, a potentially wealthy country that is central to regional stability and economic development, is in the national interest of the United States;

Whereas the Government of Angola and National Union for the Total Independence of Angola (UNITA) entered into the Lusaka Protocol in November 1994 to secure a U.N.-supervised peace settlement;

Whereas the United Nations Security Council voted in February to send a U.N. peacekeeping mission to Angola to monitor and enforce the peace process, and more than 600 international monitors are deployed throughout the country;

Whereas continuing progress toward peace makes it more likely that further deployment of UNAVEM III will occur soon;

Whereas the meeting between President Eduardo dos Santos and Dr. Jonas Savimbi on May 6, 1995, at which both parties reiterated their commitment to the Lusaka Protocol, demonstrated that they possess the essential political will to resolve outstanding issues, and encouraged all who want peace in Angola;

Whereas achieving a lasting peace will require that all Angolans work together to overcome bitter legacies of war, which include a devastated infrastructure, millions of unexploded landmines, a profound distrust between the parties, weakened civil institutions, a crippled economy, and a generation of young Angolans who have never known a peaceful, civil society;

Whereas strong leadership is essential to ensure that the wealth of Angola, long spent on war, now is used to consolidate peace. Now therefore be it

*Resolved* That the Senate:

(1) Congratulates the people of Angola for the courageous and determined steps their leaders have taken in support of peace;

(2) Urges all parties in Angola to continue to strengthen their commitment to the Lusaka process, which constitutes the last, and best, chance for securing an enduring peace;

(3) Affirms that the United States will hold both Angolan parties responsible for abiding by their commitment to peace; and

(4) Calls upon the international community to remain actively engaged in support of national reconciliation, removal of landmines, economic development, and democratization in Angola.

Mr. FEINGOLD. Mr. President, today I am introducing a resolution, in conjunction with the distinguished Chair of the Subcommittee on African Affairs, as well as the chairman and ranking member of the Senate Foreign Relations Committee, and others, which congratulates the people of Angola for the courageous steps their leaders have taken recently in the name of peace and reconciliation in Angola. This has been an arduous and painful process, but the recent meeting between President dos Santos and Dr. Jonas Savimbi, in addition to the deployment of the U.N. operation, signifies a dramatic breakthrough which may unlock the door to peace in Angola.

As we all know, Angola has been engulfed in civil war ever since its independence from Portugal in 1975. It not only suffered vast dislocation and neglect following the colonial occupation, but also it became a classic superpower playground as Angola struggled to find its postcolonial identity. Throughout the 1970's and 1980's South Africa and Zaire launched frequent military incursions in support of the Government of Angola, while mercenaries from Europe and elsewhere helped the rebel forces of UNITA and Dr. Jonas Savimbi fight from the bush. 37,000 Cuban troops supported the government and the MPLA party, and their involvement sparked more independence wars in Namibia. The United States offered covert aid to UNITA in an effort to contain communism in Africa for "national security" purposes. In addition, there were secessionist threats from the northern, oil-rich province of Cabinda, which was, ironically, home to many U.S. oil companies throughout the war.

This war killed over 1 million people, and displaced and disabled millions more. Cities and fields are completely destroyed, and 9 to 20 million unexploded landmines, supplied by outside powers, lace the countryside. Beautiful coastal lands and mineral-rich areas not only lay undeveloped, but have been damaged and destroyed by warfare. Bitter war enmities between the MPLA and UNITA have created long-lasting rifts which will take at least a full generation to heal. Young boys, who from the age of 10 have been armed and fighting, are dislocated from their families. An entire people has never known civil society.

It was with the end of the cold war, the end of the United States-Soviet rivalry, that peace actually had a chance in Angola. When Congress prohibited military aid to Angola, Cuban troops withdrew, and South Africa began to change, negotiations were finally able to begin between the MPLA and UNITA. The peace process of 1991 resulted in the Bicesse accords, and led to elections. But then disputed returns, and militant attacks on the MPLA by Savimbi, destroyed the process.

By 1992, serious negotiations had begun again. Thanks to the relentless efforts of U.N. Special Representative Bedouin Beyh, United States Ambassador to Angola, Edward de Jarnette, and others—including South African Nelson Mandela—the Lusaka accords were finally concluded on November 5, 1994.

The accords secure a U.N. supervised peace settlement, which includes the deployment of 5,600 U.N. peacekeeping

troops, as well as 350 military observers and 260 civilian police. It is intended to enable national reconciliation, demilitarization, economic development, and democratization of Angola. It will also enable the continued delivery of massive food lifts, which is keeping hundreds of thousands of people alive as the society builds a peacetime environment.

There have been some glitches in the peace process, and there have been many incidents we thought Angola would not survive. But the peace process made a big step last week when President dos Santos and Dr. Savimbi finally met face-to-face in Lusaka. They met for several hours, and in the end emerged as cooperative negotiators, both signing the Lusaka accords. They agreed to work as partners to resolve outstanding issues such as consolidation of the ceasefire, resolution of military control issues, demining operations, repair of infrastructure, acceleration of the arrival of UNAVEM troops, the retreat of Angolan soldiers, and the formation of a national unity government.

Finally, the two sides demonstrated that they have the political will necessary to reach a lasting and durable peace. This meeting was a long time in coming, and we in Congress should recognize what a milestone it is. For if Lusaka fails, Angola may lose its last opportunity for peace and prosperity. We have a lot to lose of that fails.

The resolution we are offering today congratulates the people of Angola for the courageous and determined steps their leaders have taken in support of peace. It also urges all parties in Angola to strengthen their commitment to the Lusaka process, and affirms American support for both parties to abide by their commitments. Finally, because we cannot and should not do this alone, it calls upon the international community to remain actively engaged with humanitarian, political, and economic support to make this process a success.

Angola is potentially a wealthy country with soil fertile enough to feed all of sub-Saharan Africa. It is also part of a region which has had economic and stunning political success in the past few years. As Africa seeks to put the cold war behind it, and as southern Africa consolidates into a powerhouse region, the process in Angola becomes all the more important. The meeting convened last week realized many of the gains made in recent months, and hopefully will set the process on a new course.

## NOTICES OF HEARINGS

### COMMITTEE ON INDIAN AFFAIRS

Mr. McCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will be holding an oversight hearing on Thursday, May 18, 1995, beginning at 9:30 a.m., in room 485 of the Russell Senate Office Building on the recommendations of the Joint DOI/BIA/Tribal Task Force on Reorganization of the Bureau of Indian Affairs.

Those wishing additional information should contact the Committee on Indian Affairs at 224-2251.

### SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT AND THE DISTRICT OF COLUMBIA

Mr. COHEN. Mr. President, I wish to announce that the Subcommittee on Oversight of Government Management and the District of Columbia, Committee on Governmental Affairs, will hold a hearing on Wednesday, May 24, 1995, on Aviation Safety: Do Unapproved Parts Pose a Safety Risk? The hearing will be at 9:30 a.m., in room 342 of the Dirksen Senate Office Building.

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON ARMED SERVICES

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, May 17, 1995 at 9:30 a.m. in open session to receive testimony on the National Security Implications of the Strategic Arms Reduction Treaty—START II.

The PRESIDING OFFICER. Without objection, it is so ordered.

### COMMITTEE ON FINANCE

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet Wednesday, May 17, 1995, beginning at 9:30 a.m. in room SD-215, to conduct a hearing on Medicare solvency.

The PRESIDING OFFICER. Without objection, it is so ordered.

### COMMITTEE ON GOVERNMENTAL AFFAIRS
### COMMITTEE ON FOREIGN RELATIONS

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 17, 1995, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Wednesday, May 17, at 10 a.m., for a hearing on Executive Reorganization: An Overview of How To Do It.

The PRESIDING OFFICER. Without objection, it is so ordered.

### COMMITTEE ON INTELLIGENCE

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 17, 1995, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

### SUBCOMMITTEE ON ACQUISITION AND TECHNOLOGY

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Subcommittee on Acquisition and Technology of the Committee on Armed Services be authorized to meet at 2 p.m. on Wednesday, May 17, 1995, in open session, to receive testimony on dual use technology programs in review of S. 727, the National Defense Authorization Act for Fiscal Year 1996, and the Future Years Defense Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

### HONG KONG

• Mr. THOMAS. Mr. President, I would like to address comments made in the last few weeks by two officials of the Government of the People's Republic of China regarding the United States and Hong Kong. First, as reported by Hong Kong radio and Nanhua Zaobao, Mr. Lu Ping, the Director of the PRC's Office of Hong Kong and Macau Affairs, told a delegation of American businessmen in Beijing that he believes there is a lack of understanding in the United States regarding Beijing's attitude towards Hong Kong. Second, Foreign Minister Qian is quoted in the April 24 issue of Beijing Review as stating that the United States has no interest in Hong Kong sufficient to justify the attention we pay to the area. I am dismayed that they have reached this conclusion for two reasons. First, because I believe that the United States is all too cognizant of Beijing's attitude towards the colony and has tried to make that cognizance known; and second, because it demonstrates to me that Beijing does not really understand what our concerns are.

At the outset, let me state that I do agree in part with Minister Qian. Before the scheduled revision in 1997, Hong Kong affairs are a matter of concern primarily to Great Britain and the PRC; after 1997, they become a matter of concern primarily to Beijing. It is not our intent to instruct either London or Beijing on how best to accomplish that reversion, or on what role Hong Kong should play as a reclaimed part of greater China after 1997.

This does not mean however, that I agree with what appears to be Minister Qian's correlative argument: that other countries therefore have absolutely no role whatsoever to play before or after 1997.

As I previously noted in a statement about Hong Kong on the floor on April 3, the United States is keenly following developments in Hong Kong. This interest has two principle sources. First, we have a tremendous stake in the future economic and political stability of

Hong Kong after reversion. Second, how the PRC handles this transition has far-reaching implications for our bilateral relations—and in some of China's multilateral relations which include us—in other important arenas. Let me address these in turn.

Our economic ties to the present Colony of Hong Kong are substantial. Hong Kong is our 13th largest trading partner—7th in terms of agricultural trade. In 1994, two-way merchandise trade topped $21 billion; U.S. exports accounted for over $11 billion. There are more than 1,000 United States firms with a presence in Hong Kong, of which about 370 have their regional headquarters there. At the beginning of 1994, United States direct investment in Hong Kong on a historical cost basis was approximately $10.5 billion.

This strong economic tie is facilitated—in fact, made possible—by Hong Kong's friendly business climate, a stable government, an independent judiciary firmly rooted in the rule of law, and a vibrantly free press. It is clearly a tie we have a very strong motive for maintaining in its present form. And thus, it is from this point of view that we take an active interest in Hong Kong affairs now, and will most likely continue to take in the post-1997 world. How faithfully the PRC adheres to the Sino-British Joint Declaration and the Basic Law is of importance to us because of the impact such adherence—or lack thereof—might have no these specific areas, and, in turn, on our economic stake.

These are the logical steps that our Chinese friends do not seem to follow. I think their failure is best illustrated by an article in the May 8 edition of the Hong Kong Chinese-language newspaper Wen Wei Po—a newspaper with close connections to the PRC. In commenting on a speech by the United States Consul General in Hong Kong, the newspaper reported:

> In his speech, Mr. Mueller said that the United States not only has tens of thousands of citizens, over 1,000 companies, and tens of billions of dollars of investments in Hong Kong, but also exports billions of dollars' worth of products to Hong Kong. These facts, he noted, show that maintaining and developing economic and trade relations with Hong Kong is conductive to safeguarding the common interests of Hong Kong and the United States, this being indeed the point Mr. Mueller was trying to make. *What is strange is that Mr. Mueller suddenly shifted from economic topics to topics such as democracy, the legal system, and human rights in Hong Kong* * * * . (emphasis added).

So, let me explain simply how desiring to safeguard our economic interests triggers a concomitant interest in those topics. If the PRC cannot or does not firmly establish and safeguard a local independent judiciary in Hong Kong after 1997, then businesses will become skittish, pull out of the area, and the economy will suffer. If the civil and human rights presently available to Hong Kong citizens are not safeguarded, and are instead limited to reflect those presently available to citizens on the mainland where the government is not known for its sterling democratic reputation, then businesses will become skittish, pull out of the area, and the economy will suffer. If the present orderly and stable bureaucracy is replaced by one such as that currently in vogue in provinces like Guangdong where family or party connections and a large amount of renminbi are more important than the rule of law, then businesses will become skittish, pull out of the area, and the economy will suffer.

We understand very well the PRC's verbal pronouncements that everything is fine and will remain so after 1997. But as I pointed out after the visit here of Lu Ping, to be credible and calming those pronouncements need to be backed-up with substantive actions. So far, in some areas, that has not been the case, and it this lack of substantive assurances that concerns us. Let me illustrate.

A free press is one of the elements essential to Hong Kong's future as a center of international trade and finance. China has spoken about maintaining freedom of the press, but we have seen growing signs of a move to chill the colony's traditionally raucous press—a press which has been quite even-handed at denouncing Beijing and London, but has denounced Beijing nonetheless. There have been declarations that the PRC will not allow Hong Kong to become a "nest of subversives"—which in the PRC's lexicon could well include free-minded members of the media. The PRC's Ministry of Public Security recently confirmed that it has been gathering information on Hong Kong citizens who are "against the Chinese government." The PRC also tried in secret Hong Kong reporter Xi Yang and sentenced him to 12 years in prison for "stealing state financial secrets"—a term which could include such simple figures as production levels of consumer goods, provincial GDP's, etc. Finally, there were the not-so-coincidental hostile actions taken by the PRC against the Beijing commercial establishments of Hong Kong publisher Jimmy Lai after Lai published an open letter critical of Li Peng.

A continuation of the present common law, independent judiciary is another element of Hong Kong's continuing economic success after 1997. Businesses feel secure if they know that any commercial dispute in which they may be involved will be determined using settled points of law adjudicated by jurists beyond the influence of local politics or influence. The PRC has promised a continuation of this system, but again their actions speak louder to us. Beijing has failed to endorse the Hong Kong Government's draft legislation designed to implement the Court of Final Appeal; failure to do so soon may leave the Hong Kong SAR without such a court for the critical period just after 1997. Moreover, China's past commitment to the rule of law has been very spotty at best. Although a signatory to the International Convention on Arbitration, the PRC has blatantly violated that accord by allowing a Shanghai firm to refuse to pay an arbitral award against it in favor of a U.S. concern named Revpower. China is a signatory to several agreements concerning intellectual property rights, but their compliance until lately was almost nonexistent. The terms of contracts in general in China appear to be binding on the foreign firm, and fungible as far as the Government is concerned—witness the recent unilateral breaking of McDonald's lease for a site on Tiananmen Square with which my colleagues are no doubt familiar.

Aside from our specific interest in these specific issues and the ramifications they will have for Hong Kong's future, how the PRC handles this transition also has implications in other non-Hong Kong specific arenas. How well the PRC keeps to their word will, I think, demonstrate their dependability as they seek to accede to the WTO and other similar organizations. Moreover, it will serve as an indicator as to whether the Chinese are serious about their own commitments to foreign investors, and will be a signal to those considering future investment.

Mr. President, on May 25 the Subcommittee on East Asian and Pacific Affairs, which I chair, will hold a hearing on this topic entitled "Hong Kong: Problems and Prospects for 1997." I look forward to hearing from several Hong Kong specialists about the present state of the transition, where the problem areas are, and what they think the prospects are for the continuation of the colony's present economic prosperity after 1997.

In closing, let me reiterate that we are not seeking to meddle in Great Britain and China's purely bilateral affairs. But, where the actions of either party might effect the business climate in Hong Kong—and thus international investment—I believe that we have a legitimate reason for showing interest, and the parties can be sure that we will. This is our message to Beijing.•

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## THOUGHTFUL HOMILY OF MOST REV. EDWARD M. EGAN

• Mr. LIEBERMAN. Mr. President, I recently came across a copy of a homily delivered last year by the Most Rev. Edward M. Egan, bishop of Bridgeport, that I believe is worthy of inclusion in the RECORD.

With so much debate of late about the quality of public discourse in this country, the words of Bishop Egan remind us of the need to be respectful of

the heartfelt opinions of others, no matter how strongly we might disagree with their point of view.

The bishop's homily was delivered at the red Mass at Saint Matthew's Cathedral here in Washington on October 2, 1994. The red Mass is an annual Mass celebrated for people involved in the legal profession and the bishop urges lawyers, as "protectors of thought and its free expression," to do all they can to protect the speech of those who utter unpopular beliefs and to ensure that all people in our society are allowed to enter the national dialogue over the issues that govern our fate. Speaking to leaders of the legal community, including the Attorney General, and members of the Supreme Court, Bishop Egan cautioned that lawyers must "insist that the unapproved point of view be heard and explored."

Bishop Egan has provided wonderful leadership in his time in Connecticut in so many different ways. I am proud to consider him a friend. Whether my colleagues agree or disagree with all of Bishop Egan's words and examples regarding political correctness, I know they will find his homily to be eloquent and thought-providing. It is in that spirit that I ask that it be printed in the RECORD.

The homily follows:

HOMILY OF THE MOST REV. EDWARD M. EGAN, BISHOP OF BRIDGEPORT

Your Excellency, Archbishop Cacciavillan, Reverend Clergy, Members of the John Carroll Society, Distinguished Representatives of the Bench and Bar, and Friends All:

This past summer, in Canton in the South of China, I sat in a hotel restaurant with a Chinese tour-guide who spoke English quite well. He had brought a busload of tourists to a store that sold porcelain and silk; and once they were safely inside, he invited me to join him for a cup of tea.

He was forty-five years of age, he told me. In his youth he had dreamed of mastering the English language and French as well. However, in the second year of his university studies, the so-called Cultural Revolution had intervened.

His eyes flashed as he described that decade of madness in China. He and dozens of his fellow students had been forced to watch two of their professors killed in a public square by a government-inspired mob. He had stood at attention for hours on several occasions as thousands of books from the university library were destroyed in bonfires. And in due course, he had been taken to the West of China to labor for three years on collective farms, his whereabouts unknown to family and friends.

"What," I asked him, "were the leaders of the Cultural Revolution hoping to achieve with all of this?"

"They wanted the people to stop having unapproved thoughts," he replied. "They felt that the nation could prosper only if all were thinking in the same way—their way, the approved way."

He winced a bit as he offered this explanation but was clearly convinced that his analysis was correct. For he repeated it word for word as he stared into his empty teacup: "They felt that the nation could prosper only if all were thinking in the same way—their way, the approved way."

You and I, my dear friends, are privileged to live in a land in which the imposition of thought by government is rejected out of hand. And in no small measure we have the legal profession to thank for this blessing.

It was lawyers like Montesquieu and Montaigne who were crucial in developing the basic political ideas of our free society. Twenty-five of the fifty-six who signed the Declaration of Independence, with its cry for justice and equality, were practicing attorneys. Even more, the fundamental charters of our nation, such as the Constitution and the Bill of Rights, with their uncompromising commitments to freedom of thought, were largely the work of legal experts with names like Jefferson, Adams, Wilson, Jay, Wythe, and Marshall.

Still, there are in our country today rumblings in many quarters about thoughts that are approved and thoughts that are not. Thus, the expression, "politically correct," has become a staple in our vocabularies. Indeed, over the past year or two it has graduated to the level of a familiar abbreviation. Few there are who do not know the meaning of "p.c."

One is politically correct, we understand, when one agrees with the "important" newspapers, the "quoted" professors, the "best" commentators, the "most influential" personalities. Nor can there be any doubt that this understanding is operating with remarkable efficiency. From Atlantic to Pacific, the vast majority of adult Americans are able to identify with extraordinary ease and accuracy those ideas, positions, and thoughts which are today in our land "correct" or, if you prefer, "approved."

The Readings from Sacred Scripture in our Mass this morning remind us of two cases in point. The first of these Readings, from the Book of Genesis, is among the most familiar in all of Holy Writ. It speaks of the mind of the Divinity as regards the basics of the human condition. The male, we read, was from the time of creation not to be left alone. Rather, he was to be joined by a companion, a partner, a wife, so that together they might live out their years, two in fact but one in heart and love. And from that love was to result a miracle within the wife, a miracle before which every generation since creation has stood in awe.

In our time, however, the miracle has become as well a source of controversy. Simply put, the matter under discussion is this: May society stand idly by while a private party puts a violent end to the miracle?

Those who have embraced the "approved" thinking, the "correct" thinking, answer with a resounding "yes." The miracle, they allege, may be killed with impunity.

Others, however, dare to sing outside the chorus. Their reasoning should not be difficult to understand. The being within the mother, they note, gives strong indications of being a human being, a person with an inalienable right to live. Certainly, no one has ever been able to prove the contrary. Hence, they conclude, society has no choice but to fulfill its most fundamental duty as regards the being in question. It must protect it against attack.

There is no hint of religion in any of this unapproved thinking, though many religious people, for a multitude of religious reasons, support it. There is no mention of doctrine, dogma, sacred writings, or anything of the sort. At issue are only matters which are properly and strictly matters of the law: the meaning of personhood, the basic rights of individuals, the power of legal presumptions, and the most elementary and essential duties of society. These and nothing more.

Still, there is a tactic abroad in our land to characterize the unapproved thinking as exclusively religious and to refuse to allow it a fair hearing on this score. The tactic is clever, widespread, and effective. It should also be frightening to all who cherish the free and honorable exchange of ideas, positions, and thoughts—lawyers first and foremost.

The Gospel Reading, too, calls to mind a controversy of our time in which only certain thoughts appear to be approved.

The Lord, in the lovely account of Saint Luke, instructs His closest followers not to keep children from Him. "Let them come to Me, do not hinder them," He says, "for it is to such as these that the kingdom of God belongs."

Parents there are, to be sure, who would not be comfortable with having their children, the miracles of their love, accept such an invitation. And in this free land of ours their point of view is properly and vigorously protected. But other parents there are who firmly believe that the invitation of the Lord is most worthy, parents who wish their offspring to be educated according to the mind and will of the One Whom they call their God.

The thought of this second group is, of course, unapproved; and the tactic for dismissing it is well-known. All monies that governments collect to support schools, it is announced, must go only to those institutions in which every mention of the Divinity is outlawed. For otherwise, the state would be sustaining religion.

But when such a rule is implemented, the unapproved thinkers protest, is not irreligion being sustained? Why erect a wall only between religion and the state? Why not erect another, no less high, between the state and irreligion? Or more to the point: Why not simply concede to all parents equally the right to choose the schools of their children and to share in the funds gathered by society to support them.

The plea is somehow ruled out of order. The "important" newspapers, the "quoted" professors, the "best" commentators, the "most influential" personalities have spoken. It remains, it would seem, for lawyers to insist that the unapproved point of view be heard and explored. For they are uniquely positioned to do this as counselors, judges, writers, thinkers, and legislators; and what is more: they have a long and noble tradition in this land of respecting and defending thought, even when it is "unapproved."

But the second Reading of our Mass this morning, from the Epistle to the Hebrews, provides yet another reason for lawyers to address the aforementioned issues of unapproved thinking and any others that come to mind. That reason is, I confess, plainly and exquisitely religious. It is simply this: We are all children of the one Father in heaven; hence, we have no choice but to listen to one another with attention, concern, and love.

Many years ago I pastored a parish on the Southside of Chicago. The community was African-American. In fact, one of my parishioners often reminded me that I was very likely the only white voter in the precinct.

My closest adviser was a retired army major who spent many an evening chatting with me about life in the distressed neighborhoods of the Windy City.

"Father," he used to tell me, "we are never going to be the nation we should be as long as any of us are kept out of the national conversation. We've got to find some powerful folks to let us all in."

This morning, thanks to the very kind invitation of the Archbishop of Washington,

James Cardinal Hickey, I have the honor to speak to just such "powerful folks." Over the past thirty years, we as a nation have learned that the Black community must be a respected participant in the "national conversation." We are every day becoming more aware that the same is true of the Hispanic community. I pray that now is the time for the religious community as well. And I pray too that lawyers will lead the way in this regard, not only because of their historic position as protectors of thought and its free expression but also, and especially, because they realize, indeed, embrace in faith, that we are all children of one God, sisters and brothers who need—and have a right—to be heard.•

## TRIBUTE TO MR. DARWIN HINDMAN AND THE DOLPHIN DEFENDERS

• Mr. BOND. Mr. President, I rise today to pay special tribute to Mr. Darwin Hindman of Columbia, MO, and the Dolphin Defenders of St. Louis, MO. These outstanding Missourians are among 15 honorees nationwide to receive this year's Chevron-Times Mirror Magazines Conservation Award. This honor is being bestowed in recognition of the contributions made by Mr. Hindman and the Dolphin Defenders to environmental conservation and development. I congratulate them for their highly notable achievements and encourage their continued efforts to create balanced solutions to natural resources problems.

Mr. Darwin Hindman, Jr., the newly elected mayor of Columbia and president of Missouri Rails Trails Foundation, Inc., is one of five receiving the Citizen Volunteer Award. Mr. Hindman is responsible for establishing Katy Trail State Park along the north bank of the Missouri River. Through his public activism and fundraising efforts, Mr. Hindman successfully spearheaded creation of the Katy Trail that follows the historic Lewis and Clark expedition of 1804 to 1806. Mr. Hindman also was instrumental in developing the MKT Fitness/Nature Trail. Mr. Hindman and the foundation are working with the State and others to expand the Katy Trail, with the goal of extending it across the State.

The Dolphin Defenders of St. Louis is a group of more than 50 inner city children working to restore their neighborhood by improving the environment. Their name comes from the group's desire to mimic dolphin behavior of protecting each other from danger. The Dolphin Defenders revitalized a once trash laden vacant lot used by drug dealers and abusers into a beautiful environmental retreat now known as the Promised Land. The group has also recognized children surviving in violent communities by planting 31 trees on Arbor Day in Visitation Park. The Dolphin Defenders are one of five nonprofit organizations/public agencies to receive this year's Conservation Award. Moneys raised from the youth group's continuous collection and recycling of tires and glass bottles enable the Dolphin Defenders to pursue new environmental projects.

The honorees will be recognized at an awards dinner on May 17 in Washington, DC, and will receive a $2,000 award along with a bronze plaque acknowledging their achievements and continued efforts to enhance the environment. The awards program was established in 1954 by the late Ed Zern, a nationally recognized sportsman, humorist, author, and former columnist for Field & Stream. Nearly 900 individuals and organizations have received this award since its conception to honor individuals and groups who protect and enhance renewable natural resources.

My sincerest congratulations to Mr. Hindman and the Dolphin Defenders for their significant accomplishments and contributions to conservation and the environment.•

## DEPARTMENT OF THE INTERIOR POSITIONS

• Mr. MURKOWSKI. Mr. President, on April 7, 1995, the Committee on Energy and Natural Resources filed the report to accompany S. 610, a bill to provide for a visitor center at the Civil War Battlefield of Corinth, MS.

At the time this report was filed, the Department of the Interior had not submitted its position regarding this measure. The committee has since received this communication from the Department of the Interior, and I ask that it be printed in the RECORD for the advice of the Senate.

The communication follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, DC, May 10, 1995.*

Hon. FRANK MURKOWSKI,
*Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: Legislation authorizing the construction of a visitor center at Corinth, Mississippi, S. 610, has been reported out of the Committee on Energy and Natural Resources. In addition to providing for a visitor center, which would be administered as part of Shiloh National Military Park, the bill authorizes the Secretary to mark sites associated with the Siege and Battle of Corinth National Historic Landmark.

On July 25, 1994, we testified before the House Subcommittee on National Parks, Forests, and Public Lands regarding the proposed visitor center at the Civil War Battlefield of Corinth. In our testimony we opposed construction of an interpretive center at Corinth. We believe such a facility is unnecessary given the presence of the National Park Service visitor center at nearby Shiloh Military Park. A visitor center at Corinth is particularly difficult to justify in light of current fiscal constraints. The cost estimate for the proposed 5,300-square-foot interpretive center is $6 million which includes the cost of development, operation and maintenance for 5 years.

We continue to oppose proposals to construct a visitor center at Corinth. The current legislation, S. 610, would give the National Park Service primary responsibility for interpreting the story of Corinth. We believe this responsibility rests more appropriately at the local level. It is not fiscally possible for the National Park Service to have interpretive centers at every significant site associated with the Civil War. We believe we can appropriately relate the story of the Civil War in this area from our current facilities at Shiloh National Military Park.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

GEORGE T. FRAMPTON, Jr.,
*Assistant Secretary for Fish and Wildlife and Parks.*

Mr. MURKOWSKI. Mr. President, on April 7, 1995, the Committee on Energy and Natural Resources filed the report to accompany H.R. 400, a bill to provide for the exchange of lands within Gates of the Arctic National Park and Preserve.

At the time this report was filed, the Department of the Interior had not submitted its position regarding this measure. The committee has since received this communication from the Department of the Interior, and I ask that it be printed in the RECORD for the advice of the Senate.

The material follows:

U.S. DEPARTMENT OF THE INTERIOR,
*Wasington, DC, April 26, 1995.*

Hon. FRANK MURKOWSKI,
*Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: We are writing to express the Department of the Interior (Department) position on H.R. 400, "To provide for the exchange of lands within Gates of the Arctic National Park and Preserve, and for other purposes," as reported by the Committee on Energy and Natural Resources. The proposed legislation includes two titles which relate to Gates of the Arctic National Park (Title I) and the acquisition of subsurface rights from Koniag, Inc. (Title II) on the Alaska peninsula.

We strongly support Title I of H.R. 400, "Anaktuvuk Pass Land Exchange and Wilderness Redesignation," as approved by the Committee. Title I authorizes a land exchange involving the National Park Service (NPS), the Nunamiut Corporation and the Arctic Slope Regional Corporation concerning lands in and around Gates of the Arctic National Park and Preserve. The proposed exchange marks thousands of hours of work and over 10 years of negotiations among the affected parties. We believe the proposed exchange would resolve difficult land use issues, improve the management of the Park and benefit the people of Anaktuvuk Pass. Accordingly, the Alaska native community, the Department and private groups all supported the version of H.R. 400 that the House of Representatives passed unanimously on February 1, 1995.

As reported to the Senate, however, Title II of H.R. 400, "Alaska Peninsula Subsurface Consolidation," directs the Secretary of the Interior to acquire oil and gas rights and other subsurface interests on the Alaska peninsula from Koniag, Incorporated. We strongly oppose Title II for the following reasons. First, we do not believe that Koniag has valid selections to some of the lands that the proposed legislation would direct the

Secretary to acquire. Second, both the NPS and the U.S. Fish and Wildlife Service (FWS) consider the acquisition of Koniag's mineral interests to be an extremely low priority in terms of the missions of the two agencies. However, even if we were to disregard this factor, there is a third and most critical problem with the bill as currently drafted: we believe that the directed appraisal methodology would establish a significant negative precedent in terms of longstanding and widely accepted appraisal practices. In sum, we believe that the valuation and acquisition of these interests, as directed by Title II, do not serve the interests of the Department, the Federal Government or the public at large.

A more detailed statement of our objections follows:

1. Status of Koniag entitlements and selections has not yet been determined.—The Alaska Native Claims Settlement Act, as amended, authorizes Koniag to receive the rights to oil and gas and sand and gravel used in connection with exploration and development of the oil and gas to 343,000 acres. However, Koniag has selected approximately 465,158 acres of subsurface estate, an overselection of approximately 122,158 acres:

Alaska Peninsula NWR: 266,068 acres of subsurface selections.

Becharof NWR: 14,080 acres of subsurface selections.

Aniakchak NM and pres.: 185,010 acres of subsurface selections.

Total selections: 465,158 acres of subsurface estate.

Overselections: 122,158 acres of subsurface estate.

Title II does not resolve the issue of Koniag's overselections. It is our understanding that the map referenced in Section 201(8) includes all of Koniag's selections, but does not identify Koniag's 275,000 acre entitlement. The validity of certain Koniag selections is currently the subject of administrative litigation. On October 12, 1993, the Bureau of Land Management (BLM) rejected a portion of Koniag's selections. Koniag has appealed the BLM decision and the issue is currently before the Interior Board of Land Appeals.

Based on the above, we object to proposed legislation which would require the Federal Government to acquire property where the validity of certain selections is under appeal.

2. Federal land management agencies have determined that these properties have extremely low priority for acquisition by the Department.—It is our understanding that the proposed subsurface selections have been examined for their economic potential for oil and gas development. We also understand that test wells have been drilled in the area and that the results of the test drilling have not indicated commercially-viable oil and gas deposits. Therefore, we do not believe that the continued private ownership of oil and gas rights within the conservation system units of the Alaskan peninsula would pose a significant threat to refuge or park resources.

Title II envisions that the acquisition cost not exceed $300 per acre on average. If this average cost is met, the Federal Government would be required to provide $82.5 million in land assets for these low priority mineral interests. We believe that the market value of these interests, as determined by an approved appraisal, will not exceed a tiny fraction of this envisioned value.

3. Proposed appraisal methodology would establish a significant negative precedent for the standard appraisal process.—We strongly oppose several provisions of the bill which direct a specific appraisal methodology.

Section 202(b)(2) directs that the appraisal will be conducted according to the standards of the "Appraisal Foundation," and that the "risk adjusted discounted cash flow methodology" would be the sole method to establish value. This direction that the appraiser must utilize one single appraisal method violates broadly supported and adopted appraisal principles and would likely lead to inflated values for the subsurface rights at the expense of the taxpayer. This section, therefore, is inconsistent with the Appraisal Foundation standards referred to in the bill.

The Federal Government currently uses the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA), a product of the Interagency Land Acquisition Conference, which is chaired by the U.S. Department of Justice. Federal and State agencies use these standards to appraise lands for possible acquisition. Federal courts have upheld these uniform standards, which are based on fairness and equity. To support the uniform appraisal standards, the Appraisal Standards Board of the Appraisal Foundation has issued the Uniform Standards of Professional Appraisal Practices.

The uniform appraisal standards used by both public and private sectors establish three basic approaches to determine fair market value: sales comparison, income and cost approaches. The standards allow for all three approaches to be considered and weighted according to specified factors.

In the case of the Koniag subsurface selections, there is no proven mineral reserve, nor an established market. In these situations, the uniform standards do not favor the discounted cash flow methodology, as directed by Section 202(b)(2). In fact, the uniform standards specifically caution against using the discounted cash flow methodology in isolation. When appraising non-producing mineral interests, the market comparison approach is considered the fairest and most equitable appraisal method. Legislation that distorts this process will lead to inequitable transactions and set a harmful precedent that could seriously undermine future land exchanges in Alaska.

Congressional action mandating that only one of the several standard appraisal methodologies be used, particularly when that methodology may be totally inappropriate to the circumstances, would render meaningless the principles of fairness and equity that form the basis of the uniform appraisal standards. Such action could encourage land owners throughout the United States to demand that their lands be valued in ways that have not gained acceptance throughout the community of professional appraisers.

We also note one additional constraint in Title II that deviates from the standard appraisal practice. In contravention of appraisal ethics and standards, Section 202 of Title II would limit the appraised value to a cap of $300 an acre on average. Based on our desire to maintain the integrity of the appraisal process, we object to imposing a cap on the valuation process, just as we would oppose any artificial floor.

4. The mandated timetables would divert personnel and resources from other high priority acquisitions.—With the consent and approval of the Congress, both the NPS and the FWS are reducing the number of Federal employees in their respective regions and headquarters offices. The respective realty offices are also facing significant staff and budget reductions in order to meet downsizing and budget targets. The remaining realty staffs are currently working to reach agreements with landowners within the Kodiak National Wildlife Refuge, the Kantishna area of Denali National Park and many other areas in Alaska. Negotiating and implementing a priority land exchange would add to the current workload.

Based on the Department's experience in appraising subsurface rights, mineral appraisals require significant expenditures of staff time and appropriated funds to complete. Directing the realty offices to complete these appraisals within the 180 day time period would lead to significant delays in work on the other high priority activities to meet the terms of the proposed legislation.

5. Ability to execute appraisals within mandated timetable.—Section 202 of Title II would require an appraiser to submit an appraisal to the Secretary within 180 days after the selection of an appraiser. Given the complexity of the mineral appraisal process of such a large area, and putting aside the issue of the discounted cash flow method, this timetable would at best lead to a hastily prepared appraisal that would not accurately value the rights in question.

Because Title II could significantly harm the financial interests of the American taxpayer, would undermine the integrity of the standard appraisal process and would not enhance the protection of natural resources or improve land management, we strongly urge that the Senate not approve Title II. We continue to support passage of Title I of H.R. 400, to protect significant natural resources in Gates of the Arctic National Park.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

GEORGE T. FRAMPTON, Jr.,
*Assistant Secretary for Fish and Wildlife and Park.*

Mr. MURKOWSKI. Mr. President, on March 29, 1995, the Committee on Energy and Natural Resources filed the report to accompany H.R. 694, the Minor Park Boundary Adjustments and Miscellaneous Park Amendments Act of 1995.

At the time this report was filed, the Department of the Interior had not submitted its position regarding this measure. The committee has since received this communication from the Department of the Interior, and I ask that it be printed in the RECORD for the advice of the Senate.

The communication follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, DC, May 9, 1995.*

Hon. FRANK MURKOWSKI,
*Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Committee on Energy and Natural Resources favorably reported H.R. 694, the Minor Park Boundary Adjustments and Miscellaneous Park Amendments Act of 1995 on March 29. The National Park Service testified in support of this legislation when it was considered in the House, and recommended several amendments. We would like to provide our views on the substitute adopted by the Energy and Natural Resources Committee.

Sec. 105. Craters of the Moon. The National Park Service supports Section 105, which revises the boundaries of Craters of the Moon

National Monument. We prefer the language in the House version of H.R. 694 that authorizes the NPS to acquire "lands, water, and interests therein" on the land being included in the boundary adjustment. One of the primary reasons for the boundary adjustment is to protect the monument's potable water source and "waters" is not currently included in the Senate version of Section 105.

Sec. 108. New River Gorge, Sec. 109. Gauley River, and Sec. 110. Bluestone River. We have no objection to the boundary changes to existing units proposed in these sections. These sections would amend the boundaries by including uneconomical remnants, a large parcel proposed for donation, and two State parks. The addition of the State parks would not change the management of either State park.

Sec. 201. Advisory Commissions. This section would extend advisory commissions for Kaloko-Honokohau National Historical Park and Women's Rights National Historical Park. On February 10, 1993, the President issued Executive Order 12838, "Termination and Limitation of Federal Advisory Committees," ordering each agency to prepare a detailed review of all existing advisory committees. As a general policy, the Administration does not support provisions that would establish or reauthorize advisory commissions; however, with respect to Kaloko-Honokohau, given the limited extension requested and the unique circumstances in this case, the Administration has no objection to this short extension.

Sec. 203. Cumberland Gap National Historical Park. We recommend enactment of this section, which would clarify the authority of the Secretary of the Interior to acquire lands or interests in lands with appropriated funds. Passage of this section would enable the NPS to use monies in the Land and Water Conservation Fund for a specific parcel without necessitating an Act of Congress to authorize each purchase. We believe the proposed amendments would enable us to respond to conservation and recreation opportunities as they arise within the authorized area of the park.

Sec. 204. William O. Douglas Outdoor Classroom. The President's budget estimate for fiscal year 1996 for the NPS includes funds for the William O. Douglas Outdoor Classroom in the Santa Monica Mountains National Recreation Area. The classroom is a nonprofit organization, which operates an environmental and special multicultural program in the Los Angeles area that serves some 100,000 people annually, including many inner-city elementary school children. The language of this section would provide the authorization necessary for the classroom to receive funding and for the Secretary of the Interior to enter into cooperative agreements.

Sec. 206. Gauley Access, and Sec. 207. Visitor Center. We recommend that these sections be deleted from the bill. The public comment period on the Draft General Management Plan (GMP) for Gauley River NRA ended in November 1994. Those comments are guiding the completion of the final plan, which will address the issue of a visitor contact facility and will recommend locations for river access. We continue to maintain that the general management planning process should be the proper vehicle for determining the location of visitor facilities within Gauley River NRA. It is anticipated the plan will be released by the end of 1995.

Sec. 205, Miscellaneous Provisions, Sec. 208. Extension, and Sec. 209, Bluestone River Public Access. We support extending the provisions of the Wild and Scenic Rivers Act for a 5-year period for segments of the Bluestone and Meadow Rivers previously studied and determined eligible for wild and scenic river designation. The general provisions relating to cooperative agreements and remnant land for Bluestone River Public Access are acceptable to the Department. We recommend that any remnants purchased pursuant to Sec. 205 be automatically included within the boundary of that park unit. The costs of implementing the above sections, if amended as we have suggested, would be between $1.5 million and $2 million in additional land acquisition for the three existing NPS units.

Sec. 305. Volunteers in the Parks. The National Park Service increasingly relies on volunteers in many program areas and reaps many benefits from this program. We recommend the elimination of any cap on this appropriation as it would allow for any budgetary increases that may be adopted in future years.

Sec. 306. Cooperative Agreements for Research. The Senate version allows the NPS to enter into cooperative agreements with several entities, including "private conservation organizations." We prefer that this authority reflect similar language in 16 U.S.C. 753, which allows the Fish and Wildlife Service to establish Cooperative Research Units with "non-profit organizations." The House version deleted this authority completely.

Sec. 306. Carl Garner Cleanup Day. We have no objection to establishment of the Carl Garner Federal Lands Cleanup Day.

Sec. 307. Corinth Interpretive Center. In addition to providing for a visitor center, which would be administered as part of Shiloh National Military Park, this section authorizes the Secretary to mark sites associated with the Siege and Battle of Corinth National Historic Landmark.

We oppose construction of an interpretive center at Corinth. We believe such a facility is unnecessary given the presence of the National Park Service visitor center at nearby Shiloh Military Park. A visitor center at Corinth is particularly difficult to justify in light of current fiscal constraints. The cost estimate for the proposed 5,300-square-foot interpretive center is $6 million, which includes the cost of development, operation, and maintenance for 5 years.

We support each of the other sections not specifically mentioned in this letter. However, we note that the committee-reported bill does not include the extinguishment of a reservation for the Army Corps of Engineers to deposit dredging spoils at Fort Pulaski National Monument. We support the House provision eliminating this reservation as the reserved area contains two significant historic structures listed on the National Register of Historic Places and significant natural resource values. Extinguishment of this reservation would assure permanent protection of these values.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

GEORGE T. FRAMPTON, JR.,
*Assistant Secretary for Fish and Wildlife and Parks.*

Mr. MURKOWSKI. Mr. President, on April 7, 1995, the Committee on Energy and Natural Resources filed individual reports to accompany S. 115, Colonial Park land conveyance; S. 127, Women's Rights NHP amendments; S. 134, FDR Family land acquisition; S. 188, Great Falls Historic District; S. 197, Carl Garner Federal Lands Cleanup Day; S. 223, Sterling Forest land acquisition; S. 357, Kaloko-Honokohau advisory commission; S. 392, Dayton American Heritage amendment; S. 551, Hagerman Fossil Beds and Craters of the Moon boundary change; S. 587, Old Spanish Trail study; and S. 601, Blackstone Heritage Area revision.

At the time these reports were filed, the Department of the Interior had not submitted its position regarding these measures. The Committee has since received a communication from the Department of the Interior, regarding these bills, and I ask that it be printed in the RECORD for the advice of the Senate.

The communication follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, DC, May 9, 1995.*

Hon. FRANK MURKOWSKI,
*Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Committee on Energy and Natural Resources recently reported several bills. The National Park Service testified in support of similar versions of many of these bills in the 103rd Congress. The following provides the National Park Service's position on most of the bills reported.

S. 115, COLONIAL (VA) PARK LAND CONVEYANCE

S. 115, which authorizes the Secretary of the Interior to acquire and convey certain lands or interests in lands to improve the management, protection, and administration of Colonial National Historical Park, was reported with an amendment to conform it to the bill approved by the committee last year. The amendment struck the provisions which would have allowed for the expansion of a specific area of Colonial Parkway and in turn would have permitted the acquisition of property immediately adjacent to the parkway. The property in question has been subdivided and development of such will result in a major visual intrusion to the parkway. The Department of the Interior/National Park Service strongly supported this section of S. 115. If a boundary expansion for this area of the Colonial Parkway is not enacted by Congress, the National Park Service will not be able to purchase this land and it will be developed.

We support the provisions of S. 115 that would allow the National Park Service to transfer the sewage systems to York County, Virginia. We urge the Senate to consider restoring the boundary adjustment and acquisition provisions struck by the committee on March 15, 1995, when S. 115 comes before the entire Senate for consideration.

S. 127, WOMEN'S RIGHTS NHP (NY) AMENDMENTS

S. 127, which would improve the administration of the Women's Rights National Historical Park in the State of New York, was reported from committee with the same amendments as in 1994. These amendments delineate the properties the National Park Service may acquire at Women's Rights NHP. A property is also removed from the park. The development/land acquisition ceiling is increased by $2 million to cover the expenses which will be incurred for the permitted expansion. The National Park Service has no objection to S. 127 as reported by the Senate Energy and Natural Resources Committee on March 15, 1995, and supports the legislation as amended.

S. 134, FDR FAMILY LAND (NY) ACQUISITION

S. 134, which would provide for the acquisition of certain lands formerly occupied by the Franklin D. Roosevelt family, was approved by the committee with the same amendments adopted in 1994. These amendments delineate specifically the properties the National Park Service may acquire at the Roosevelt Sites. Although we did not testify about specific lands, the amended language, which delineates the tracts, addresses the National Park Service's concerns for protecting property at the Roosevelt Sites. The National Park Service has no objection to S. 134 as reported by the Senate Energy and Natural Resources Committee on March 15, 1995, and supports the legislation as amended.

S. 188, GREAT FALLS (NJ) HISTORIC DISTRICT

S. 188, which would establish the Great Falls Historic District in the State of New Jersey, was approved by the committee with language similar to a bill reported from the committee in September 1994, requiring a 50 percent local match and limiting Federal funds. This language supports the National Park Service's position and belief that defining the maximum funding and requiring local participation through matching funds is appropriate and necessary to limiting National Park Service involvement in a site that is not a unit of the National Park System.

S. 197, CARL GARNER FEDERAL LANDS CLEANUP DAY

We have no objection to the enactment of S. 197, a bill that recognizes the contribution of Carl Garner to our Federal lands cleanup efforts. This is consistent with the position the Department took on this legislation when we testified before the Senate Subcommittee on Public Lands, National Parks and Forest in the 103rd Congress. Carl Garner originated this day, and we feel it is appropriate to include his name in the official title.

S. 223, STERLING FOREST (NY/NJ) LAND ACQUISITION

The National Park Service (NPS) supports S. 223, the "Sterling Forest Protection Act of 1995", as approved by the Senate Energy and Natural Resources Committee. In the 103rd Congress, the NPS had opposed the original Sterling Forest legislation that was introduced. A substitute was adopted and subsequently passed the Senate, which addressed the concerns of the NPS and the Department of the Interior. The bill just reported from the committee, S. 233, reflects our view that Department of Interior/National Park Service involvement in Sterling Forest be limited to areas adjacent to the Appalachian Trail.

S. 357, KALOKO-HONOKOHAU (HI) ADVISORY COMMISSION

S. 357 would extend the advisory commission for Kaloko-Honokohau National Historical Park. On February 10, 1993, the President issued Executive Order 12838, "Termination and Limitation of Federal Advisory Committees," ordering each agency to prepare a detailed review of all existing advisory committees. As a general policy, the Administration does not support provisions that would establish or reauthorize advisory commissions; however, given the unique circumstances in this case, the Administration has no objection to this short extension.

S. 392, DAYTON (OH) AMERICAN HERITAGE AMENDMENT

S. 392 will facilitate the appointment of the Dayton Aviation Heritage Commission. This bill will satisfy the Department of Justice's concern that the process for appointing commission members raises constitutional issues, limiting the Secretary's discretion to appoint members to the commission. These amendments will correct this issue and we support enactment of S. 392.

S. 551, HAGERMAN FOSSIL BEDS AND CRATERS OF THE MOON (ID) BOUNDARY CHANGE

The National Park Service supports S. 551, which would revise the boundaries of Hagerman Fossil Beds National Monument and Craters of the Moon National Monument. Similar legislation was unsuccessful in the past two Congresses. Passage of this legislation is critical to both parks. We recommend however that S. 551 incorporate language from the House version of H.R. 694 regarding Craters of the Moon National Monument. That language authorizes the NPS to acquire "lands, waters, and interests therein" for the area of the boundary adjustment. One of the primary reasons for the boundary adjustment is to protect the monument's potable water source and "waters" is not currently included in S. 551.

S. 587, OLD SPANISH TRAIL (CO/NM/NV/CA) STUDY

The National Park Service supports S. 587, which authorizes the study of the Old Spanish Trail for potential inclusion into the National Trails System as a national historic trail. The present language is not specific, however, as to whether national historic or national scenic trail status is sought. Because of the existing highway and other development along the trail we do not believe it would meet the national scenic trail criteria. We recommend the bill be amended to limit the study to national historic trail feasibility, which would greatly reduce study cost and time to complete the project. In addition, we recommend that the legislation be broadened to allow study of all components of the Old Spanish Trail, including the Dominguez-Escalante Trail, to assure a fair and complete assessment of the trail, and if designation is recommended, to allow inclusion of the trail's best components.

S. 601, BLACKSTONE (MA/RI) HERITAGE AREA REVISION

S. 601, would revise the boundaries of the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island. The bill approved by the Senate committee is the same bill reported by the committee in September 1994. The National Park Service supports S. 601, however, it does not address the Department of Justice's concern regarding appointments to Federal Advisory Committees. We will be happy to provide the committee draft language to resolve this concern. We hope the Senate will take this matter into consideration before it takes final action on S. 601.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

GEORGE T. FRAMPTON, Jr.,
*Assistant Secretary for Fish and Wildlife and Parks.*●

## ALASKA POWER ADMINISTRATION ASSET SALE AND TERMINATION ACT

The text of the bill (S. 395) to authorize and direct the Secretary of Energy to sell the Alaska Power Marketing Administration, and for other purposes, as passed by the Senate on Tuesday, May 16, 1995, is as follows:

S. 395

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### TITLE I

**SEC. 101. SHORT TITLE.**

This title may be cited as the "Alaska Power Administration Asset Sale and Termination Act".

**SEC. 102. SALE OF SNETTISHAM AND EKLUTNA HYDROELECTRIC PROJECTS.**

(a) The Secretary of Energy is authorized and directed to sell the Snettisham Hydroelectric Project (referred to in this Act as "Snettisham") to the State of Alaska in accordance with the terms of this Act and the February 10, 1989, Snettisham Purchase Agreement, as amended, between the Alaska Power Administration of the United States Department of Energy and the Alaska Power Authority and the Authority's successors.

(b) The Secretary of Energy is authorized and directed to sell the Eklutna Hydroelectric Project (referred to in this Act as "Eklutna") to the Municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc. (referred to in this Act as "Eklutna Purchasers"), in accordance with the terms of this Act and the August 2, 1989, Eklutna Purchase Agreement, as amended, between the Alaska Power Administration of the United States Department of Energy and the Eklutna Purchasers.

(c) The heads of other Federal departments and agencies, including the Secretary of the Interior, shall assist the Secretary of Energy in implementing the sales authorized and directed by this Act.

(d) Proceeds from the sales required by this title shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts.

(e) There are authorized to be appropriated such sums as may be necessary to prepare, survey, and acquire Eklutna and Snettisham assets for sale and conveyance. Such preparations and acquisitions shall provide sufficient title to ensure the beneficial use, enjoyment, and occupancy by the purchaser.

**SEC. 103. EXEMPTION AND OTHER PROVISIONS.**

(a)(1) After the sales authorized by this Act occur, Eklutna and Snettisham, including future modifications, shall continue to be exempt from the requirements of the Federal Power Act (16 U.S.C. 791a et seq.) as amended.

(2) The exemption provided by paragraph (1) does not affect the Memorandum of Agreement entered into among the State of Alaska, the Eklutna Purchasers, the Alaska Energy Authority, and Federal fish and wildlife agencies regarding the protection, mitigation of, damages to, and enhancement of fish and wildlife, dated August 7, 1991, which remains in full force and effect.

(3) Nothing in this title or the Federal Power Act preempts the State of Alaska from carrying out the responsibilities and authorities of the memorandum of Agreement.

(b)(1) The United States District Court for the District of Alaska shall have jurisdiction to review decisions made under the Memorandum of Agreement and to enforce the provisions of the Memorandum of Agreement, including the remedy of specific performance.

(2) An action seeking review of a Fish and Wildlife Program ("Program") of the Governor of Alaska under the Memorandum of Agreement or challenging actions of any of

the parties to the Memorandum of Agreement prior to the adoption of the Program shall be brought not later than ninety days after the date on which the Program is adopted by the Governor of Alaska, or be barred.

(3) An action seeking review of implementation of the Program shall be brought not later than ninety days after the challenged act implementing the Program, or be barred.

(c) With respect to Eklutna lands described in Exhibit A of the Eklutna Purchase Agreement:

(1) The Secretary of the Interior shall issue rights-of-way to the Alaska Power Administration for subsequent reassignment to the Eklutna Purchasers—

(A) at no cost to the Eklutna Purchasers;

(B) to remain effective for a period equal to the life of Eklutna as extended by improvements, repairs, renewals, or replacements; and

(C) sufficient for the operation of, maintenance of, repair to, and replacement of, and access to, Eklutna facilities located on military lands and lands managed by the Bureau of Land Management, including lands selected by the State of Alaska.

(2) If the Eklutna Purchasers subsequently sell or transfer Eklutna to private ownership, the Bureau of Land Management may assess reasonable and customary fees for continued use of the rights-of-way on lands managed by the Bureau of Land Management and military lands in accordance with existing law.

(3) Fee title to lands at Anchorage Substation shall be transferred to Eklutna Purchasers at no additional cost if the Secretary of the Interior determines that pending claims to, and selections of, those lands are invalid or relinquished.

(4) With respect to the Eklutna lands identified in paragraph 1 of Exhibit A of the Eklutna Purchase Agreement, the State of Alaska may select, and the Secretary of the Interior shall convey to the State, improved lands under the selection entitlements in section 6 of the Act of July 7, 1958 (commonly referred to as the Alaska Statehood Act, Public Law 85-508, 72 Stat. 339, as amended), and the North Anchorage Land Agreement dated January 31, 1983. This conveyance shall be subject to the rights-of-way provided to the Eklutna Purchasers under paragraph (1).

(d) With respect to the Snettisham lands identified in paragraph 1 of Exhibit A of the Snettisham Purchase Agreement and Public Land Order No. 5108, the State of Alaska may select, and the Secretary of the Interior shall convey to the State of Alaska, improved lands under the selection entitlements in section 6 of the Act of July 7, 1958 (commonly referred to as the Alaska Statehood Act, Public Law 85-508, 72 Stat. 339, as amended).

(e) Not later than one year after both of the sales authorized in section 102 have occurred, as measured by the Transaction Dates stipulated in the Purchase Agreements, the Secretary of Energy shall—

(1) complete the business of, and close out, the Alaska Power Administration;

(2) submit to Congress a report documenting the sales; and

(3) return unobligated balances of funds appropriated for the Alaska Power Administration to the Treasury of the United States.

(f) The Act of July 31, 1950 (64 Stat. 382) is repealed effective on the date, as determined by the Secretary of Energy, that all Eklutna assets have been conveyed to the Eklunta Purchasers.

(g) Section 204 of the Flood Control Act of 1962 (76 Stat. 1193) is repealed effective on the date, as determined by the Secretary of Energy, that all Snettisham assets have been conveyed to the State of Alaska.

(h) As of the later of the two dates determined in subsections (f) and (g), section 302(a) of the Department of Energy Organization Act (42 U.S.C. 7152(a)) is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E) respectively; and

(2) in paragraph (2) by striking out "and the Alaska Power Administration" and by inserting "and" after "Southwestern Power Administration,".

(i) The Act of August 9, 1955, concerning water resources investigation in Alaska (69 Stat. 618), is repealed.

(j) The sales of Eklutna and Snettisham under this title are not considered disposal of Federal surplus property under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) or the Act of October 3, 1944, popularly referred to as the "Surplus Property Act of 1944" (50 U.S.C. App. 1622).

(k) The sales authorized in this title shall occur not later than 1 year after the date of enactment of legislation defining "first use" of Snettisham for purposes of section 147(d) of the Internal Revenue Code of 1986, to be considered to occur pursuant to acquisition of the property by or on behalf of the State of Alaska.

**SEC. 104. DECLARATION CONCERNING OTHER HYDROELECTRIC PROJECTS AND THE POWER MARKETING ADMINISTRATIONS.**

Congress declares that—

(1) the circumstances that justify authorization by Congress of the sale of hydroelectric projects under section 102 are unique to those projects and do not pertain to other hydroelectric projects or to the power marketing administrations in the 48 contiguous States; and

(2) accordingly, the enactment of section 102 should not be understood as lending support to any proposal to sell any other hydroelectric project or the power marketing administrations.

## TITLE II

**SEC. 201. SHORT TITLE.**

This title may be cited as "Trans-Alaska Pipeline Amendment Act of 1995".

**SEC. 202. TAPS ACT AMENDMENTS.**

Section 203 of the Act entitled the "Trans-Alaska Pipeline Authorization Act", as amended (43 U.S.C. 1652), is amended by inserting the following new subsection (f):

"(f) EXPORTS OF ALASKAN NORTH SLOPE OIL.—

"(1) Subject to paragraphs (2) through (6), of this subsection and notwithstanding any other provision of law (including any regulation), any oil transported by pipeline over right-of-way granted pursuant to this section may be exported after October 31, 1995 unless the President finds that exportation of this oil is not in the national interest. In evaluating whether the proposed exportation is in the national interest, the President—

"(A) shall determine whether the proposed exportation would diminish the total quantity or quality of petroleum available to the United States;

"(B) shall conduct and complete an appropriate environmental review of the proposed exportation, including consideration of appropriate measures to mitigate any potential adverse effect on the environment, within four months after the date of enactment of this subsection; and

"(C) shall consider, after consultation with the Attorney General and Secretary of Commerce, whether anticompetitive activity by a person exporting crude oil under authority of this subsection is likely to cause sustained material crude oil supply shortages or sustained crude oil prices significantly above world market levels for independent refiners that would cause sustained material adverse employment effects in the United States.

The President shall make his national interest determination within five months after the date of enactment of this subsection or 30 days after completion of the environmental review, whichever is earlier. The President may make his determination subject to such terms and conditions (other than a volume limitation) as are necessary or appropriate to ensure that the exportation is consistent with the national interest.

"(2) Except in the case of oil exported to a country pursuant to a bilateral international oil supply agreement entered into by the United States with the country before June 25, 1979, or to a country pursuant to the International Emergency Oil Sharing Plan of the International Energy Agency, any oil transported by pipeline over right-of-way granted pursuant to this section, shall, when exported, be transported by a vessel documented under the laws of the United States and owned by a citizen of the United States (as determined in accordance with section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802)).

"(3) Nothing in this subsection shall restrict the authority of the President under the Constitution, the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), or the National Emergencies Act (50 U.S.C. 1601 et seq.) to prohibit exportation of the oil.

"(4) The Secretary of Commerce shall issue any rules necessary for implementation, including any licensing requirements and conditions, of the President's national interest determination within 30 days of the date of such determination by the President. The Secretary of Commerce shall consult with the Secretary of Energy in administering the provisions of this subsection.

"(5) If the Secretary of Commerce finds that anticompetitive activity by a person exporting crude oil under authority of this subsection has caused sustained material crude oil supply shortages or sustained crude oil prices significantly above world market levels and further finds that these supply shortages or price increases have caused sustained material adverse employment effects in the United States, the Secretary of Commerce may recommend to the President who may take appropriate action against such person, which may include modification or revocation of the authorization to export crude oil.

"(6) Administrative action with respect to an authorization under this subsection is not subject to sections 551 and 553 through 559 of title 5, United States Code.".

**SEC. 203. ANNUAL REPORT.**

Section 103(f) of the Energy Policy and Conservation Act (42 U.S.C. 6212(f)) is amended by adding at the end thereof the following:

"In the first quarter report for each new calendar year, the President shall indicate whether independent refiners in Petroleum Administration for Defense District V have been unable to secure adequate supplies of crude oil as a result of exports of Alaskan North Slope crude oil in the prior calendar

year and shall make such recommendations to the Congress as may be appropriate.".

**SEC. 204. GAO REPORT.**

The Comptroller General of the United States shall conduct a review of energy production in California and Alaska and the effects of Alaskan North Slope crude oil exports, if any, on consumers, independent refiners, and shipbuilding and ship repair yards on the West Coast. The Comptroller General shall commence this review four years after the date of enactment of this Act and, within one year after commencing the review, shall provide a report to the Committee on Energy and Natural Resources in the Senate and the Committee on Resources in the House of Representatives. The report shall contain a statement of the principal findings of the review and such recommendations for consideration by the Congress as may be appropriate.

**SEC. 205. RETIREMENT OF CERTAIN COSTS INCURRED FOR THE CONSTRUCTION OF NON-FEDERAL PUBLICLY OWNED SHIPYARDS.**

(a) IN GENERAL.—The Secretary of Energy shall—

(1) deposit proceeds of sales out of the Naval Petroleum Reserve in a special account in amounts sufficient to make payments under subsections (b) and (c); and

(2) out of the account described in paragraph (1), provide, in accordance with subsections (b) and (c), financial assistance to a port authority that—

(A) manages a non-Federal publicly owned shipyard on the United States west coast that is capable of handling very large crude carrier tankers; and

(B) has obligations outstanding as of May 15, 1995, that were dated as of June 1, 1977, and are related to the acquisition of non-Federal publicly owned dry docks that were originally financed through public bonds.

(b) ACQUISITION AND REFURBISHMENT OF INFRASTRUCTURE.—The Secretary shall provide, for acquisition of infrastructure and refurbishment of existing infrastructure, $10,000,000 in fiscal year 1996.

(c) RETIREMENT OF OBLIGATIONS.—The Secretary shall provide, for retirement of obligations outstanding as of May 15, 1995, that were dated as of June 1, 1977, and are related to the acquisition of non-Federal publicly owned dry docks that were originally financed through public bonds—

(1) $6,000,000 in fiscal year 1996;

(2) $13,000,000 in fiscal year 1997;

(3) $10,000,000 in fiscal year 1998;

(4) $8,000,000 in fiscal year 1999;

(5) $6,000,000 in fiscal year 2000;

(6) $3,500,000 in fiscal year 2001; and

(7) $3,500,000 in fiscal year 2002.

**SEC. 206. OIL POLLUTION ACT OF 1990.**

Title VI of the Oil Pollution Act of 1990 (Public Law 101-380; 104 Stat. 554) is amended by adding at the end thereof the following new section:

**"SEC. 6005. TOWING VESSEL REQUIRED.**

"(a) IN GENERAL.—In addition to the requirements for response plans for vessels established in section 311(j) of the Federal Water Pollution Control Act, as amended by this Act, a response plan for a vessel operating within the boundaries of the Olympic Coast National Marine Sanctuary or the Strait of Juan de Fuca shall provide for a towing vessel to be able to provide assistance to such vessel within six hours of a request for assistance. The towing vessel shall be capable of—

"(1) towing the vessel to which the response plan applies;

"(2) initial firefighting and oilspill response efforts; and

"(3) coordinating with other vessels and responsible authorities to coordinate oilspill response, firefighting, and marine salvage efforts.

"(b) EFFECTIVE DATE.—The Secretary of Transportation shall promulgate a final rule to implement this section by September 1, 1995.".

**SEC. 207. EFFECTIVE DATE.**

This title and the amendments made by it shall take effect on the date of enactment.

**TITLE III**

**SEC. 301. SHORT TITLE.**

This Title may be referred to as the "Outer Continental Shelf Deep Water Royalty Relief Act".

**SEC. 302. AMENDMENTS TO THE OUTER CONTINENTAL SHELF LANDS ACT.**

Section 8(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)), is amended by striking paragraph (3) in its entirety and inserting the following:

"(3)(A) The Secretary may, in order to—

"(i) promote development or increased production on producing or non-producing leases; or

"(ii) encourage production of marginal resources on producing or non-producing leases; through primary, secondary, or tertiary recovery means, reduce or eliminate any royalty or net profit share set forth in the lease(s). With the lessee's consent, the Secretary may make other modifications to the royalty or net profit share terms of the lease in order to achieve these purposes.

"(B)(i) Notwithstanding the provisions of this Act other than this subparagraph, with respect to any lease or unit in existence on the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act meeting the requirements of this subparagraph, no royalty payments shall be due on new production, as defined in clause (iv) of this subparagraph, from any lease or unit located in water depths of 200 meters or greater in the Western and Central Planning Areas of the Gulf of Mexico, including that portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, until such volume of production as determined pursuant to clause (ii) has been produced by the lessee.

"(ii) Upon submission of a complete application by the lessee, the Secretary shall determine within 180 days of such application whether new production from such lease or unit would be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i) of this subparagraph. In making such determination, the Secretary shall consider the increased technological and financial risk of deep water development and all costs associated with exploring, developing, and producing from the lease. The lessee shall provide information required for a complete application to the Secretary prior to such determination. The Secretary shall clearly define the information required for a complete application under this section. Such application may be made on the basis of an individual lease or unit. If the Secretary determines that such new production would be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i) of this subparagraph, the provisions of clause (i) shall not apply to such production. If the Secretary determines that such new production would not be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i), the Secretary must determine the volume of production from the lease or unit on which no royalties would be due in order to make such new production economically viable; except that for new production as defined in clause (iv)(aa), in no case will that volume be less than 17.5 million barrels of oil equivalent in water depths of 200 to 400 meters, 52.5 million barrels of oil equivalent in 400-800 meters of water, and 87.5 million barrels of oil equivalent in water depths greater than 800 meters. Redetermination of the applicability of clause (i) shall be undertaken by the Secretary when requested by the lessee prior to the commencement of the new production and upon significant change in the factors upon which the original determination was made. The Secretary shall make such redetermination within 120 days of submission of a complete application. The Secretary may extend the time period for making any determination or redetermination under this clause for 30 days, or longer if agreed to by the applicant, if circumstances so warrant. The lessee shall be notified in writing of any determination or redetermination and the reasons for and assumptions used for such determination. Any determination or redetermination under this clause shall be a final agency action. The Secretary's determination or redetermination shall be judicially reviewable under section 10(a) of the Administrative Procedures Act (5 U.S.C. 702), only for actions filed within 30 days of the Secretary's determination or redetermination.

"(iii) In the event that the Secretary fails to make the determination or redetermination called for in clause (ii) upon application by the lessee within the time period, together with any extension thereof, provided for by clause (ii), no royalty payments shall be due on new production as follows:

"(I) For new production, as defined in clause (iv)(I) of this subparagraph, no royalty shall be due on such production according to the schedule of minimum volumes specified in clause (ii) of this subparagraph.

"(II) For new production, as defined in clause (iv)(II) of this subparagraph, no royalty shall be due on such production for one year following the start of such production.

"(iv) For purposes of this subparagraph, the term 'new production' is—

"(I) any production from a lease from which no royalties are due on production, other than test production, prior to the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act; or

"(II) any production resulting from lease development activities pursuant to a Development Operations Coordination Document, or supplement thereto that would expand production significantly beyond the level anticipated in the Development Operations Coordination Document, approved by the Secretary after the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act.

"(v) During the production of volumes determined pursuant to clauses (ii) or (iii) of this subparagraph, in any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for light sweet crude oil exceeds $28.00 per barrel, any production of oil will be subject to royalties at the lease stipulated royalty rate. Any production subject to this clause shall be counted toward the production volume determined pursuant to clause (ii) or (iii). Estimated royalty payments will be made if such average of the closing prices for the previous year exceeds $28.00. After the end of the calendar year, when the new average price can be calculated, lessees will pay any royalties due, with interest but without

penalty, or can apply for a refund, with interest, of any overpayment.

"(vi) During the production of volumes determined pursuant to clause (ii) or (iii) of this subparagraph, in any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for natural gas exceeds $3.50 per million British thermal units, any production of natural gas will be subject to royalties at the lease stipulated royalty rate. Any production subject to this clause shall be counted toward the production volume determined pursuant to clauses (ii) or (iii). Estimated royalty payments will be made if such average of the closing prices for the previous year exceeds $3.50. After the end of the calendar year, when the new average price can be calculated, lessees will pay any royalties due, with interest but without penalty, or can apply for a refund, with interest, of any overpayment.

"(vii) The prices referred to in clauses (v) and (vi) of this subparagraph shall be changed during any calendar year after 1994 by the percentage, if any, by which the implicit price deflator for the gross domestic product changed during the preceding calendar year.".

**SEC. 303. NEW LEASES.**

Section 8(a)(1) of the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1337(a)(1)) is amended as follows:

(1) Redesignate section 8(a)(1)(H) as section 8(a)(1)(I); and

(2) Add a new section 8(a)(1)(H) as follows:

"(H) cash bonus bid with royalty at no less than 12 and ½ per centum fixed by the Secretary in amount or value of production saved, removed, or sold, and with suspension of royalties for a period, volume, or value of production determined by the Secretary. Such suspensions may vary based on the price of production from the lease.".

**SEC. 304. LEASE SALES.**

For all tracts located in water depths of 200 meters or greater in the Western and Central Planning Area of the Gulf of Mexico, including that portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, any lease sale within five years of the date of enactment of this title, shall use the bidding system authorized in section 8(a)(1)(H) of the Outer Continental Shelf Lands Act, as amended by this title, except that the suspension of royalties shall be set at a volume of not less than the following:

(1) 17.5 million barrels of oil equivalent for leases in water depths of 200 to 400 meters;

(2) 52.5 million barrels of oil equivalent for leases in 400 to 800 meters of water; and

(3) 87.5 million barrels of oil equivalent for leases in water depths greater than 800 meters.

**SEC. 305. REGULATIONS.**

The Secretary shall promulgate such rules and regulations as are necessary to implement the provisions of this title within 180 days after the enactment of this Act.

## SUPPORTING THE ANGOLA PEACE PROCESS

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Senate Resolution 121, a resolution submitted earlier today by Senators FEINGOLD, KASSEBAUM, HELMS, PELL, and SIMON, regarding the Angola peace process, that the resolution and the preamble be agreed to, the motion to reconsider be laid on the table en bloc, and any statements thereon appear at the appropriate place in the RECORD as though read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 121) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas Angola has suffered one of the most violent and longest-running civil wars;

Whereas the United States was actively engaged in the war in Angola, has provided more than $200 million in humanitarian assistance to Angola since 1992, and has been a key facilitator on the ongoing peace negotiations;

Whereas Angola is the last civil conflict in southern Africa, and regional leaders including South African President Nelson Mandela consider its resolution to be a top priority;

Whereas an enduring peace in Angola, a potentially wealthy country that is central to regional stability and economic development, is in the national interest of the United States;

Whereas the Government of Angola and National Union for the Total Independence of Angola (UNITA) entered into the Lusaka Protocol in November 1994 to secure a U.N.-supervised peace settlement;

Whereas the United Nations Security Council voted in February to send a U.N. peacekeeping mission to Angola to monitor and enforce the peace process, and more than 600 international monitors are deployed throughout the country;

Whereas continuing progress toward peace makes it more likely that further deployment of UNAVEM III will occur soon;

Whereas the meeting between President Eduardo dos Santos and Dr. Jonas Savimbi on May 6, 1995, at which both parties reiterated their commitment to the Lusaka Protocol, demonstrated that they possess the essential political will to resolve outstanding issues, and encouraged all who want peace in Angola;

Whereas achieving a lasting peace will require that all Angolans work together to overcome bitter legacies of war, which include a devastated infrastructure, millions of unexploded landmines, a profound distrust between the parties, weakened civil institutions, a crippled economy, and a generation of young Angolans who have never known a peaceful, civil society;

Whereas strong leadership is essential to ensure that the wealth of Angola, long spent on war, now is used to consolidate peace. Now, therefore, be it

*Resolved*, That the Senate:

(1) Congratulates the people of Angola for the courageous and determined steps their leaders have taken in support of peace;

(2) Urges all parties in Angola to continue to strengthen their commitment to the Lusaka process, which constitutes the last, and best, chance for securing an enduring peace;

(3) Affirms that the United States will hold both Angolan parties responsible for abiding by their commitment to peace; and

(4) Calls upon the international community to remain actively engaged in support of national reconciliation, removal of landmines, economic development, and democratization in Angola.

## ORDERS FOR THURSDAY, MAY 18, 1995

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:15 a.m. on Thursday, May 18, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and there be a period for the transaction of morning business not to extend beyond the hour of 12 noon, with Senators to speak for up to 5 minutes each except for the following: Senator SPECTER, 45 minutes; Senator THOMAS, 20 minutes; Senator DORGAN, 20 minutes; Senator CAMPBELL, 15 minutes; Senator REID, 10 minutes; Senator SANTORUM, 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask unanimous consent that at the hour of 12 noon tomorrow the Senate begin consideration of Senate Concurrent Resolution 13, the concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

## PROGRAM

Mr. DOLE. Mr. President, for the information of all Senators, the Senate will begin consideration of the budget resolution tomorrow at noon, so I think Senators can expect rollcall votes throughout the day tomorrow, probably late into the evening, and again on Friday and, as I said earlier, on Monday. Because it is our desire to finish the budget resolution either on late Tuesday or Wednesday. And then if possible, take up the antiterrorism measure before the recess, which begins on Friday of next week. I just urge my colleagues, alert my colleagues there will be votes unless something happens I am not aware of on Friday and on Monday.

So, please plan your schedules accordingly.

## RECESS UNTIL 9:15 A.M. TOMORROW

Mr. DOLE. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 6:10 p.m., recessed until Thursday, May 18, 1995, at 9:15 a.m.

# HOUSE OF REPRESENTATIVES—*Wednesday, May 17, 1995*

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

## DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
*May 17, 1995.*

I hereby designate the Honorable FRED UPTON to act as Speaker pro tempore on this day.

NEWT GINGRICH,
*Speaker of the House of Representatives.*

## PRAYER

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

As we look at the myriad decisions of the day and the options that are before us and all people, we pray, almighty God, for the assurance that Your Word does give. We know of the uncertainty of every life and we are aware of how our plans go awry, and yet we know too of the confidence we can have in Your love that sustains into every day ahead. May Your strong Word, O God, that brought the world into being and breathed into us the very breath of life, give each person the faith and hope and love to live each day with fullness and with grace. In Your name, we pray. Amen.

## THE JOURNAL

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

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

Mr. HOKE. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

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

Mr. HOKE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 1, rule I, further proceedings on this motion will be postponed until later this afternoon.

The point of no quorum is considered withdrawn.

## PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio [Mr. CHABOT] come forward and lead the House in the Pledge of Allegiance.

Mr. CHABOT 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.

## REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE CONCURRENT RESOLUTION 32

Mr. MCNULTY. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Concurrent Resolution 32.

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

There was no objection.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would announce that he will entertain 15 1-minutes on each side.

## STILL NO PLAN FROM THE PRESIDENT TO BALANCE THE BUDGET

(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, Thomas Jefferson said, "We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves." And yet as of yesterday, the national debt stood at $4,881,377,281,278.42, an increase of $22.2 billion.

At this rate, the national debt will have increased by another $15,448,819 in the time it takes me to finish this short 1-minute speech.

The debt burden for each individual American, including those babies born yesterday, now stands at $18,626.02, an $89 increase—again that is per person.

It has been 76 days since we challenged the President to present his plan to balance the budget and 20 days since we asked him to help us help fix Medicare.

In the absence of leadership from the White House, Republicans have offered a plan to balance the budget by 2002 so that our children will have a future free from debt and a standard of living better than our own.

Mr. Speaker, where is the President's plan? We are still waiting.

## SAVING MEDICARE?

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

Ms. RIVERS. Mr. Speaker, I rise today to point out some inconsistencies in many of the arguments that we are hearing today. In the Republican budget, the line item that guts Medicare is called saving Medicare.

Make no mistake, Mr. Speaker, this is not about saving Medicare. This is about saving the Republican's political behind. They have made promises to the most financially secure people in this country, and they choose to pay for them by taking from our most vulnerable.

If this were about reform, we would have seen more action from the Republicans. Where were they in February 1994 when this issue came up? They did not have anything to say. Where were they when fundamental health care reform was being debated in this country? They were obstructionists. Where were they when the Danforth-Kerrey proposal came out? They had nothing to say. Where was this issue when they were writing their Contract With America? It was a nonstarter. And where were they in February of this year when the trustees' report came out again? Nowhere to be seen.

Mr. Speaker, it is only when they have to make good on the promises to the wealthy that they have turned to the services to our elderly to get the money. Shame, shame, shame.

## SAVING MEDICARE

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

Mrs. SEASTRAND. Mr. Speaker, for the first time in 25 years Congress is actually offering a budget that will bring it into balance and deal with the Medicare crisis. As every Member in this Chamber knows, the Medicare trust fund begins to go bankrupt next year and will be completely insolvent in 7 years. As President Clinton's Medicare trustees said in their annual report, the trust fund: "* * * will be able

to pay benefits for only about 7 years and is severely out of financial balance in the long range."

The report also says: "The trustees believe that prompt, effective, and decisive action is necessary."

Yesterday's Invester's Business Daily pointed out President Clinton's recent flip-flop on Medicare. And I quote the President:

> We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. So when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid, and a reduction in the rate of growth.

Mr. Speaker, where is the President now?

## VOTE FOR A BALANCED BUDGET NOW

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

Mr. PETE GEREN of Texas. Mr. Speaker, a balanced budget is good for America. The status quo is bad. Bad for children, bad for seniors, bad for the middle class, and bad for the present and bad for the future.

The status quo means Medicare goes broke in 6 years, not cut by 5 percent, not cut by 7 percent, but goes broke. The status quo means financial ruin. That destroys our ability to defend ourselves, feed our children or meet our health care needs.

Folks, the status quo means we go broke. Tomorrow we have a choice between four balanced budgets. I urge my colleagues to pick one. A balanced budget is good for America, good for all Americans, young and old. The time is now.

## WORK TOGETHER TO SAVE MEDICARE

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

Mr. CHABOT. Mr. Speaker, let us go over it one more time. According to the President's own advisors, the Medicare Trust Fund will be bankrupt by the year 2002. Republicans have crafted a bill which will save Medicare.

Let me refer to this chart. In doing so, we have proposed that Federal spending on Medicare increase from $178 to $258 billion. Let me repeat that. Medicare will go up under the Republican plan. And what is the Democrat Medicare plan? Are they working tirelessly to save a system that their own leaders maintain is going bankrupt? Not a chance.

What they are doing is running, one after another, to the camera, the nearest camera, to proclaim that Republicans are cutting Medicare. It is not true.

Mr. Speaker, I would say to my Democrat friends that the American people are not going to fall for their distortions. But they might help. I think the American people are going to wonder why the Democrats are not helping to save Medicare. Let us work together to save Medicare.

## THREE CHEERS FOR THE WHITE HOUSE

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

Mr. TRAFICANT. Hear, hear, Mr. Speaker. Three cheers for the White House, who has finally slapped Japan with a big time 100-percent tariff on luxury vehicles.

And guess what? Acura is a crying, Infiniti is now finite, Toyota is toasted, Nissan is nixed, Mazda is maxed, Mitsubishi is busted, and Lexus is nauseous. But in the words of Bob Dylan, how does it feel, Japan? Because you see, we here in America know that Lincoln had been shrinking, Cadillac had been lacking, and Chrysler was almost mort.

So think about it, Members. It is about time we used a 2 by 4 and open those markets. Open those markets in Japan if you want to straighten out the budget in America.

And one thing, Japan, think of this: When you hold your own trade program to your nosey, it doesn't smell too rosy, does it? In the words of Bob Dylan, how does it feel? Big time tariffs. I yield back the balance of these huge tariffs.

## SOLUTION TO SAVE MEDICARE

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

Mr. HOKE. Mr. Speaker, here is the problem. The fund is projected to be exhausted in 2001. Signed by the Secretary of the Treasury, Secretary of Labor, Secretary of Health and Human Services. Medicare is going broke. Projected to be exhausted, 2001. Here is our solution.

We increase spending from $4,700 to $6,300 per capita, at the same time slowing the rate of growth from about 10.5 to 5.5 percent. We save Medicare, we balance the budget, and we preserve the blessings of liberty to ourselves and our posterity.

Here is the President's plan.

Let me go over this one more time. Here is the problem. The fund is going to be exhausted in 2001. Here is the solution. We are increasing spending while reducing the rate of growth. And here is the President's plan.

Yes, that is an ostrich.

## PROPOSED CUTS TO MEDICARE AND MEDICAID TITLE

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

Mr. BALDACCI. Mr. Speaker, some of our colleagues have proposed drastic cuts to the Medicare and Medicaid programs. Over the next 7 years, their budget would cut them by over $465 billion. At the same time, their budget proposes a tax break for the people that are earning over $250,000 and will cost more than $340 billion over the same period.

I have spoken to several people in my district who would be affected by these changes. The comment of one older gentleman struck me as particularly on target. He told me that he understood that the Medicare system is broken and needs to be fixed. All seniors ask of the Congress, he said, is that we make changes in a considered and rational way that will actually help to save the system.

Yes, we must slow the growth in Medicare and Medicaid spending. And yes, we must absolutely ensure the solvency of the Medicare Part A Trust Fund. America's seniors are willing to contribute their fair share to this effort.

However, we must not balance the budget on the backs of senior Americans. Nor should we ask our senior citizens to endure these cuts while we use the savings to pay for proposed tax breaks. As we repair the Medicare program, and attempt to slow its growth, we must do so in the broader context of health care reform to ensure that older Americans—and indeed all Americans—have access to quality, affordable health care.

## TOP TEN

(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, from the home office in Scottsdale, AZ, the President's top 10 excuses for not offering a credible balanced budget alternative: Ten, pollsters told me not to; nine, don't worry, be happy; eight, the flowers are blooming, the sun is shining—who can think about budgets in the spring; seven, what's a couple trillion dollars between friends?; six, distracted by the start of the baseball season; five, I've fallen and I can't get up; four, contract-fatigue; three, those darn Republicans have taken all the good ideas; two, when the going gets tough, stick your head in the sand.

And the President's No. 1 excuse for not offering his own credible balanced budget alternative: The dog ate my budget.

## CALL A CUT A CUT

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

Mr. BROWN of California. Mr. Speaker, I am not sure whether to call this room the Hall of the House or the Casino of the Capitol because right now, the Republicans are playing a billion dollar shell game with Medicare.

The Republicans say they are increasing funding for Medicare over the next 7 years. What they really do is cut the amount needed to maintain the current level of services by $282 billion. That does not sound like much of an increase to me.

What this really means for the average senior citizen is that they will have to pay more out of their own pocket for health care. In fact, they will have to pay over $3,500 more out of their own pockets over the next 7 years.

Mr. Speaker, it is time for the Republicans to come clean. They have prided themselves on opening up government and being honest with the American people. If that is true, then they should be honest enough to call a cut a cut.

The American people, especially our senior citizens, will remember this act of dishonesty on November 5, 1996—election day.

□ 1015

## WE MUST ACT NOW ON MEDICARE AND THE BUDGET

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

Mr. JONES. Mr. Speaker, in the coming months we face two extraordinary battles—the battle to protect the future of our Nation's seniors and the battle to preserve the future of America's children.

We cannot fail in either of these battles. Our opponents will do everything they can to distort what we are trying to do. They will use fear tactics to scare innocent Americans into a false sense of security about the status quo.

The status quo is the enemy. If we do nothing Medicare will be bankrupt in 7 years. What would the Democrats have our seniors do then? By acting now we can save the Medicare system and offer security to our seniors.

If we do nothing about the budget, our children will pay more than $187,000 over the course of their lives just to pay for interest on the national debt. We must balance the budget now if we want to protect the American dream for our children.

Mr. Speaker, we must stand firm and deliver. The stakes are too high to do nothing.

## REPUBLICANS AND MEDICARE

(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, to say that the Republicans are saving Medicare is like saying Colonel Sanders is saving the lives of chickens. Republicans are cutting Medicare with their budget today. They are lowering the amount of money available. They know there will not be enough as the population grows of seniors needing Medicare and health care costs go up.

So as they talk about more money for Medicare, sure, they are tossing a 25-foot rope to someone 30-feet offshore drowning. They say that is compassion.

So why are the Republicans cutting Medicare and Social Security in their budget? It is simple. To give tax breaks to wealthy Americans. It is a tax break plan that even 100 Republicans wrote their leadership and said, please do not do this; it is unfair. But Speaker GINGRICH pushed it through, and now with this ironclad discipline, the Republicans will be voting for it today.

I hope America tunes into this debate. What is at stake is not only health care for seniors and their out-of-pocket costs, but for a lot of working families with senior parents and grandparents this debate gets right to your pocketbook.

## A HISTORIC DAY

(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, here we are. This is it. We are on the brink. For the first time since 1969, the U.S. House of Representatives will be passing a balanced budget amendment. This is a historic moment. This is significant. This is real.

We spend almost $20 billion each month on the interest alone on the national debt. It is the third largest item, third largest expenditure in our annual budget. In 2 years it will exceed all of military spending. This has got to be brought under control.

As my Democrat friend, the gentleman from Texas, Mr. PETE GEREN, said, who benefits from balancing the budget? Senior citizens, children, students, the disabled. If you want to do something for them, you have got to give them a tomorrow. If you are going to give them a tomorrow, you have to spend your money properly today.

This is not time for partisan rhetoric. This is not time for grandstanding. There are a lot of things you can criticize in this balanced budget amendment, but offer your own. This is the time to do it. This is a crucial crossroads for the United States of America.

## THE REPUBLICAN BUDGET

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

Mr. BROWN of Ohio. Mr. Speaker, country and western singer Jerry Reed must have had the Republican budget in mind when he sang, "She got the gold mine and I got the shaft."

The proposed budget which the Congress will vote on today will give the gold mine to wealthy special interests while America's elderly who depend upon Medicare and depend upon Social Security get the shaft.

The Republican budget cuts Medicare by $283 billion over 7 years, slashing Medicare spending by 25 percent. Out-of-pocket costs for seniors will increase by over $1,000 in 2002 and $3,500 over 7 years.

My constituents have not been asking me to raise the cost of their health care to provide tax breaks for the wealthy and to escalate cold war spending. The budget also cuts Medicaid by $180 billion over 7 years and cuts Social Security benefits by $24 billion between 1999 and 2002, all to pay for tax cuts for the rich.

Mr. Speaker, why are Republicans cutting Medicare to pay for tax cuts for the privileged few?

## FISCAL YEAR 1996 BUDGET

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

Mr. LAZIO of New York. Mr. Speaker, we are at a point where we are about to make history. We will soon vote on the budget resolution that contains a strong moral message. That message is that the status quo is unacceptable. A $4.7 trillion debt is unacceptable. Annual deficits close to $200 billion are unacceptable. And continuing to saddle our children with a mountain of debt they cannot afford to pay is unacceptable.

This budget proposal represents a historic change in the direction of our country. It moves us from a government that is too intrusive, wasteful and debt ridden to a smaller, more efficient government that costs less and is responsive to State and local needs. This budget is a gateway to the future presenting a new vision of government. It moves authority out of Washington and helps empower every individual American.

It cuts taxes for America's families, seniors, and small businesses. It restores hope. It promises opportunity for the next generation. It protects Social Security. It increases spending on Medicare by over $80 billion. And it saves it from bankruptcy. It will result in a higher net rate of savings and a higher standard of living for everyone. And should not everybody celebrate that?

Mr. Speaker, it is in the best interest that I strongly urge my House colleagues to support this resolution. It is for the children.

## SAYING "NO" TO THE SOUND BITES AND PHOTO OPS

(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, as you well know, posing for photo ops, listening to sound bites, and giving easy answers can be kind of addictive.

Sometimes, the sound-bite addict needs a little help in kicking the habit.

In this House, that Republican habit is to stand before the cameras and pretend that they are getting our budget in line without hurting working Americans.

That is why this House passed a rescission package that went easy on closing tax loopholes for the rich and eliminating Government bureaucracy and boondoggles.

But those rescission got tough on something.

They got tough on summer jobs and worker training, and they got tough on student loans and day care.

Well, these sound bite addicts are about to get some tough love.

It is called a veto pen.

I applaud President Clinton and his tough choice to say no to the sound bites, photo ops and easy answers that hurt our kids, hurt our students and punish working Americans.

And I encourage my friends on the other side of the aisle to kick their easy answer habit before it is too late for the American people.

## THE REPUBLICANS WILL BALANCE THE BUDGET

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, the Democrats, scare-the-people campaign about draconian cuts by Republicans is just ridiculous. The Republican budget actually increases spending by 3 percent every year for the next 7 years, spending nearly $12 trillion more in the next 7 years than in the past.

When I was back in Dallas, my constituents put together three notebooks full of comments about ideas for reductions in Government spending. Do you know what they say? Balance the budget. So do not try to fool the American people into thinking that balancing the budget will hurt them. They know better. They know Government spends too much, and, most importantly, they know the consequences if we continue down the path that we are going on now.

They will also know, after tomorrow, that it is the Republicans who have taken the first major step toward balancing our budget.

## THIS IS PUNISHMENT, NOT A BUDGET

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

Ms. JACKSON-LEE. Mr. Speaker, what is wrong with the truth? It seems that many people are running in the opposite direction when we simply want to tell you the truth. This is not a budget, it is simply pure punishment.

Mr. Speaker, I rise this morning to report to you on the growing sentiments of my constituents in Houston, TX. Like other Texans and Americans nationwide, they are beginning to understand what the Republican budget proposals could really mean to their lives. I have no problem with telling them the truth, and they do not like it.

To pay for the huge tax cuts for the well-to-do, leaders of the other side of the aisle want to enact a $283 billion cut in Medicare, three times the size of the largest previous cut in history, and Medicaid will be cut approximately $182 million.

The lives of more than 2,000,000 Medicare seniors in Texas would be dramatically impacted, and by the year 2002 each Medicare senior in Texas would be asked to pay an additional $1,122 out-of-pocket expenses. Each would be forced to pay $4,000 more for fiscal years 1996 through 2002 to make up for these cuts. We want the future to be free for future generations but not on the backs of seniors and those most vulnerable.

Look at this, Mr. Speaker. Here the Republicans are cutting the dollars that the Association for Retired Citizens are about to use to help seniors find jobs. We need to do something better, Mr. Speaker.

Mr. Speaker, what's wrong with the truth? This is not a budget; this is punishment.

Mr. Speaker, I rise this morning to report to you on the growing sentiments of my constituents in Houston.

Like other Texans and Americans nationwide, they're beginning to understand what the Republican budget proposals could really mean to their lives, and they don't like it.

To pay for huge tax cuts for the well-to-do, leaders on the other side of the aisle want to enact a $283 billion cut in Medicare three times the size of the largest previous cut in history. Medicaid would be cut approximately $182 million.

The lives of more than 2-million Medicare seniors in Texas would be dramatically impacted.

By the year 2002, each Medicare senior in Texas would be asked to pay an additional $1,222 out-of-pocket dollars per year for their health coverage.

Each would be forced to pay nearly $4,000 dollars more, from fiscal years 1996 through 2002, to make up for GOP cuts.

Mr. Speaker, my colleagues on this side believe that a balanced budget is the correct goal, we want to free future generations from the burden of today's debt. We want to shrink the size of Government in a responsible manner that will not pull the rug out from under a steady, strong economy.

And we want to make Government more efficient and fair without breaking long-standing promises to the Nation's seniors or vulnerable children.

Mr. Speaker, we must and can do better.

## VOTE TO BALANCE THE BUDGET

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

Mr. CHRISTENSEN. Mr. Speaker, let me remind my friend on the left that just spoke that punishment is saddling the future generation with the debt, if we fail to act, if we fail to pass a budget that balances over the next 5 to 7 years.

Punishment is failing to do something in the next few days that will get this country in the right direction fiscally. If we fail to act, the children of this country face $187,000 in interest alone if they were born tomorrow. A child born tomorrow would pay $187,000 in interest alone on this Nation's debt.

Tomorrow we have the opportunity to vote on a budget that will balance over the next 5 to 7 years. Tomorrow we have an opportunity to send this country in the right direction, to take it out of its financial abyss where the left-leaning liberals have taken it over the last 40 years.

Tomorrow we have an opportunity to take this country in the right direction. I ask my colleagues to consider very strongly where they want this country to go, a budget that is balanced or where it has been over the last 40 years.

## REPUBLICAN BUSINESS AS USUAL

(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 am a freshman. I voted for all of the reforms that we proposed, that were proposed on the 1st day of this session, especially the reform that required a three-fifths supermajority of this House to raise taxes. But now what do we see? We see the Republicans reverting to business as usual.

Since our income tax brackets are adjusted each year to reflect inflation, to keep people from being pushed into higher tax brackets simply due to that inflation, the arbitrary reduction in the Consumer Price Index by the Republicans will, in effect, increase taxes for millions of Americans. And it will do that without a three-fifths vote of this body, in direct violation of that rule that I supported.

I am deeply disappointed that we are seeing business as usual by the Republican majority.

□ 1030

## HAVE THE CLINTON DEMOCRATS NO SHAME?

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

Mr. HERGER. Mr. Speaker, after watching the Clinton Democrats for the past few weeks, I have finally figured out what their strategy is. Since they have no solid ideas of their own, they have started on a fear campaign filled with illegitimate scare tactics designed to try derail any legislation Republicans offer. Have they no shame.

First it was the children. The Clinton Democrats said school lunch programs were being cut, when in fact funding was increasing. Now they are saying children will suffer if we try to balance the budget. I say what kind of future will our children have if we do not balance the budget. Have they no shame!

Next it is the college students. Clinton Democrats are scaring college students by playing fast and loose with the facts about school loans, when in reality a balanced budget will bring down interest rates by at least 2 percent, ultimately saving students money. Have they no shame.

And finally, the Clinton Democrats, in their eagerness to score political points, are using their distorted fear tactics to scare senior citizens. Republicans are working to save Medicare—Republicans repealed Clinton's tax increase on seniors. Republicans are protecting Social Security. Have the Clinton Democrats no shame.

## THE CONTRACT'S CROWN JEWEL—TAX CUTS FOR THE RICH, BROKEN PROMISES TO SENIORS

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

Ms. DELAURO Mr. Speaker, today the bill comes due for the Republican's tax giveaway to the privileged few, and the primary bill payers are senior citizens who will be hit with $288 billion in cuts to Medicare.

The Speaker has called the Republican tax plan the crown jewel of the Contract With America.

It is a crown jewel all right—if you are a large corporation that may not have to pay any taxes at all—if you are a billionaire expatriate who gives up your citizenship to avoid paying taxes—if you are making more than $350,000 and you are going to walk away with a $20,000 tax break.

But if you are a senior citizen, get ready to pay up for that crown jewel. Your Medicare premiums and copayments are going up, and your benefits are being cut. Altogether the average senior should expect to pay $1,060 more in out-of-pocket expenses by the year 2002.

Make no mistake about it, the Republican budget plan robs Medicare to pay for tax cuts for the wealthiest Americans. To keep their promise to the rich, the Republicans must break our most sacred promise to America's seniors.

## REPUBLICAN BUDGET PUTS GOVERNMENT ON A DIET AND RESTORES THE AMERICAN DREAM

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

Mr. HOBSON. Mr. Speaker, the Federal Government has not run up a $4.7 trillion debt because the American people pay too little taxes. The huge debt and deficits have exploded because the Federal Government is too big, spends too much of your money, and tells too many people what to do. It is big government, stupid!

Our balanced budget, for the first time in 25 years, solves this problem of oversized Government by reducing Government's size: It puts the bloated Federal Government on a diet. It eliminates the Federal deficit by trimming the size, power, intrusiveness, of the Federal Government.

Past attempts to reduce the deficit, like the Clinton tax increases, have failed because they have not addressed the deficit's root cause: oversized Government. Every dime they have collected in increased revenues has been spent on government gimmicks, spending schemes, and partisan pork. Every dollar saved in reductions in defense since 1985 has gone to feed the Government, not reduce the deficit.

Our balanced budget plan is different. Not only does our plan just say no to Clinton-style hikes. Our balanced budget actually includes tax relief for our families, small businesses, students, and seniors.

Our balanced budget finally solves the problem of too much Washington. It puts the Government on a diet, returns power to families, neighborhoods, and communities, and restores the American dream. I urge all my colleagues to support this plan for the future of our children.

## WHY ARE REPUBLICANS GOUGING MEDICARE TO PAY FOR TAX CUTS FOR THE PRIVILEGED FEW?

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

Mr. WISE. Mr. Speaker, why are Republicans gouging Medicare to pay for tax breaks for the privileged few? Why do they cut almost $300 billion in Medicare to senior citizens for tax breaks, of which only 1½ percent of those tax breaks go to families under $20,000? Incidentally, 50 percent goes to families over $100,000. Yet the Medicare cuts go to 100 percent of all senior citizens.

Why are Republicans cutting the student loan program to pay for tax breaks for the privileged few? Here are petitions signed by thousands of West Virginia high school and college students and parents asking Congress not to cut the student loan program, not to cut their future. We do not have to be Phi Beta Kappas to know that giving already wealthy Americans a tax break while denying students a chance just to be middle income simply is not fair.

Mr. Speaker, budgets reflect values. Slashing Medicare, cutting student loans, Americans want the budget balanced, but not on the backs of American values.

## AMERICANS HAVE ENTERED A NEW ERA: THE AGE OF RESPONSIBILITY

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

Mr. LINDER. Mr. Speaker, I have discovered the difference between the Democrat and Republican Parties. The Democrat Party lives in constant fear that America is going to discover the truth. The Republican Party lives in constant fear that they will not.

The fact is, it is true that in 2 years, according to the Clinton budget, interest on the debt will exceed all defense spending. It is also true that in 7 years, according to Clinton's trust fund advisers, Medicare will be bankrupt and they will not be able to pay any bills for hospitals, any home health care.

Mr. Speaker, I think we have entered a new era. It is the age of responsibility. Americans are willing to take responsibility for their actions. They are asking us to take responsibility for our actions. It is true that we have put our children and grandchildren into 5 trillion dollars' worth of debt. The responsible thing is to try and pay that down and balance the budget. It is true that education is an abject failure. The responsible thing is to reform it, not to throw more money at it. It is true that Medicare must be reformed to be saved for future generations, not put more money into it.

## A DARK COMEDY: CUTTING MEDICARE

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

Mr. DOGGETT. Mr. Speaker, why are the Republicans cutting Medicare in order to provide a tax break for the privileged few? Here is a quick preview of today's debate on the Republican budget of broken promises. If you like horror movies, stay tuned, because

what the Republicans do to Medicare recipients is horrible. If you like mysteries, stay tuned, as we try to unravel the many ways that secret Republican task forces propose to hike the cost of Medicare.

Best of all, if you like comedy, do not tune into the comedy channel, tune in right here. Watch the Republicans try to explain how a cut is not a cut, how, if they propose to double the Medicare deductible, raise the premiums every month, even charge people $20 a month extra just to be able to see their own doctor, that that is not a cut. They do that with a straight face and call it reform. Horror, mystery, comedy; very dark comedy we will see today as the Republicans cut Medicare in order to provide a tax break for the privileged few.

## A HISTORIC VOTE TO BALANCE THE FEDERAL DEFICIT

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

Mr. GOSS. Mr. Speaker, I yield to the distinguished gentleman from Lakewood, OH [Mr. HOKE].

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

Mr. Speaker, tomorrow we are going to do something that is so historic, that is so extraordinary, that is so unique, that has not been done in 26 years. Tomorrow we are going to take a vote, and in fact, we will balance the Federal budget for the first time in 26 years.

What does it mean? What does it mean back in Cleveland? It means safer streets. It means more hope. It means greater opportunity. It means better education. It means more prosperity for our children, for our grandchildren. It means preserving this Nation for the next generation.

Mr. Speaker, we are going to hear so much bitterness from the other side, and it is a great tragedy of this period in American history that there is so much talent and there is so much intelligence and there is so much good feeling and belief, and yet all that can be offered is so much bitterness and defense of the status quo.

Tomorrow will be the most historic vote of this 104th Congress.

## A BUDGET-BUSTING TAX GIVEAWAY PAID FOR BY OUR GRANDMOTHERS

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

Ms. KAPTUR. Mr. Speaker, the Republican budget has it backward. They propose cutting Social Security and Medicare benefits by over $2,500 per recipient through the year 2002 to pay for tax breaks to the privileged few. This means your grandmother's Social Security and Medicare benefits will shrink substantially. Her nursing home expenses will rise if she can even get in.

However, the money saved from these harsh cuts will not go to balance the budget. The money will go to pay for tax breaks to the wealthiest among us: The American billionaires who move to the Caribbean and take their money with them to escape paying taxes here; or the families earning $200,000 a year, who will be bestowed a $500 tax credit; or the foreign corporations who do business in this country and earn millions but do not pay a dime in taxes.

If the Republicans were serious, they would not balance the budget on the backs of our seniors to pander to the rich and powerful who can pay for lobbyists in this town. If the Republicans were serious, they would not have a budget-busting $360 billion tax giveaway paid for by our grandmothers.

## REPUBLICANS USE MEDICARE TRUST FUND TO BANKROLL TAX CUTS FOR THE WEALTHY

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

Mr. WAXMAN. Mr. Speaker, the Republicans say they want to save the Medicare Program, and they promised not to cut Social Security. What they are doing is using the Medicare trust fund to bankroll tax cuts for the wealthy.

Make no mistake about it, cuts in Medicare amount to cuts in Social Security. The typical Medicare beneficiary will spend 40 percent to 50 percent of the cost of living increases in Social Security for increases in the Medicare costs they will incur. Cuts in Medicare amount to cuts in Social Security. Social Security accounts for half or more of the annual incomes for a majority of elderly.

More than 30 percent of older Americans rely on Social Security for 80 percent or more of their income. The typical Medicare beneficiary by 2002 will see 40 to 50 percent of their Social Security COLA eaten up by increases in Medicare cost-sharing and premium.

They are not keeping their promises. Numbers do not lie. Listen to these numbers when you see these relatively well-off young Republican Members of the House tell us that seniors are going to be better off.

## PLAYING WITH REALITY WILL CATCH UP WITH THE DEMOCRATS

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

Mr. EMERSON. Mr. Speaker, I have listened to the 1-minutes this morning, and I do not usually make 1-minute speeches. However, I am perplexed by what I have heard. The Democrats have no budget plan of their own, none. They do not have one. They will not cooperate with any attempt to reform Medicare on a bipartisan basis. They stand here and rail about Republican cuts, cuts, cuts. There are not any cuts. To Democrats, restraining the rate of growth is a cut. The American public ought to know that. Such playing with reality will, indeed, catch up with them.

## THE SEPARATE ENROLLMENT AND LINE-ITEM VETO ACT OF 1995

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that: First, it be in order to consider in the House a motion to take from the Speaker's table the bill (S. 4) to grant the power to the President to reduce budget authority, and for other purposes, to strike all after the enacting clause of the Senate bill, and to insert the text of H.R. 2 as passed by this House; second, that the motion be debatable for not to exceed 1 hour, to be equally divided and controlled among the chairman and ranking minority members of the Committee on Government Reform and Oversight and the Committee on Rules, and third, that the previous question be ordered on the motion to final adoption without intervening motion except for one motion to recommit.

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

Mr. WISE. Reserving the right to object, Mr. Speaker, I just want to know whether the distinguished chairman needed any more time to explain his request, for which purpose I would happily yield, although I think the gentleman got it all in.

Mr. Speaker, this is a normal process of the House. While I personally oppose the line-item veto bill, the gentleman's request is in order. I will withdraw my reservation of objection and will not object.

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

There was no objection.

Mr. CLINGER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CLINGER moves that the House take from the Speaker's table the bill (S. 4) to grant the power to the President to reduce budget authority, and for other purposes, strike all after the enacting clause of the Senate bill, and insert the text of H.R. 2, as passed by the House.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 15 minutes; the gentleman from West Virginia [Mr. WISE] will be recognized for 15 minutes; the gentleman from Florida [Mr. GOSS] will be recognized for 15

minutes, and the gentleman from Ohio [Mr. HALL] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. CLINGER].

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

Mr. Speaker, on February 6 of this year, this House passed H.R. 2, the Line-Item Veto Act, to give the President the power to restrain irresponsible Federal spending through a true line-item veto. On March 23, the Senate followed suit in passing S. 4, which I think we would all agree is a weaker bill, which nonetheless moves toward greater Federal spending control, so both of our bodies have gone on record as saying we encourage and desire to enact something that will act as a restraint on further Federal spending control.

□ 1045

Since that time, however, Mr. Speaker, both bills have been stalled really in parliamentary limbo awaiting further action in preparation for conference. That has been some several months now.

Because of the Senate's unusual handling of the House-passed bill, unfortunately neither body is currently in a position to request the needed conference and the legislation has been at a standstill, just literally in limbo.

My motion, Mr. Speaker, to take from the desk the Senate bill and insert in its place the House-passed language will break that legislative logjam and move us at least one step closer toward conference and the long-awaited enactment of the line-item veto. I say long-awaited by the President of the United States as well.

As we begin to debate the most sweeping budget reforms today that this body has ever considered and as we confront the reality of strict spending restraints in important Federal programs—and I think we all recognize that that is going to be the outcome—the need for an item veto assumes an even greater urgency. The President needs to be a partner in this effort. The enactment of strong item veto legislation will permit the President to eliminate wasteful pork and unjustified tax breaks, thus saving more important spending from unnecessary cuts.

Because H.R. 2, which we enacted here by an overwhelmingly bipartisan vote, provides the President with a bill he has really requested, he asked for the strongest possible line-item veto, and because this bill is an integral part of ongoing efforts to achieve greater fiscal responsibility, I would urge my colleagues' support for this motion to advance the legislative process and to once again make clear the House's very deep desire to move forward in giving the President what he has requested, the long-awaited line-veto item, the strongest one that we have, which is clearly the House version.

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

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

Mr. Speaker, on behalf of the gentlewoman from Illinois [Mrs. COLLINS], the ranking member of the Committee on Government Reform and Oversight, I do not intend nor would she oppose this effort to attach the House-passed line-item veto bill to the Senate bill. The House passed the bill at the end of January and the Senate passed its version of the line-item veto on March 23.

If the Chair would indulge me, I have a question for the gentleman who is making this motion. Would the chairman be able to explain why there has been no effort to proceed to conference for the past 2 months and why the Senate did not attach their bill to H.R. 2 and request a conference?

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

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

Mr. CLINGER. As the gentleman knows, the other body works in mysterious ways its wonders to perform. I am not able to really divine their reasoning and the way they approach things. What we have known is that they have refused to really take action, the very action that you have requested. What we are trying to do with this motion is to force action on their part and move us that step closer.

Mr. WISE. I appreciate the gentleman's observation, and I think that you could have a whole Chamber of soothsayers trying to divine what the other body sometimes has in its mind.

I would note, Mr. Speaker, that it appears there may be an interest, or some might think that possibly the lack of action by the other body would indicate an interest in preventing the President from exercising line-item veto authority in the upcoming months, either on appropriation of tax bills.

I would expect that this is going to be a difficult conference. These are significantly different versions of the bills. One bill has a potential constitutional challenge, the bill that left the House. The Senate bill would require the enrollment of thousands of bills to pass appropriations in discrete line items requiring thousands of signatures and guaranteeing future Presidents an amazing case of writer's cramp as they deal with this as well as creating some significant amount of paperwork.

All that notwithstanding, Mr. Speaker, I have no objections to the gentleman's request.

Mr. GENE GREEN of Texas. Mr. Speaker, will the gentleman yield?

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

Mr. GENE GREEN of Texas. I thank the gentleman for yielding.

Mr. Speaker, I voted for line-item veto both in the committee and on this floor of the House this year. After serving 20 years as a legislator in Texas and living under the line-item veto, I have no fear about it. I think it has been oversold to an extent because in my 20 years as a legislator, I found out that it did not do as much for reducing the budget as it did for getting the attention of members of the legislative body, whether it be Members of Congress or the individual State legislature by the executive branch. Nevertheless, I support it because I think we can live with it and in the few times that we will actually see budget efforts impacted by it, it is good ammunition or a weapon in the arsenal to try to control spending.

I heard my colleague, the gentleman from West Virginia [Mr. WISE], mention the concern about why we did not make this motion on March 23 instead of 2 months later. Again as a supporter of the line-item veto, we might have been much further along with the conference committee and maybe even having the bill to the President's desk, although knowing the opposition to it and the product that came out of our body and the Senate and the problems that we may have in this conference. I am concerned that again this motion is a little over 2 months late in having an impact particularly on this year's appropriations.

But again I support the line-item veto and I would hope the conference committee would move as quickly as we can to again give the President the ability to do that.

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

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida [Mr. GOSS].

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

I rise to join my friend, the distinguished chairman of the Committee on Government Reform and Oversight, in his motion to help us move forward on the important issue of granting the President an effective, workable, and tough line-item veto. It is fitting that we come to the floor to take the next step in this process on the day we begin consideration of a landmark budget resolution to bring our finances into balance by the year 2002. It should be clear to the American people by now that this 104th Congress—and the new Republican majority, with moderate Democrats—are absolutely committed to ending the fiscal insanity of rising deficits and ever-mounting national debt. A real line-item veto for the President is a powerful tool for fiscal accountability that will help ensure Congress stays on the right spending track, even beyond this current budget crisis. Although I commend our friends in the other body for their creative efforts in producing S. 4—I remain committed to the House-passed line-item veto as embodied in H.R. 2. H.R. 2 is

the product of years of study and analysis. Modeled after the type of authority wielded by 43 of our Nation's Governors, it provides a workable framework for ensuring that low-priority, wasteful, and unnecessary spending can be lined out of big appropriations bills and conference reports. It places the onus on the Congress—requiring a two-thirds vote to spend money a President has identified for veto—and it establishes specific procedures to ensure that Members have recourse in the event a President abuses his power. The taxpayers are the winners in this Scenario—H.R. 2 shifts the bias in the process away from spending and toward saving. With all due respect to our friends in the other body, I am leery of the novel and untested approach they have adopted in S. 4. That measure, which introduces a completely new and different process of separate enrollment, will be both cumbersome and difficult to administer. Although it does preserve the crucial requirement that Congress come up with a two-thirds override to spend money the President wants to save, the subjective nature of deciding what constitutes an 'item' will likely be a major stumbling block to effective implementation of line-item veto authority. I urge my colleagues to support this motion.

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

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

Mr. Speaker, while I do not oppose this motion, I rise to express my opposition to both the House and Senate versions of the line-item veto legislation. I remain extremely concerned over the provisions contained in both bills which will cause a major shift in responsibility and power from the legislative to the executive branch. We should be very cautious about bestowing the potential power of this legislation on the executive branch. The authors of our Constitution purposely preserved this delicate balance of power which has served the interests of our Nation quite well and we see no compelling reason to tamper with it at this time.

Under both enhanced rescission bills, the President's proposed rescissions or targeted tax benefit repeals would automatically take effect unless the Congress specifically passes a resolution disapproving this special message. Even if such a measure overturning the President's request is enacted, the President can then veto the disapproval which, in turn, would have to be overridden by two-thirds of both Houses. Effectively, the President could cancel any spending or tax benefits if he or she has the support of only one-third plus one Members of either House.

I also am suspicious on why we are pursuing this motion at this time. The bill passed the Senate on March 23 and has been held at the House desk since March 28—nearly 6 weeks. Why did we not pursue this matter at an earlier date? If the majority is anxious to have a line-item veto in place for the President, why was there not more of an effort made to put this mechanism in place for the Fiscal Year 95 appropriations bills?

Again, I oppose both the House and Senate line-item veto bills and will vote against them in their present form.

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

Mr. CLINGER. Mr. Speaker, I yield 2 minutes to the gentleman from Delaware [Mr. CASTLE], a very distinguished Member of this body and former Governor of Delaware.

Mr. CASTLE. Mr. Speaker, I think the gentleman for yielding me the time.

Mr. Speaker, I strongly support the motion to take S. 4 from the Speaker's desk and insert the text of H.R. 2, the Line-Item Veto Act passed by the House earlier this year.

The line-item veto should be enacted as soon as possible, and I believe that the line-item veto legislation approved by the House is stronger and more straightforward than the Senate's version.

H.R. 2 would give the President the power to eliminate all or any part of spending in an appropriations bill or any targeted tax provision in a tax bill. Congress would have to disapprove the President's cuts by passing a resolution of disapproval and then override a Presidential veto of that measure with two-thirds of the House and Senate.

The American people are tired of their tax dollars funding screw worm research, commemorating the Lawrence Welk birthplace, and many other questionable projects that benefit only a select few districts or States.

By themselves, these projects may not add up to much of the Federal budget, but they are a slap in the face to the American people who want their tax dollars spent wisely and in the best interests of the entire Nation.

They have asked the new Republican majority to stop needless pork barrel spending. The line-item veto will help do just that.

I am concerned that the Senate line-item veto bill, which would require the separate enrollment of each individual spending item as a separate bill, may be too cumbersome. We should indeed support Chairman CLINGER's effort to advance the process.

The line-item veto is not a magic solution to the budget deficit, but it is an effective tool which should be given to the President.

House Republicans believe reducing unneeded spending is so important that we are willing to give a Democratic President the authority to stop spending on special interest projects and end tax breaks for a select few.

My experience as governor of Delaware is that the line-item veto helps bring all parties—Republicans, Democrats, the Executive and legislators to the table to negotiate fiscally responsible spending bills that are in the best interest of the taxpayers.

The line-item veto will bring more openness and sunshine to the spending process. Believe me, the mere existence of line-item veto authority will make every Member of Congress take a harder look at every project and program. The red-face test will prevent many unnecessary projects from being added to spending bills in the first place.

I strongly support every effort to ensure that the House and Senate complete action on line-item veto legislation. President Clinton says he wants to cut spending. Let us give him the line-item veto and let him prove it.

Mr. WISE. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. BARRETT].

Mr. BARRETT of Wisconsin. Mr. Speaker, I rise in support of this motion to send this issue to committee as fast as we can. I think it is important to have a conference committee to resolve the differences between the two Houses. I am a long-time supporter of the line-item veto. I am standing here today, though, because I am concerned with the process that is going on.

When I go to my home in Milwaukee and talk to my constituents, I proudly note that I am in support of the line-item veto, but then I caution my constituents. I tell them, Now you just wait and see what happens.

What is going to happen is that the Republicans in the Senate and the Republicans in the House will trip over each other not being able to reach an agreement in conference committee to give President Clinton the ability to line-item pork-barrel projects and special tax breaks for special interests. The reason they are going to do that is because even though for years they have been saying they want a line-item veto, they do not want to give President Clinton the line-item veto in the mistaken belief that he is not going to be President in 1996.

□ 1100

I further go on to predict this conference committee will reach a resolution sometime shortly before the 1996 election. So make no mistake about what is going on here, we have Republican gridlock because the Republican leadership in the Senate does not want to give President Clinton the ability to get rid of pork-barrel spending and special interest tax breaks for the wealthy. It is clear and simple.

Majorities in both Houses have supported measures. The purpose of a conference is to mesh the two Houses together and get rid of the differences.

What we have right now is a downright refusal to even go to conference committee, and I think that that is wrong. It is gridlock that is created by the leadership in this House and in the Senate, who do not want President Clinton to have this important tool.

I think it is important for the American people to know what is going on here. I think we should give this tool to President Clinton as soon as we can, and that is why I am supporting the efforts of the gentleman from Pennsylvania [Mr. CLINGER].

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Massachusetts [Mr. BLUTE], the primary sponsor of this legislation, who I think will retort a little to one of the problems we just heard about.

Mr. BLUTE. Mr. Speaker, I want to thank my colleague for yielding me this time on this very important issue.

Just briefly to respond to my good friend from Wisconsin, there can be no doubt that this leadership on this side has pushed at every turn to give President Clinton the line-item veto and to give him the strongest possible line-item veto, and that is why we are here today, to move this process because we think it is important regardless of who is in power.

And, frankly, it contrasts sharply with what some of your Democratic colleagues in the Senate did when they voted against the balanced budget amendment because it was being proposed by a Republican majority, when the year before, when it had no chance to pass, six Members of that body voted for the balanced budget.

So I think we are being consistent. We want to give President Clinton a line-item veto, and today the House is taking action to provide the President a valuable tool necessary to curb wasteful Government spending.

As we enter the appropriations season, we are reminded of the wasteful pork projects that have been buried in public laws without the benefit of public scrutiny over the years. This Congress has the opportunity to end that practice.

On February 6, the House passed H.R. 2 by an overwhelming and bipartisan vote of 294 to 134. The other body, unfortunately, then disregarded that version and went on to pass probably the most cumbersome line-item veto legislation anyone could have created. The version of S. 4 that emerged from the other body would make unraveling the Gordian knot seem simple. Separate enrollment, as the other body calls its version, would create a litany of problems, not the least of which would be giving the President writers' cramp from signing thousands of bills Congress would be forced to send him. The House, on the other hand, produced a strong, workable bill which preserves the balance of power between the legislative and executive branches while providing the President with more flexibility by allowing a reduction of items.

By the end of this fiscal year, the Federal debt is estimated to be almost $5 trillion. That is why this week we will be working on a balanced budget amendment, and it is why we should give the President a line-item veto.

A child born today is immediately saddled with an expense of more than $187,000 over their lifetime just to pay interest on debt. My 21-month-old son has already been responsible, and will be made responsible, for more than $4,000 in interest payments, and he has not even reached his second birthday.

While the line item will not in and of itself balance the budget, the line-item veto will be an important tool the President can use as the country moves forward and toward a balanced budget in the year 2002. We cannot afford to lose a year in our fight against wasteful Federal spending and remove the Sword of Damocles from above our children's future.

Mr. Speaker, I urge my colleagues to give the President the line-item veto. Give him the strongest line-item veto possible. Do it this year. I urge my colleagues to support the chairman, the gentleman from Pennsylvania [Mr. CLINGER], and support this motion.

Mr. CLINGER. Mr. Speaker, I yield myself 30 seconds only to respond to the gentleman from Wisconsin to say that it is this gentleman's intention to go to conference and to negotiate in good faith to come up with the strongest possible line-item veto we can achieve. There are going to be no dilatory practices on my part, certainly, and I think I can speak for the Republican Members in this body. They are going to be very diligent in trying to reach a compromise.

Mr. BARRETT of Wisconsin. Mr. Speaker, will the gentleman yield?

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

Mr. BARRETT of Wisconsin. Mr. Speaker, perhaps the gentleman can help me. Where is the problem? Is the Senate majority refusing to go to conference? Why is there even a refusal to come to the table to talk?

Mr. CLINGER. Reclaiming my time, I think there may be a combination of things; one of the things may well be the possibility of a filibuster to be waged on your side of the aisle. I think there are probably problems on both sides.

Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I will not even take a minute. But just continuing this colloquy, there is no question that there are Members in the other body who are unalterably opposed to any real and meaningful line-item veto legislation. They are both Democrat and Republican over there, and this Member happens to resent it very much.

I hope this body stands by its version. It is the only true line-item veto, and if and when we ever do go to conference, I want us to stick to our guns. We should not be enacting any kind of watered-down version, because that means we will never get around to really enacting a line-item veto. We will be deterred from that.

So I commend both the gentlemen for their reference.

Mr. WISE. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. BARRETT].

Mr. BARRETT of Wisconsin. Mr. Speaker, again I am a relatively junior Member of the House. The chairman indicated there are problems with Democrats who do not like this bill. But to go to conference committee, is that not something that the leadership can do, the Republican leadership can do, from the Senate? And again I fail to see why the Republican leadership in the Senate is even refusing to come to the conference committee. Is that something that the Democrats in the Senate can stop?

Mr. SOLOMON. If the gentleman will yield, it is because of what is happening over there. There are some interpolitics being played. That is exactly why we are taking this action today. We are going to send our bill back over there. Then we will start negotiations both in public and out of public, if necessary, but we want to move this legislation, the real thing.

Mr. BARRETT of Wisconsin. I think the public should be aware that the problem is in the Senate with the leadership, I think, because now we are at the stage where the Republican leadership in the Senate should come to the conference committee to resolve the differences, and it is the Republican leadership in the Senate that is refusing to do so.

Mr. SOLOMON. In collusion with the Democrat leadership in the Senate, as well.

Mr. WISE. Mr. Speaker, I yield myself 15 seconds just to note that perhaps part of the problem is that the line-item veto would not apply to Presidential candidates, only to Presidents, and that might be part of the problem in the other body as well.

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

Mr. CLINGER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York [Mr. QUINN].

Mr. QUINN. Mr. Speaker, I appreciate the gentleman yielding only because I came down here to talk about the line-item veto, an issue that is so near and dear to many of our hearts who have worked on this for so long.

As an original cosponsor of H.R. 2, the Line-Item Veto Act, I believe it offers a true, true line-item veto. It

would allow, of course, the President to rescind all or any part of appropriated funds, require a majority of both Chambers to disapprove the President's rescissions, and, finally, require a two-thirds' vote of both Chambers to override that Presidential veto of the disapproved bill.

I think while we will talk about some politics almost each and every day in these Chambers, this is one issue where I think Republicans and Democrats alike can get behind to give the President of the United States, whichever party it happens to be, the line-item veto, and I think it is time this year.

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

I would like to just comment that it seems to be that one of the concerns that we have got here is we have heard about this threat of a filibuster by Members of the other party, members of the minority in the Senate, and what we are trying to do here is to propel this whole issue forward into conference. So the purposes of the gentleman from Wisconsin, I hope, are going to be resolved by the actions we are taking here today. I hope he is comforted by that.

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

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

Mr. Speaker, I should have mentioned the gentleman from New York [Mr. QUINN] has been a very active participant in the shaping of this legislation, and we really appreciate his major contributions, and I would just add that I think there has been a concern expressed on the other side that if an attempt was made to go to conference, that it would be subject to a filibuster, so I would repeat, I think there are problems over there that we need to deal with.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WISE. Mr. Speaker, I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GOSS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. EMERSON). Pursuant to the order of the House, the previous question is ordered.

The question is on the motion offered by the gentleman from Pennsylvania [Mr. CLINGER].

The motion was agreed to.

The text of the Senate bill, S. 4, is as follows:

S. 4

*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 "The Separate Enrollment and Line Item Veto Act of 1995".

**SEC. 2. STRUCTURE OF LEGISLATION.**

(a) APPROPRIATIONS LEGISLATION.—

(1) The Committee on Appropriations of either the House or the Senate shall not report an appropriation measure that fails to contain such level of detail on the allocation of an item of appropriation proposed by that House as is set forth in the committee report accompanying such bill.

(2) If an appropriation measure is reported to the House or Senate that fails to contain the level of detail on the allocation of an item of appropriation as required in paragraph (1), it shall not be in order in that House to consider such measure. If a point of order under this paragraph is sustained, the measure shall be recommitted to the Committee on Appropriations of that House.

(b) AUTHORIZATION LEGISLATION.—

(1) A committee of either the House or the Senate shall not report an authorization measure that contains new direct spending or new targeted tax benefits unless such measure presents each new direct spending or new targeted tax benefit as a separate item and the accompanying committee report for that measure shall contain such level of detail as is necessary to clearly identify the allocation of new direct spending or new targeted tax benefits.

(2) If an authorization measure is reported to the House or Senate that fails to comply with paragraph (1), it shall not be in order in that House to consider such measure. If a point of order under this paragraph is sustained, the measure shall be recommitted to the committee of jurisdiction of that House.

(c) CONFERENCE REPORTS.—

(1) A committee of conference to which is committed an appropriations measure shall not file a conference report in either House that fails to contain the level of detail on the allocation of an item of appropriation as is set forth in the statement of managers accompanying that report.

(2) A committee of conference to which is committed an authorization measure shall not file a conference report in either House unless such measure presents each direct spending or targeted tax benefit as a separate item and the statement of managers accompanying that report clearly identifies each such item.

(3) If a conference report is presented to the House or Senate that fails to comply with either paragraph (1) or (2), it shall not be in order in that House to consider such conference report. If a point of order under this paragraph is sustained in the House to first consider the conference report, the measure shall be deemed recommitted to the committee of conference.

**SEC. 3. WAIVERS AND APPEALS.**

Any provision of section 2 may be waived or suspended in the House or Senate only by an affirmative vote of three-fifths of the Members of that House duly chosen and sworn. An affirmative vote of three-fifths of the Members duly chosen and sworn shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under that section.

**SEC. 4. SEPARATE ENROLLMENT.**

(a)(1) Notwithstanding any other provision of law, when any appropriation or authorization measure first passes both Houses of Congress in the same form, the Secretary of the Senate (in the case of a measure originating in the Senate) or the Clerk of the House of Representatives (in the case of a measure originating in the House of Representatives) shall disaggregate the items as referenced in section 5(4) and assign each item a new bill number. Henceforth each item shall be treated as a separate bill to be considered under the following subsections. The remainder of the bill not so disaggregated shall constitute a separate bill and shall be considered with the other disaggregated bills pursuant to subsection (b).

(2) A bill that is required to be disaggregated into separate bills pursuant to subsection (a)—

(A) shall be disaggregated without substantive revision, and

(B) shall bear the designation of the measure of which it was an item prior to such disaggregation, together with such other designation as may be necessary to distinguish such measure from other measures disaggregated pursuant to paragraph (1) with respect to the same measure.

(b) The new bills resulting from the disaggregation described in paragraph (1) of subsection (a) shall be immediately placed on the appropriate calendar in the House of origination, and upon passage, placed on the appropriate calendar in the other House. They shall be the next order of business in each House and they shall be considered and voted on en bloc and shall not be subject to amendment. A motion to proceed to the bills shall be nondebatable. Debate in the House of Representatives or the Senate on the bills shall be limited to not more than 1 hour, which shall be divided equally between the majority leader and the minority leader. A motion further to limit debate is not debatable. A motion to recommit the bills is not in order, and it is not in order to move to reconsider the vote by which the bills are agreed to or disagreed to.

**SEC. 5. DEFINITIONS.**

For purposes of this Act:

(1) The term "appropriation measure" means any general or special appropriation bill or any bill or joint resolution making supplemental, deficiency, or continuing appropriations.

(2) The term "authorization measure" means any measure other than an appropriations measure that contains a provision providing direct spending or targeted tax benefits.

(3) The term "direct spending" shall have the same meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) The term "item" means—

(A) with respect to an appropriations measure—

(i) any numbered section,

(ii) any unnumbered paragraph, or

(iii) any allocation or suballocation of an appropriation, made in compliance with section 2(a), contained in a numbered section or an unnumbered paragraph but shall not include a provision which does not appropriate funds, direct the President to expend funds for any specific project, or create an express or implied obligation to expend funds and—

(i) rescinds or cancels existing budget authority;

(ii) only limits, conditions, or otherwise restricts the President's authority to spend otherwise appropriated funds; or

(iii) conditions on an item of appropriation not involving a positive allocation of funds by explicitly prohibiting the use of any funds; and

(B) with respect to an authorization measure—

(i) any numbered section, or

(ii) any unnumbered paragraph,

that contains new direct spending or a new targeted tax benefit presented and identified in conformance with section 2(b).

(5) The term "targeted tax benefit" means any provision:

(A) estimated by the Joint Committee on Taxation as losing revenue for any one of the three following periods—

(1) the first fiscal year covered by the most recently adopted concurrent resolution on the budget;

(2) the period of the 5 fiscal years covered by the most recently adopted concurrent resolution on the budget; or

(3) the period of the 5 fiscal years following the first 5 years covered by the most recently adopted concurrent resolution on the budget; and

(B) having the practical effect of providing more favorable tax treatment to a particular taxpayer or limited group of taxpayers when compared with other similarly situated taxpayers.

**SEC. 6. 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 a provision of this Act 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 or the Senate 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 provisions 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).

(d) SEVERABILITY.—If any provision of this Act, or the application of such provision to any person or circumstance is held unconstitutional, the remainder of this Act and the application of the provisions of such Act to any person or circumstance shall not be affected thereby.

**SEC. 7. TREATMENT OF EMERGENCY SPENDING.**

(a) EMERGENCY APPROPRIATIONS.—Section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence: "However, OMB shall not adjust any discretionary spending limit under this clause for any statute that designates appropriations as emergency requirements if that statute contains an appropriation for any other matter, event, or occurrence, but that statute may contain rescissions of budget authority.".

(b) EMERGENCY LEGISLATION.—Section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence: "However, OMB shall not designate any such amounts of new budget authority, outlays, or receipts as emergency requirements in the report required under subsection (d) if that statute contains any other provisions that are not so designated, but that statute may contain provisions that reduce direct spending.".

(c) NEW POINT OF ORDER.—Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

"POINT OF ORDER REGARDING EMERGENCIES

"SEC. 408. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(2)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 if it also provides an appropriation or direct spending for any other item or contains any other matter, but that bill or joint resolution, amendment, or conference report may contain rescissions of budget authority or reductions of direct spending, or that amendment may reduce amounts for that emergency.".

(d) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 407 the following new item:

"Sec. 408. Point of order regarding emergencies.".

**SEC. 8. SAVINGS FROM RESCISSION BILLS USED FOR DEFICIT REDUCTION.**

(a) Not later than 45 days of continuous session after the President vetoes an appropriations measure or an authorization measure, the President shall—

(1) with respect to appropriations measures, reduce the discretionary spending limits under section 601 of the Congressional Budget Act of 1974 for the budget year and each outyear by the amount by which the measure would have increased the deficit in each respective year;

(2) with respect to a repeal of direct spending, or a targeted tax benefit, reduce the balances for the budget year and each outyear under section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 by the amount by which the measure would have increased the deficit in each respective year.

(b) EXCEPTIONS.—

(1) This section shall not apply if the vetoed appropriations measure or authorization measure becomes law, over the objections of the President, before the President orders the reduction required by subsections (a)(1) or (a)(2).

(2) If the vetoed appropriations measure or authorization measure becomes law, over the objections of the President, after the President has ordered the reductions required by subsections (a)(1) or (a)(2), then the President shall restore the discretionary spending limits under section 601 of the Congressional Budget Act of 1974 or the balances under section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 to reflect the positions existing before the reduction ordered by the President in compliance with subsection (a).

**SEC. 9. EVALUATION AND SUNSET OF TAX EXPENDITURES**

(a) LEGISLATION FOR SUNSETTING TAX EXPENDITURES.—The President shall submit legislation for the periodic review, reauthorization, and sunset of tax expenditures with his fiscal year 1997 budget.

(b) BUDGET CONTENTS AND SUBMISSION TO CONGRESS.—Section 1105(a) of title 31, United States Code, is amended by adding at the end the following paragraph:

"(30) beginning with fiscal year 1999, a Federal Government performance plan for measuring the overall effectiveness of tax expenditures, including a schedule for periodically assessing the effects of specific tax expenditures in achieving performance goals.".

(c) PILOT PROJECTS.—Section 1118(c) of title 31, United States Code, is amended by—

(1) striking "and" after the semicolon in paragraph (2);

(2) redesignating paragraph (3) as paragraph (4); and

(3) adding after paragraph (2) the following:

"(3) describe the framework to be utilized by the Director of the Office of Management and Budget, after consultation with the Secretary of the Treasury, the Comptroller General of the United States, and the Joint Committee on Taxation, for undertaking periodic analyses of the effects of tax expenditures in achieving performance goals and the relationship between tax expenditures and spending programs; and".

(d) CONGRESSIONAL BUDGET ACT.—Title IV of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following:

"TAX EXPENDITURES

"SEC. 409. It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that contains a tax expenditure unless the bill, joint resolution, amendment, motion, or conference report provides that the tax expenditure will terminate not later than 10 years after the date of enactment of the tax expenditure.".

**SEC. 10. EFFECTIVE DATE.**

The provisions of this Act shall apply to measures passed by the Congress beginning with the date of the enactment of this Act and ending on September 30, 2000.

The text of the bill, H.R. 2, which is inserted in lieu of S. 4, pursuant to the foregoing motion, is as follows:

H.R. 2

*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 "Line Item Veto Act".

**SEC. 2. 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 conference report or joint explanatory statement accompanying a conference report on the 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 section.

(d) LIMITATION.—No special message submitted by the President under this section may change any prohibition or limitation of discretionary budget authority set forth in any appropriation Act.

(e) SPECIAL RULE FOR FISCAL YEAR 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.

**SEC. 3. LINE ITEM VETO EFFECTIVE UNLESS DISAPPROVED.**

(a)(1) Any amount of budget authority rescinded under this Act 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 this Act 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 this Act 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. 4. DEFINITIONS.**

As used in this Act:

(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. 5. CONGRESSIONAL CONSIDERATION OF LINE ITEM VETOES.**

(a) PRESIDENTIAL SPECIAL MESSAGE.—Whenever the President rescinds any budget authority as provided in this Act or vetoes any provision of law as provided in this Act, 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 provision pursuant to this Act;

(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 this Act 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 this Act 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 2.

(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. A motion to reconsider the vote on passage of the bill shall not be in order.

(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 Act.

(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 Act.

(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 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 this Act.

(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. 6. 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. 7. 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 Act 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).

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An Act to give the President item veto authority over appropriation Acts and targeted tax benefits in revenue Acts."

A motion to reconsider was laid on the table.

House Resolution 147 was laid on the table.

## REGULATORY TRANSITION ACT OF 1995

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that: First, it be in order to consider in the House a motion to take from the Speaker's table the Senate bill (S. 219) to ensure economy and efficiency of Federal Government operations by establishing a moratorium on regulatory rulemaking actions, and for other purposes, to strike all after the enacting clause of S. 219 and to insert in lieu the text of H.R. 450 as passed by the House;

Second, that the motion be debatable for not to exceed 1 hour, to be equally divided and controlled among chairmen and ranking minority members of the Committees on Government Reform and Oversight and the Judiciary; and

Third, that the previous question be ordered on the motion to final adoption without intervening motion except one motion to commit.

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

Mr. PETERSON of Minnesota. Mr. Speaker, reserving the right to object, I do so in order that the gentleman may explain his unanimous consent request.

I yield to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Speaker, I have a motion at the desk at this point, if we may proceed.

The SPEAKER pro tempore. The gentleman has asked unanimous consent, the gentleman from Minnesota has reserved the right to object and has yielded to the gentleman from Pennsylvania.

Mr. PETERSON of Minnesota. Mr. Speaker, I would just like a further explanation.

Mr. CLINGER. Mr. Speaker, as part of the Contract With America, the House passed overwhelmingly, in a bipartisan fashion, H.R. 450, the Regulatory Transition Act of 1995, which imposes a temporary moratorium on the issuance of regulations. It provides a very necessary timeout on promulgation and implementation of regulations while Congress is in the process of deliberating long-overdue regulatory reforms.

So I think it would be helpful to review the bidding for just a moment. After 2 full days of debate on the House floor and numerous amendments, the final vote was 276 to 146. The House passed this bill February 24, 1995, and sent it to the Senate 2 days later. One month later, the Senate passed their version of the moratorium, which is, frankly, hard to characterize as a regulatory moratorium.

Mr. PETERSON of Minnesota. Mr. Speaker, I was just trying to figure it out, but apparently this is the normal procedure in the House, to link these two bills together.

So, Mr. Speaker, I withdraw my reservation of objection.

Mr. CLINGER. The objective is the same as what we just did in the last bill.

Mr. PETERSON of Minnesota. Mr. Speaker, I withdraw my reservation of objection and support the request of the gentleman from Pennsylvania.

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

There was no objection.

MOTION OFFERED BY MR. CLINGER

Mr. CLINGER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CLINGER moves to take from the Speaker's table the bill (S. 219) to grant the power to the President to reduce budget authority, and for other purposes, strike all after the enacting clause of the Senate bill, and insert the text of H.R. 450 as passed by the House.

□ 1115

The SPEAKER pro tempore (Mr. EMERSON]. Pursuant to order of the House, the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 15 minutes, the gentleman from Minnesota [Mr. PETERSON] will be recognized for 15 minutes, the gentleman from Pennsylvania [Mr. GEKAS] will be recognized for 15 minutes, and the gentleman from Michigan [Mr. CONYERS] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. CLINGER].

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

Mr. Speaker, since I have already delivered part of my remarks on the motion, I would just reiterate, the version that we are sending back to the Senate is a very different version than was enacted in the Senate. It is our position that the House bill is a very good piece of legislation that was crafted to ensure that the health and safety of our citizens is protected, while at the same time providing a necessary timeout from the burdens of regulation.

I think every Member of this body over time has heard from their constituents, small businessmen, individuals, communities, of the incredibly intolerable burden that is being imposed upon them by regulation. So there is a need for time for review and reflection while we pass and enact major regulatory reform which is in the process of moving its way forward.

Both the gentleman from Texas, Mr. DELAY, the distinguished majority whip, and the gentleman from Indiana, Chairman MCINTOSH, the chairman of the subcommittee of jurisdiction, authored H.R. 450 to provide this short-term moratorium to allow Congress and the administration to review regulations on the books and to determine whether they meet cost-benefit criteria, and, more importantly, whether they just plain make sense.

During hearings and debate on this bill we've heard story after story about regulatory overkill. Many regulations are unnecessary, duplicative, or conflicting. How many small businesses do we want to put out of business before we pass reforms?

Just yesterday, we heard from a group of small businessmen that again underscored this point. Regulations promulgated under the Clean Air Act require that this industry obtain a permit from the EPA or State EPA for each piece of new equipment that they buy or install for their plant, rather than being allowed to have a single permit for that plant. This is like inspecting a car and rather than requiring a single inspection you have to get a separate inspection for the doors, the windshield, the brakes, the trunk, and the list goes on and on. These businessmen want to protect the environment, but find themselves using enough paper to plant a new forest—with little or no environmental benefits gained. For each facility, 300 to 400 pages of paper have to be generated to meet both the EPA and State requirements—which are often duplicative and conflicting. I am told that it took a 150-page manual just to explain the regulation.

Mr. Speaker, H.R. 450 is a good bill. We cannot afford as a society to continue down the road we are marching. This bill provides us an opportunity for a timeout to review regulations. It is my sincere hope that after all this effort we would be able to craft a reasonable compromise with the Senate. Some assumed that we would pass the Senate version of the bill. That simply is not going to happen.

I urge my colleagues to support this motion and hope that the Senate will see fit to move this bill forward to conference in an expedited fashion. It is a bill that does not belong in Congress—it belongs on the President's desk.

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

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to support the gentleman's motion. Earlier this year the House passed a bill to provide for a moratorium on new regulations pending the enactment of other regulatory reform bills that provide for cost-benefit analysis and risk assessment. I worked closely with the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from Indiana [Mr. MCINTOSH], the chairman of our subcommittee, and I supported this bill. I became convinced that we needed a time out on regulations and we needed a change in the way we deal with the regulatory process in this Government.

Subsequently, Mr. Speaker, the Senate passed its version of the moratorium legislation providing for a different approach, which is not all bad, which asks for a congressional review period for new regulations. In passing the bill, the Senate did not take its version and attach it to the House bill. Therefore, today's action is required as a first step towards trying to reach a compromise between the two versions.

As I reviewed regulations during the committee consideration of the bill, I found that in fact there are many regulations which Congress should look at more closely, and I think the moratorium bill would, in my opinion, force agencies to think twice before writing new regulations and to begin to do the cost-benefit analysis and risk assessment that the House has already passed and is pending in the Senate.

I do not think there is really a whole lot of need to repeat the debate in the House over this bill, since the motion of the gentleman today merely takes the House position and attaches it to the Senate bill. This is a standard procedure in the House for linking these two bills after the final passage in the House.

I support the gentleman's motion and hope that we are successful in bringing some sense to the other body and getting some consideration of our position.

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

Mr. DOGGETT. Mr. Speaker, I have no objection to the motion either. I do have a couple of questions, if I might address them to the distinguished chairman.

Am I correct that the piece of legislation that we are talking about here is the one that puts a total moratorium on any kind of Federal regulation, from any Federal agency, except for some of those key areas, like duck hunting, that were exempted here on the floor of the House by amendment?

Mr. CLINGER. There are a number of exceptions, as the gentleman knows, that are exempted from the provisions of the moratorium.

Mr. DOGGETT. Well, all of us are certainly opposed to unnecessary Federal regulations, and there are some silly ones out there. This particular proposal as it passed the House went so far, so extreme, so fast, that it was essentially rejected 100 to zip by the U.S. Senate, was it not, for an alternative approach?

Mr. CLINGER. I believe the gentleman is incorrect on that. This version was not considered by the other body.

Mr. DOGGETT. The Senate did not even bother to consider this approach. They took an alternative approach to trying to weed out regulations. Really the whole idea of a total moratorium is deader than a doornail in the Senate. You might as well put an RIP sign over it. It is gone. It is not going to happen.

Mr. CLINGER. If the gentleman would further yield, I would reject that concept. What we are trying to do, obviously, the Senate took a different approach from us. That is the whole purpose of a conference, is to sit down and

negotiate those out. We think that our version is better, and we would hope to see the Senate version improved as a result of our conference.

Mr. DOGGETT. But 100 Members of the Senate, including all the Republicans, disagreed with the gentleman.

Mr. CLINGER. The matter has never come to a vote.

Mr. PETERSON of Minnesota. Mr. Speaker, reclaiming my time, I would agree with the gentleman from Pennsylvania, the chairman, that I do not think the Senate took a position on this.

I just want to say, some of us on this side of the aisle worked with the gentleman. I think as the bill was originally put together, these claims may have been valid. But I do not think it is valid with the bill as it passed the House.

We clearly gave the President the opportunity to deal with regulations that he felt were important to the imminent threat to the health and safety that might happen. We exempted routine administrative regulations. The claim cannot be made about this bill that it is going to stop all regulations for this moratorium period. That is not true. This does provide a mechanism that we think is reasonable to allow for regulations to go ahead that are necessary.

What we are trying to do with this moratorium is put a time out on regulations until we can get the other things in place so we can start bringing some commonsense, some cost-benefits and risk assessment to the regulatory process. We think that it is a reasonable approach.

As I say, I support what the chairman is doing, and I hope that we can get some of the elements of the moratorium bill into the final version when we finally do get to conference with the Senate.

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

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

Mr. Speaker, the American people, through the election process, made sure in 1994 that this Congress would take a hard look at the impact of regulations on itself, the American people. We have known for a long time, and so have the American people, that the Congress passes a statute with good intentions, and then all of a sudden it is put into the hands of the agencies to implement that statute. And what happens? They issue regulations that seem absolutely foreign and almost contrary many times to the intent of the Congress.

So for decade after decade, these regulations impacted against the American people, and they had no recourse, nor did the Members of Congress, except to repeal or try to do something on the floor to deal with that problem by itself. That did not work. So now with the Contract With America, where we promised regulatory reform, we brought about a House vehicle which declared a moratorium which said let us stop, look and listen and see what has happened over the years with this regulatory process. Let us put a moratorium on it and now determine which way we should approach the new dawn, the new era, of how the Congress will make statutes and the regulators will react to that.

Well, that is a pretty good idea, we felt. But the Senate now goes the other way. The Senate in its proposal, the one which we hope to reject here today, says once we pass a statute we ought to be involved on every single regulation that the bureaucrats promulgate, which is almost an impossible task, because they build into their proposal a kind of legislative veto which requires the Congress to look at every single regulation as if it were a separate statute.

That is going to the extreme from the original position where the Congress had no control at all. Now it has to micromanage every single regulation. What we offer here in rejecting the Senate proposal and adopting our own language is an overview of the regulatory process, with the ability to some day be able to command the bureaus to look at it very closely, give us an analysis, try to determine the cost effectiveness, see what impact it will have on the American people, and then promulgate that regulation. That is what we are trying to do.

The Senate bill puts us all as micromanagers. The House bill is a reasonable approach to give the American people some safety valve from the oppressive hand of the regulators by allowing this stop, look and listen gap that we are proposing, and then a cost and effectiveness type of analysis oversight on regulations, which is sure to make life more comfortable for all Americans.

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

Mr. CLINGER. Mr. Speaker, I am very pleased to yield 5 minutes to the gentleman from Indiana [Mr. MCINTOSH], a principal author of the House version of the moratorium.

Mr. MCINTOSH. Mr. Speaker, as the gentlemen from Pennsylvania, Mr. GEKAS and Mr. CLINGER, have pointed out, there are some fundamental differences between the House and the Senate version of this bill, and there are meritorious arguments in terms of actually putting a 45-day delay on regulations. But I think, unfortunately, the original text of S. 219 neglects some very serious problems that have come up in our regulatory process. When I go home to my district in Muncie and Anderson, IN, people talk to me and say, DAVID, we need to make sure that what you all have done in the House of Representatives continues to go forward and do not cave in to the forces back in Washington who are trying to derail your efforts to cut back on unnecessary regulations.

Our subcommittee held a field hearing in which we had dozens of people talk to us about regulatory problems that were crippling their businesses, causing the loss of jobs, and forcing our economy to be less competitive.

Specifically, since last November the Clinton administration has issued several hundred regulations, and there are 30 of them that our subcommittee has identified that create serious problems for our economy. I think it is important that we move from the abstract and look at what these real problems are and why we need to put a moratorium so that these regulations can be reviewed under the new cost-benefit and risk assessment standards.

□ 1130

One of them is the OSHA ergonomics rule, which has not been promulgated, but the Department of Labor has indicated that in spite of what this House may do, they intend to move forward with it. This could cost us $3.1 billion each year in unnecessary regulatory costs. There is the California Federal implementation plan, which would shut down many sectors of the California economy, would affect everything from flights going into Los Angeles Airport to lawnmowers, to people's jobs, will cost between $4 and $6 billion, with a possible job loss of 165,000 jobs in the State of California alone.

There is the Great Lakes clean water quality guidelines. I want to say, as somebody from a Great Lakes State, we all want to see clean water and we want to see the Great Lakes cleaned up. But this regulation will cost us jobs once again, approximately 33,000 jobs in the Midwest alone and another $2 billion in economic cost to the economy. There is the clean air permitting rule, which will cost billions of dollars in unnecessary red tape and get you exactly zero benefits in terms of additional clean air.

This regulation we do not need in the economy. It has been promulgated by the administration. It needs to be subject to the moratorium so it can go through the review process and be changed so that we do not tie our own hands behind our backs.

The list goes on and on. There are the endangered species listing where the Interior Department indicates that they have 4,000 new species they want to add to the list of endangered species, including the eastern wood rat, the Lake Huron locust and the pee clam. The problem with this is that it will cost us, once again, jobs. It will cause us to be impeded in our economy, and we need to have some common sense applied to these regulations.

Mr. Speaker, I have an entire list here that I would like to put into the RECORD of important serious rule makings that need to be put into the moratorium. Just yesterday Governor Larry

Lindsey of the Federal Reserve Board conducted a seminar with people who are working in the inner city to try to rebuild dilapidated housing so that poor people and middle income families can have a hope to own their own home. We asked them, what is your major problem with going forward in these efforts in the inner city? They said, Federal regulations.

They pointed to dozens of rules that make it harder, more costly for them to actually make these differences for people. And they asked us in Congress to move forward in cutting back on that unnecessary red tape.

Let us step back and look at the larger picture. I think what we have accomplished in the House of Representatives was a bipartisan vote, strong support on both sides of the aisle, definitely sent a message to the bureaucracies, it is not business as usual. We have to end the endless red tape and regulation that have been strangling our economy. And when I go home people tell me, we want to see this Congress go forward. We are worried that the other body is going to drag its feet and that you are not going to get these reforms through.

What we are doing today is sending a message. We cannot accept the status quo. We have to move these reforms forward. It is imperative that we implement them for the American people.

They are counting on this House of Representatives to change the way Washington operates, cut back on unnecessary red tape, and move forward with this moratorium, with the cost-benefit and risk assessment legislation, with protection for property rights, that fundamentally do change the way we do business here, making the Government, once again, responsive to the American people.

Mr. Speaker, I commend the gentleman's efforts in leading this forward and look forward to the efforts in moving it toward a conference so that we can go back home and report to the American people we have done what you sent us here to do.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield 3 minutes and 30 seconds to the gentleman from Wisconsin [Mr. BARRETT].

Mr. BARRETT of Wisconsin. Mr. Speaker, my grandfather used to say common sense is not all that common. I think the previous speaker has shown why common sense is not always that common.

As I look at the regulatory reform issue, there are really three different camps in Congress. There is the camp that does not want to see any regulatory reform at all. That is a minority. I do not think there are many people here who believe that.

Then there is the camp that is basically along with the Senate and says, let us have true regulatory reform and let us allow Congress to look at those regulations that are too burdensome, that go too far, that contradict the intent of Congress.

The gentleman who spoke before went through a litany of regulations that he thinks go too far. I think we in Congress should address those issues. We should look at them right now and decide whether they have gone too far and, if they have, we should reverse the agency action.

Then there is the third camp. The third camp is interested in playing politics, and that is the version that has gone from the House of Representatives.

Picture yourself as the President of the United States. You are handed a bill that says for the next 11 months, your agencies, your executive agencies, the people that you have hired can no longer issue any regulations. I do not care if you are a Democrat, I do not care if you are Republican, I do not care if you are Ross Perot, you are going to say no. I am not going to tie the hands of my agencies. I am going to veto that bill.

And you would be crazy if you did not. If you are Republican or Democrat or Ross Perot, you would be crazy if you did not veto that bill. So let us just assume in the fantasy world, the Alice in Wonderland world that this bill got to President Clinton. He would veto it tomorrow.

So the previous speaker who talked about all these burdensome regulations that he is concerned about is not going to get anywhere. He will be able to play politics by saying all bureaucrats are bad, but he is not going to move forward with the goal of getting rid of regulations that are too burdensome to the American people.

I want to get rid of regulations that are too burdensome to the American people. The Senate has come up with a perfect vehicle for us to do that.

I come from the State of Wisconsin where we have legislative review of administrative rules. It works very, very well. If an agency goes too far, the legislature then will review those regulations, not all regulations, just the ones that it thinks are too burdensome and it will reverse the agency action. If we want to deal with this problem, that is how we deal with the problem. We do not take an absurd bill that is being passed only for political purposes, that every single person in this Chamber knows that the President would veto and try to move it forward. That does not accomplish anything. All it does is it scores political points.

What can we do? We can do what the Senate did. We can say that agencies pass rules, they come back here. That way the different concerns that were raised by burdensome regulation we can look at. At the same time, very good regulations, like the ones dealing Cryptosporidium from my area, if we did it that way, at the same time we would be able to have agencies move forward with Cryptosporidium research, E. coli bacteria research, rules on those and save people's lives, help American people and still stop the regulations that need to be stopped. Let us do the right thing and go along with the Senate.

Mr. GEKAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. DELAY], the deputy majority leader, alias the whip.

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding time to me and elevating me and promoting me. I appreciate bringing this bill to the floor.

Mr. Speaker, H.R. 450 has developed a very long history. In December 1994, the Republican leadership sent a letter to the President asking him to issue a moratorium on Federal regulations in order for the new Congress to institute these long-needed regulatory reforms. The President refused.

In January, I introduced H.R. 450, instituting that moratorium that the President refused to issue on his own. And in February, the House passed H.R. 450 with a very strong majority vote and sent it to the Senate for its consideration.

The Senate has chosen to take a different approach, passing a bill which allows Congress to review and disapprove regulations under an expedited procedure.

In light of the differences between those two bills, we are now sending H.R. 450 back to the Senate and encourage the Senate to work with us to come to an acceptable compromise.

H.R. 450 had very broad support from both Members and from the public at large. It responds to the serious cry from the American people to reduce the burden of government. This bill puts a hold on the incredible flow of regulation since November 20 so that the regulatory reforms passed by the Congress will apply to those regulations.

I might say to the previous speaker, most of the horror stories that he spoke about, Mr. Speaker, are taken care of with the health and safety exemption in our bill. Anything that has to do with health and safety, the President himself can exempt from the moratorium.

Actually, the bill itself puts the President in charge, even though he does not choose to be in charge. We give it all to the President, and there is a procedure set up whereby the President on his own initiative under certain conditions can exempt these, any regulations he deems necessary that affects the health and safety of the American people from the moratorium called for in this bill.

All the scare tactics, all the fear mongering that is going on about regulations and how we are going to kill children and throw the senior citizens

out in the street are totally false, particularly if you have any confidence at all in this President, in his ability to use the bill to exempt certain regulations from the moratorium.

So I ask the Members to support striking the language of S. 219 and sending H.R. 450 to the Senate today so that we can get a bill to the President's desk soon.

Mr. CLINGER. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. GUTKNECHT], a very valued member of the committee.

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

I rise in support of this motion this morning on H.R. 450. I think that I should respond just briefly to some of the comments made a few moments ago by the gentleman from Wisconsin.

I would remind him and other Members that this bill passed out of the House by almost a two-to-one margin, after 10 hours of open debate. There were lots of amendments offered. Some of those amendments were accepted. And I think to say that this is purely a political ploy, I think is a disservice to this entire House, because I think the gentleman from Pennsylvania [Mr. CLINGER] and the other members who worked so hard on this, particularly the gentleman from Indiana [Mr. MCINTOSH] of the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs did an excellent job under open rules, allowing everyone to participate. and I think to say that this was not fair is really a disservice to all of us.

I think the message that should be going out from this Congress is that the status quo does not live here anymore. In fact, I am happy to be a member of the Committee on Government Reform and Oversight and the McIntosh subcommittee because one of the most troubling things that I heard coming to the Congress this year was that in the past this Congress has not lived up to its oversight responsibilities. I think this is one way of saying that we are not going to permit the agencies out there to just go off on their own and pass these rules ad infinitum.

We have had a number of field hearings. We have had a number of town meetings, I have. And at virtually every one of the town meetings I have had I have heard about the needless regulation that is coming out of Washington.

We had a hearing and the gentleman from Minnesota [Mr. PETERSON] joined us in Indianapolis about a month ago. And it was interesting because at that meeting we heard from the publisher of the largest newspaper in the State of Indiana and we heard from the president of the University of Indiana. And they were both saying, please do something about this regulatory burden that we have to live under.

I made the comment then and I would share it today that I think we finally have reached the critical mass because we have both the media and academia saying uncle. At all of our town meetings we hear from small business people and particularly farmers who are saying, we need a time out. And that is what really this bill is all about.

Let me just finally say that I think the message we are trying to send from this House today to our colleagues at the other end of the building, that you have dropped the ball and we are going to give you a chance to recover your fumble.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

As I said, I did not think we needed to debate this bill, but I think we need to clear up a couple of things.

The coalition and many other Democrats were proud to support this piece of legislation. I think that some of the claims that were made by some of my colleagues on this side of the aisle may have been valid as we looked at the original bill. But in our judgment it is not valid, and I really want to associate myself with the remarks of the previous two speakers, the gentleman from Minnesota [Mr. GUTKNECHT] and the gentleman from Texas [Mr. DELAY], in the final bill.

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We have taken care of the concerns that people had about this bill. The President has the ability to exempt regulations that he feels need to go ahead. This claim that the agencies are going to be stopped dead from doing any regulatory process is not true. I think the gentleman from Texas [Mr. DELAY] said it very clearly. Unless we do not believe that the President of the United States is going to do the right thing, this bill is not the kind of extreme bill that some people have laid out.

I just want to make the point that many of us on this side of the aisle support this piece of legislation, and we ask people to look at the final product, because it is very different than the bill that was originally introduced.

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

Mr. CLINGER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Arizona [Mr. SHADEGG], a very valuable and hardworking member of the committee.

Mr. SHADEGG. Mr. Speaker, I rise in support of the motion to substitute the language of H.R. 450 for S. 219.

H.R. 450, the Regulatory Reform Transition Act, passed this body overwhelmingly. It is not an extreme measure.

In the debate in the other body on this measure, one of our colleagues said, and I quote, "Our system of government is working." With respect to the regulatory system in America, my colleague's claim could not be further from the truth. He is simply wrong. The regulatory burden we are imposing willy-nilly on American businesses and American citizens is in excess. It is doing severe damage to our economy, and it is time to stop it. We need to subject, Mr. Speaker, all regulations to a risk assessment and to a cost-benefit analysis. That is the substantive review we are seeking. That is what this legislation will do.

The time to begin subjecting new regulations to that type of analysis, cost-benefit and risk assessment, is now. That is what H.R. 450 will do. The moratorium simply says there will be a time out, and that we will have that time period during which to pass substantive regulatory review, reform, and then to subject those regulations now going through that process to that substantive review.

Mr. Speaker, I would like to respond to several remarks on the other side. Some of my colleagues have risen to say that this is an extreme measure, and that the Senate measure is a good alternative. That is simply incorrect, because the Senate measure is different. It does not achieve the same goal. I myself support the notion of legislative review of regulatory matters. If, indeed, a regulatory proceeding is extreme and the regulation should be suspended, that is fine. However, that is not what this legislation accomplishes. This legislation says it is known and indisputable in America that the regulatory system is out of control. That is not necessarily true only 90 or 100 or 120 days from now. The regulatory system is out of control now.

When we enact substantive review, which requires cost-benefit and risk assessment analysis, we ought to apply that to all of the regulations that are currently going through.

My colleague, the gentleman from Indiana [Mr. MCINTOSH], recognized there are thousands of regulations going through at this time. They should be subjected to this review. I urge support of the motion.

Mr. CLINGER. Mr. Speaker, I am very pleased to yield 2 minutes to the gentleman from Maryland [Mr. EHRLICH], a very thoughtful freshman member of our committee.

Mr. EHRLICH. Mr. Speaker, I also want to congratulate the chairman of the full committee, the chairman of the subcommittee, and the gentleman from Minnesota [Mr. PETERSON], for his great leadership on this issue.

Mr. Speaker, a new generation arrived in Congress this year. That generation promised to deliver with respect to the Contract With America. A critical part of that contract is regulatory reform. Mr. Speaker, we hear so much out there during election years

that people are for the family and they are against crime and for the small business person in this country, but the fact is, Mr. Speaker, this is where the rubber meets the road on the floor of the House. Reg reform and H.R. 450 are truly where the rubber meets the road.

Mr. Speaker, when I was campaigning I would actually stop into strip shopping malls to talk to small business owners. I thought I would hear problems and concerns about the legal environment in the State of Maryland, or the unavailability of capital, or employee problems, but time and time again, by far the predominant concern I heard from the small business community was the burden of Federal regulation on small business.

Mr. Speaker, it is not radical in this day and age to say stop, which is what this bill does. It is not radical to look at what we have done, to inventory what we have done, to stop promulgating Federal regulations before we use good science, before we use cost-benefit analysis, and before we use risk assessment.

Mr. Speaker, it has already been said time and time again on this floor that exceptions apply within the context of this bill for emergency, health, and safety regulations. Mr. Speaker, the bottom line of H.R. 450, the bottom line to regulatory reform in this Congress, is returning a sense of common sense to the way we promulgate regulations in this country today. That is what H.R. 450 is all about. That is what the Contract With America is all about.

To my friend, the gentleman from Wisconsin, who characterized this bill as politics, to the extent that this majority, this majority, this nonpartisan majority is responding to consumers and the small business community in this country, that truly is politics in the best tradition of this House.

Mr. CLINGER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, the point needs to be made very strongly that this is a bipartisan bill. This is not a partisan measure. This measure passed the House on February 24 by a vote of 276 to 146. There was a strong bipartisan support for that measure, as there has been for all of the measures dealing with regulatory reform.

It is very clear, I think, that the American people want regulatory reform. This is part of an overall piece, an overall package we are putting together to accomplish what the American people want. We need to go to conference. We need to get this bill enacted into law, and we need to send it to the President.

Mr. Speaker, I yield back the balance of my time.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume, simply to echo the sentiments of my colleague, the gentleman from Pennsylvania. What we are talking about here is dealing with regulations, not allowing regulations to deal with us. The House version allows us to deal with those regulations. The Senate version permits the regulatory process to overwhelm us, which it now does, and which we are trying to rectify.

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

Mr. TATE. Mr. Speaker, I, too, want to lend my support to this proposal as it passed the House, and I commend the chairman of the Committee on Government Reform and Oversight and the subcommittee chairman, the gentleman from Indiana [Mr. MCINTOSH].

Recently a survey from the National Federation of Independent Businesses went out and surveyed their membership as to what was their concern. Taxes and health care were a concern, but the No. 1 concern and threat to small business in this country is regulations.

I had my local Chamber of Commerce from Takoma here recently. They were talking about the issues that concern them, but the one that came up the most, whether they were in banking or they had a local grocery store or whatever, was regulations. One aspect of this particular bill that was added on in the amendatory process when we were on the floor, was the Tate amendment, which extended the moratorium for businesses that have 100 or less employees an additional 6 months, because those are the people that are the most affected when new regulations are passed. Those are the people that are on the margin, that may be in business or may not be in business based on a new regulation.

This is a sound bill, Mr. Speaker. It is really common sense. It is time that we pass some real regulatory relief. Once again, I commend this to the House, and look forward to a strong bipartisan support for this when it passes.

Mr. GEKAS. Mr. Speaker, I yield back the balance of my time.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I again want to commend the gentlemen for their good work, and hope that we can get this to conference, and talk some sense into the other body. Unfortunately, they appear to be somewhat in the capture of the bureaucracy and the status quo. Hopefully, if we cannot get the entire moratorium through, maybe we can get some specific items in the moratorium through on the Senate side. Again, I commend everyone and urge support of this motion.

Mr. Speaker, I have no further Members wishing to speak, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GOODLATTE). No one from the minority of the House Committee on the Judiciary having presented themselves to claim the time of that committee, the Chair assumes that time is also yielded back. All time has expired.

Pursuant to the order of the House, the previous question is ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. CLINGER].

The motion was agreed to.

The text of the Senate bill, S. 219, is as follows:

S. 219

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**TITLE I—REGULATORY TRANSITION**

**SEC. 101. SHORT TITLE.**

This title may be cited as the "Regulatory Transition Act of 1995".

**SEC. 102. FINDING.**

The Congress finds that effective steps for improving the efficiency and proper management of Government operations will be promoted if a moratorium on the effectiveness of certain significant final rules is imposed in order to provide Congress an opportunity for review.

**SEC. 103. MORATORIUM ON REGULATIONS; CONGRESSIONAL REVIEW.**

(a) REPORTING AND REVIEW OF REGULATIONS.—

(1) REPORTING TO CONGRESS AND THE COMPTROLLER GENERAL.—

(A) Before a rule can take effect as a final rule, the Federal agency promulgating such rule shall submit to each House of the Congress and to the Comptroller General a report containing—

(i) a copy of the rule;

(ii) a concise general statement relating to the rule; and

(iii) the proposed effective date of the rule.

(B) The Federal agency promulgating the rule shall make available to each House of Congress and the Comptroller General, upon request—

(i) a complete copy of the cost-benefit analysis of the rule, if any;

(ii) the agency's actions relevant to section 603, section 604, section 605, section 607, and section 609 of Public Law 96–354;

(iii) the agency's actions relevant to title II, section 202, section 203, section 204, and section 205 of Public Law 104–4; and

(iv) any other relevant information or requirements under any other Act and any relevant Executive Orders, such as Executive Order 12866.

(C) Upon receipt, each House shall provide copies to the Chairman and Ranking Member of each committee with jurisdiction.

(2) REPORTING BY THE COMPTROLLER GENERAL.—

(A) The Comptroller General shall provide a report on each significant rule to the committees of jurisdiction to each House of the Congress by the end of 12 calendar days after the submission or publication date as provided in section 104(b)(2). The report of the Comptroller General shall include an assessment of the agency's compliance with procedural steps required by subparagraph (B) (i) through (iv).

(B) Federal agencies shall cooperate with the Comptroller General by providing information relevant to the Comptroller General's report under paragraph (2)(A) of this section.

(3) EFFECTIVE DATE OF SIGNIFICANT RULES.—A significant rule relating to a report submitted under paragraph (1) shall take effect as a final rule, the latest of—

(A) the later of the date occurring 45 days after the date on which—

(i) the Congress receives the report submitted under paragraph (1); or

(ii) the rule is published in the Federal Register;

(B) if the Congress passes a joint resolution of disapproval described under section 104 relating to the rule, and the President signs a veto of such resolution, the earlier date—

(i) on which either House of Congress votes and fails to override the veto of the President; or

(ii) occurring 30 session days after the date on which the Congress received the veto and objections of the President; or

(C) the date the rule would have otherwise taken effect, if not for this section (unless a joint resolution of disapproval under section 104 is enacted).

(4) EFFECTIVE DATE FOR OTHER RULES.—Except for a significant rule, a rule shall take effect as otherwise provided by law after submission to Congress under paragraph (1).

(5) FAILURE OF JOINT RESOLUTION OF DISAPPROVAL.—Notwithstanding the provisions of paragraph (3), the effective date of a rule shall not be delayed by operation of this title beyond the date on which either House of Congress votes to reject a joint resolution of disapproval under section 104.

(b) TERMINATION OF DISAPPROVED RULEMAKING.—A rule shall not take effect (or continue) as a final rule, if the Congress passes a joint resolution of disapproval described under section 104.

(c) PRESIDENTIAL WAIVER AUTHORITY.—

(1) PRESIDENTIAL DETERMINATIONS.—Notwithstanding any other provision of this section (except subject to paragraph (3)), a rule that would not take effect by reason of this title may take effect, if the President makes a determination under paragraph (2) and submits written notice of such determination to the Congress.

(2) GROUNDS FOR DETERMINATIONS.—Paragraph (1) applies to a determination made by the President by Executive order that the rule should take effect because such rule is—

(A) necessary because of an imminent threat to health or safety or other emergency;

(B) necessary for the enforcement of criminal laws; or

(C) necessary for national security.

(3) WAIVER NOT TO AFFECT CONGRESSIONAL DISAPPROVALS.—An exercise by the President of the authority under this subsection shall have no effect on the procedures under section 104 or the effect of a joint resolution of disapproval under this section.

(d) TREATMENT OF RULES ISSUED AT END OF CONGRESS.—

(1) ADDITIONAL OPPORTUNITY FOR REVIEW.—In addition to the opportunity for review otherwise provided under this title, in the case of any rule that is published in the Federal Register (as a rule that shall take effect as a final rule) during the period beginning on the date occurring 60 days before the date the Congress adjourns sine die through the date on which the succeeding Congress first convenes, section 104 shall apply to such rule in the succeeding Congress.

(2) TREATMENT UNDER SECTION 104.—

(A) In applying section 104 for purposes of such additional review, a rule described under paragraph (1) shall be treated as though—

(i) such rule were published in the Federal Register (as a rule that shall take effect as a final rule) on the 15th session day after the succeeding Congress first convenes; and

(ii) a report on such rule were submitted to Congress under subsection (a)(1) on such date.

(B) Nothing in this paragraph shall be construed to affect the requirement under subsection (a)(1) that a report must be submitted to Congress before a final rule can take effect.

(3) ACTUAL EFFECTIVE DATE NOT AFFECTED.—A rule described under paragraph (1) shall take effect as a final rule as otherwise provided by law (including other subsections of this section).

(e) TREATMENT OF RULES ISSUED BEFORE THIS ACT.—

(1) OPPORTUNITY FOR CONGRESSIONAL REVIEW.—The provisions of section 104 shall apply to any significant rule that is published in the Federal Register (as a rule that shall take effect as a final rule) during the period beginning on November 20, 1994, through the date on which this Act takes effect.

(2) TREATMENT UNDER SECTION 104.—In applying section 104 for purposes of Congressional review, a rule described under paragraph (1) shall be treated as though—

(A) such rule were published in the Federal Register (as a rule that shall take effect as a final rule) on the date of the enactment of this Act; and

(B) a report on such rule were submitted to Congress under subsection (a)(1) on such date.

(3) ACTUAL EFFECTIVE DATE NOT AFFECTED.—The effectiveness of a rule described under paragraph (1) shall be as otherwise provided by law, unless the rule is made of no force or effect under section 104.

(f) NULLIFICATION OF RULES DISAPPROVED BY CONGRESS.—Any rule that takes effect and later is made of no force or effect by the enactment of a joint resolution under section 104 shall be treated as though such rule had never taken effect.

(g) NO INFERENCE TO BE DRAWN WHERE RULES NOT DISAPPROVED.—If the Congress does not enact a joint resolution of disapproval under section 104, no court or agency may infer any intent of the Congress from any action or inaction of the Congress with regard to such rule, related statute, or joint resolution of disapproval.

**SEC. 104. CONGRESSIONAL DISAPPROVAL PROCEDURE.**

(a) JOINT RESOLUTION DEFINED.—For purposes of this section, the term "joint resolution" means only a joint resolution introduced during the period beginning on the date on which the report referred to in section 103(a) is received by Congress and ending 45 days thereafter, the matter after the resolving clause of which is as follows: "That Congress disapproves the rule submitted by the ___ relating to ___, and such rule shall have no force or effect.". (The blank spaces being appropriately filled in.)

(b) REFERRAL.—

(1) IN GENERAL.—A resolution described in paragraph (1) shall be referred to the committees in each House of Congress with jurisdiction. Such a resolution may not be reported before the eighth day after its submission or publication date.

(2) SUBMISSION DATE.—For purposes of this subsection the term "submission or publication date" means the later of the date on which—

(A) the Congress receives the report submitted under section 103(a)(1); or

(B) the rule is published in the Federal Register.

(c) DISCHARGE.—If the committee to which is referred a resolution described in subsection (a) has not reported such resolution (or an identical resolution) at the end of 20 calendar days after the submission or publication date defined under subsection (b)(2), such committee may be discharged from further consideration of such resolution in the Senate upon a petition supported in writing by 30 Members of the Senate and in the House upon a petition supported in writing by one-fourth of the Members duly sworn and chosen or by motion of the Speaker supported by the Minority Leader, and such resolution shall be placed on the appropriate calendar of the House involved.

(d) FLOOR CONSIDERATION.—

(1) IN GENERAL.—When the committee to which a resolution is referred has reported, or when a committee is discharged (under subsection (c)) from further consideration of, a resolution described in subsection (a), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for a motion to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of resolution) are waived. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(2) DEBATE.—Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order.

(3) FINAL PASSAGE.—Immediately following the conclusion of the debate on a resolution described in subsection (a), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) APPEALS.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in subsection (a) shall be decided without debate.

(e) TREATMENT IF OTHER HOUSE HAS ACTED.—If, before the passage by one House of a resolution of that House described in subsection (a), that House receives from the other House a resolution described in subsection (a), then the following procedures shall apply:

(1) NONREFERRAL.—The resolution of the other House shall not be referred to a committee.

(2) FINAL PASSAGE.—With respect to a resolution described in subsection (a) of the House receiving the resolution—

(A) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(B) the vote on final passage shall be on the resolution of the other House.

(f) CONSTITUTIONAL AUTHORITY.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives,

respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

**SEC. 105. SPECIAL RULE ON STATUTORY, REGULATORY AND JUDICIAL DEADLINES.**

(a) IN GENERAL.—In the case of any deadline for, relating to, or involving any rule which does not take effect (or the effectiveness of which is terminated) because of the enactment of a joint resolution under section 104, that deadline is extended until the date 12 months after the date of the joint resolution. Nothing in this subsection shall be construed to affect a deadline merely by reason of the postponement of a rule's effective date under section 103(a).

(b) DEADLINE DEFINED.—The term "deadline" means any date certain for fulfilling any obligation or exercising any authority established by or under any Federal statute or regulation, or by or under any court order implementing any Federal statute or regulation.

**SEC. 106. DEFINITIONS.**

For purposes of this title—

(1) FEDERAL AGENCY.—The term "Federal agency" means any "agency" as that term is defined in section 551(1) of title 5, United States Code (relating to administrative procedure).

(2) SIGNIFICANT RULE.—The term "significant rule"—

(A) means any final rule that the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget finds—

(i) has an annual effect on the economy of $100,000,000 or more or adversely affects in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;

(ii) creates a serious inconsistency or otherwise interferes with an action taken or planned by another agency;

(iii) materially alters the budgetary impact of entitlement, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(iv) raises novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in Executive Order 12866.

(B) does not include any agency action that establishes, modifies, opens, closes, or conducts a regulatory program for a commercial, recreational, or subsistence activity relating to hunting, fishing, or camping.

(3) FINAL RULE.—The term "final rule" means any final rule or interim final rule. As used in this paragraph, "rule" has the meaning given such term by section 551 of title 5, United States Code, except that such term does not include any rule of particular applicability including a rule that approves or prescribes for the future rates, wages, prices, services, or allowances therefor, corporate or financial structures, reorganizations, mergers, or acquisitions thereof, or accounting practices or disclosures bearing on any of the foregoing or any rule of agency organization, personnel, procedure, practice or any routine matter.

**SEC. 107. JUDICIAL REVIEW.**

No determination, finding, action, or omission under this title shall be subject to judicial review.

**SEC. 108. APPLICABILITY; SEVERABILITY.**

(a) APPLICABILITY.—This title shall apply notwithstanding any other provision of law.

(b) SEVERABILITY.—If any provision of this title, or the application of any provision of this title to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances, and the remainder of this title, shall not be affected thereby.

**SEC. 109. EXEMPTION FOR MONETARY POLICY.**

Nothing in this title shall apply to rules that concern monetary policy proposed or implemented by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee.

**SEC. 110. EFFECTIVE DATE.**

This title shall take effect on the date of the enactment of this Act and shall apply to any rule that takes effect as a final rule on or after such effective date.

## TITLE II—TERM GRAZING PERMITS

**SEC. 201. FINDINGS AND PURPOSE.**

(a) FINDINGS.—Congress finds that—

(1) the Secretary of Agriculture (referred to in this title as the "Secretary") administers the 191,000,000-acre National Forest System for multiple uses in accordance with Federal law;

(2) where suitable, one of the recognized multiple uses for National Forest System land is grazing by livestock;

(3) the Secretary authorizes grazing through the issuance of term grazing permits that have terms of not to exceed 10 years and that include terms and conditions necessary for the proper administration of National Forest System land and resources;

(4) as of the date of enactment of this Act, the Secretary has issued approximately 9,000 term grazing permits authorizing grazing on approximately 90,000,000 acres of National Forest System land;

(5) of the approximately 9,000 term grazing permits issued by the Secretary, approximately one-half have expired or will expire by the end of 1996;

(6) if the holder of an expiring term grazing permit has complied with the terms and conditions of the permit and remains eligible and qualified, that individual is considered to be a preferred applicant for a new term grazing permit in the event that the Secretary determines that grazing remains an appropriate use of the affected National Forest System land;

(7) in addition to the approximately 9,000 term grazing permits issued by the Secretary, it is estimated that as many as 1,600 term grazing permits may be waived by permit holders to the Secretary in favor of a purchaser of the permit holder's permitted livestock or base property by the end of 1996;

(8) to issue new term grazing permits, the Secretary must comply with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other laws;

(9) for a large percentage of the grazing permits that will expire or be waived to the Secretary by the end of 1996, the Secretary has devised a strategy that will result in compliance with the National Environmental Policy Act of 1969 and other applicable laws (including regulations) in a timely and efficient manner and enable the Secretary to issue new term grazing permits, where appropriate;

(10) for a small percentage of the grazing permits that will expire or be waived to the Secretary by the end of 1996, the strategy will not provide for the timely issuance of new term grazing permits; and

(11) in cases in which ranching operations involve the use of a term grazing permit issued by the Secretary, it is essential for new term grazing permits to be issued in a timely manner for financial and other reasons.

(b) PURPOSE.—The purpose of this title is to ensure that grazing continues without interruption on National Forest System land in a manner that provides long-term protection of the environment and improvement of National Forest System rangeland resources while also providing short-term certainty to holders of expiring term grazing permits and purchasers of a permit holder's permitted livestock or base property.

**SEC. 202. DEFINITIONS.**

In this title:

(1) EXPIRING TERM GRAZING PERMIT.—The term "expiring term grazing permit" means a term grazing permit—

(A) that expires in 1995 or 1996; or

(B) that expired in 1994 and was not replaced with a new term grazing permit solely because the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws has not been completed.

(2) FINAL AGENCY ACTION.—The term "final agency action" means agency action with respect to which all available administrative remedies have been exhausted.

(3) TERM GRAZING PERMIT.—The term "term grazing permit means a term grazing permit or grazing agreement issued by the Secretary under section 402 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1752), section 19 of the Act entitled "An Act to facilitate and simplify the work of the Forest Service, and for other purposes", approved April 24, 1950 (commonly known as the "Granger-Thye Act") (16 U.S.C. 580*l*), or other law.

**SEC. 203. ISSUANCE OF NEW TERM GRAZING PERMITS.**

(a) IN GENERAL.—Notwithstanding any other provision of law, regulation, policy, court order, or court sanctioned settlement agreement, the Secretary shall issue a new term grazing permit without regard to whether the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws has been completed, or final agency action respecting the analysis has been taken—

(1) to the holder of an expiring term grazing permit; or

(2) to the purchaser of a term grazing permit holder's permitted livestock or base property if—

(A) between January 1, 1995, and December 1, 1996, the holder has waived the term grazing permit to the Secretary pursuant to section 222.3(c)(1)(iv) of title 36, Code of Federal Regulations; and

(B) the purchaser of the term grazing permit holder's permitted livestock or base property is eligible and qualified to hold a term grazing permit.

(b) TERMS AND CONDITIONS.—Except as provided in subsection (c)—

(1) a new term grazing permit under subsection (a)(1) shall contain the same terms and conditions as the expired term grazing permit; and

(2) a new term grazing permit under subsection (a)(2) shall contain the same terms and conditions as the waived permit.

(c) DURATION.—

(1) IN GENERAL.—A new term grazing permit under subsection (a) shall expire on the earlier of—

(A) the date that is 3 years after the date on which it is issued; or

(B) the date on which final agency action is taken with respect to the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws.

(2) FINAL ACTION IN LESS THAN 3 YEARS.—If final agency action is taken with respect to the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws before the date that is 3 years after the date on which a new term grazing permit is issued under subsection (a), the Secretary shall—

(A) cancel the new term grazing permit; and

(B) if appropriate, issue a term grazing permit for a term not to exceed 10 years under terms and conditions as are necessary for the proper administration of National Forest System rangeland resources.

(d) DATE OF ISSUANCE.—

(1) EXPIRATION ON OR BEFORE DATE OF ENACTMENT.—In the case of an expiring term grazing permit that has expired on or before the date of enactment of this Act, the Secretary shall issue a new term grazing permit under subsection (a)(1) not later than 15 days after the date of enactment of this Act.

(2) EXPIRATION AFTER DATE OF ENACTMENT.—In the case of an expiring term grazing permit that expires after the date of enactment of this Act, the Secretary shall issue a new term grazing permit under subsection (a)(1) on expiration of the expiring term grazing permit.

(3) WAIVED PERMITS.—In the case of a term grazing permit waived to the Secretary pursuant to section 222.3(c)(1)(iv) of title 36, Code of Federal Regulations, between January 1, 1995, and December 31, 1996, the Secretary shall issue a new term grazing permit under subsection (a)(2) not later than 60 days after the date on which the holder waives a term grazing permit to the Secretary.

**SEC. 204. ADMINISTRATIVE APPEAL AND JUDICIAL REVIEW.**

The issuance of a new term grazing permit under section 203(a) shall not be subject to administrative appeal or judicial review.

**SEC. 205. REPEAL.**

This title is repealed effective as of January 1, 2001.

**TITLE III—GENERAL PROVISION**

**SEC. 301. SENSE OF SENATE REGARDING AMERICAN CITIZENS HELD IN IRAQ.**

(a) FINDINGS.—The Senate makes the following findings:

(1) On Saturday, March 25, 1995, an Iraqi court sentenced two Americans, William Barloon and David Daliberti, to eight years imprisonment for allegedly entering Iraq without permission.

(2) The two men were tried, convicted, and sentenced in what was reported to be a very brief period during that day with no other Americans present and with their only legal counsel having been appointed by the Government of Iraq.

(3) The Department of State has stated that the two Americans have committed no offense justifying imprisonment and has demanded that they be released immediately.

(4) This injustice worsens already strained relations between the United States and Iraq and makes resolution of differences with Iraq more difficult.

(b) SENSE OF SENATE.—The Senate strongly condemns the unjustified actions taken by the Government of Iraq against American citizens William Barloon and David Daliberti and urges their immediate release from prison and safe exit from Iraq. Further, the Senate urges the President of the United States to take all appropriate action to assure their prompt release and safe exit from Iraq.

The text of the bill, H.R. 450, which is inserted in lieu of S. 219, pursuant to the foregoing motion, is as follows:

H.R. 450

*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 Transition Act of 1995".

**SEC. 2. FINDING.**

The Congress finds that effective steps for improving the efficiency and proper management of Government operations, including enactment of a new law or laws to require (1) that the Federal rulemaking process include cost/benefit analysis, including analysis of costs resulting from the loss of property rights, and (2) for those Federal regulations that are subject to risk analysis and risk assessment that those regulations undergo standardized risk analysis and risk assessment using the best scientific and economic procedures, will be promoted if a moratorium on new rulemaking actions is imposed and an inventory of such action is conducted.

**SEC. 3. MORATORIUM ON REGULATIONS.**

(a) MORATORIUM.—Until the end of the moratorium period, a Federal agency may not take any regulatory rulemaking action, unless an exception is provided under section 5. Beginning 30 days after the date of the enactment of this Act, the effectiveness of any regulatory rulemaking action taken or made effective during the moratorium period but before the date of the enactment shall be suspended until the end of the moratorium period, unless an exception is provided under section 5.

(b) INVENTORY OF RULEMAKINGS.—Not later than 30 days after the date of the enactment of this Act, the President shall conduct an inventory and publish in the Federal Register a list of all regulatory rulemaking actions covered by subsection (a) taken or made effective during the moratorium period but before the date of the enactment.

**SEC. 4. SPECIAL RULE ON STATUTORY, REGULATORY, AND JUDICIAL DEADLINES.**

(a) IN GENERAL.—Any deadline for, relating to, or involving any action dependent upon, any regulatory rulemaking actions authorized or required to be taken before the end of the moratorium period is extended for 5 months or until the end of the moratorium period, whichever is later.

(b) DEADLINE DEFINED.—The term "deadline" means any date certain for fulfilling any obligation or exercising any authority established by or under any Federal statute or regulation, or by or under any court order implementing any Federal statute or regulation.

(c) IDENTIFICATION OF POSTPONED DEADLINES.—Not later than 30 days after the date of the enactment of this Act, the President shall identify and publish in the Federal Register a list of deadlines covered by subsection (a).

**SEC. 5. EMERGENCY EXCEPTIONS; EXCLUSIONS.**

(a) EMERGENCY EXCEPTION.—Section 3(a) or 4(a), or both, shall not apply to a regulatory rulemaking action if—

(1) the head of a Federal agency otherwise authorized to take the action submits a written request to the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget and submits a copy thereof to the appropriate committees of each House of the Congress;

(2) the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget finds in writing that a waiver for the action is (A) necessary because of an imminent threat to health or safety or other emergency, or (B) necessary for the enforcement of criminal laws; and

(3) the Federal agency head publishes the finding and waiver in the Federal Register.

(b) EXCLUSIONS.—The head of an agency shall publish in the Federal Register any action excluded because of a certification under section 6(3)(B).

(c) CIVIL RIGHTS EXCEPTION.—Section 3(a) or 4(a), or both, shall not apply to a regulatory rulemaking action to establish or enforce any statutory rights against discrimination on the basis of age, race, religion, gender, national origin, or handicapped or disability status except such rulemaking actions that establish, lead to, or otherwise rely on the use of a quota or preference based on age, race, religion, gender, national origin, or handicapped or disability status".

**SEC. 6. DEFINITIONS.**

For purposes of this Act:

(1) FEDERAL AGENCY.—The term "Federal agency" means any agency as that term is defined in section 551(1) of title 5, United States Code (relating to administrative procedure).

(2) MORATORIUM PERIOD.—The term "moratorium period" means the period of time—

(A) beginning November 20, 1994; and

(B) ending on the earlier of—

(i) the first date on which there have been enacted one or more laws that—

(I) require that the Federal rulemaking process include cost/benefit analysis, including analysis of costs resulting from the loss of property rights; and

(II) for those Federal regulations that are subject to risk analysis and risk assessment, require that those regulations undergo standardized risk analysis and risk assessment using the best scientific and economic procedures; or

(ii) December 31, 1995.

except that in the case of a regulatory rulemaking action with respect to determining that a species is an endangered species or a threatened species under section 4(a)(1) of the Endangered Species Act of 1973 (16 U.S.C. 1533(a)(1)) or designating critical habitat under section 4(a)(3) of that Act (16 U.S.C. 1533(a)(3)), the term means the period of time beginning on the date described in subparagraph (A) and ending on the earlier of the first date on which there has been enacted after the date of the enactment of this Act a law authorizing appropriations to carry out the Endangered Species Act of 1973, or December 31, 1996.

(3) REGULATORY RULEMAKING ACTION.—

(A) IN GENERAL.—The term "regulatory rulemaking action" means any rulemaking on any rule normally published in the Federal Register, including—

(i) the issuance of any substantive rule, interpretative rule, statement of agency policy, notice of inquiry, advance notice of proposed rulemaking, or notice of proposed rulemaking, and

(ii) any other action taken in the course of the process of rulemaking (except a cost benefit analysis or risk assessment, or both).

(B) EXCLUSIONS.—The term "regulatory rulemaking action" does not include—

(i) any agency action that the head of the agency and the Administrator of the Office

of Information and Regulatory Affairs within the Office of Management and Budget certify in writing is limited to repealing, narrowing, or streamlining a rule, regulation, or administrative process or otherwise reducing regulatory burdens;

(ii) any agency action that the head of the agency and the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget certify in writing is limited to matters relating to military or foreign affairs functions, statutes implementing international trade agreements, including all agency actions required by the Uruguay Round Agreements Act, or agency management, personnel, or public property, loans, grants, benefits, or contracts;

(iii) any agency action that the head of the agency and the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget certify in writing is limited to a routine administrative function of the agency;

(iv) any agency action that—

(I) is taken by an agency that supervises and regulates insured depository institutions, affiliates of such institutions, credit unions, or government sponsored housing enterprises; and

(II) the head of the agency certifies would meet the standards for an exception or exclusion described in this Act; or

(v) any agency action that the head of the agency certifies is limited to interpreting, implementing, or administering the internal revenue laws of the United States.

(4) RULE.—The term "rule" means the whole or a part of an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy. Such term does not include the approval or prescription, on a case-by-case or consolidated case basis, for the future of rates, wages, corporation, or financial structures or reorganizations thereof, prices, facilities, appliances, services or allowances therefor, or of valuations, costs, or accounting, or practices bearing on any of the foregoing, nor does it include any action taken in connection with the safety of aviation or any action taken in connection with the implementation of monetary policy or to ensure the safety and soundness of federally insured depository institutions, any affiliate of such an institution, credit unions, or government sponsored housing enterprises or to protect the Federal deposit insurance funds. Such term also does not include the granting an application for a license, registration, or similar authority, granting or recognizing an exemption, granting a variance or petition for relief from a regulatory requirement, or other action relieving a restriction (including any agency which establishes, modifies, or conducts a regulatory program for a recreational or subsistence activity, including but not limited to hunting, fishing, and camping, if a Federal law prohibits the recreational or subsistence activity in the absence of the agency action) or taking any action necessary to permit new or improved applications of technology or allow the manufacture, distribution, sale, or use of a substance or product.

(5) RULEMAKING.—The term "rulemaking" means agency process for formulating, amending, or repealing a rule.

(6) LICENSE.—The term "license" means the whole or part of an agency permit, certificate, approval, registration, charter, membership, statutory exemption, or other form of permission.

(7) IMMINENT THREAT TO HEALTH OR SAFETY.—The term "imminent threat to health or safety" means the existence of any condition, circumstance, or practice reasonably expected to cause death, serious illness, or severe injury to humans, or substantial endangerment to private property during the moratorium period.

**SEC. 7. LIMITATION ON CIVIL ACTIONS.**

No private right of action may be brought against any Federal agency for a violation of this Act. This prohibition shall not affect any private right of action or remedy otherwise available under any other law.

**SEC. 8. RELATIONSHIP TO OTHER LAW; SEVERABILITY.**

(a) APPLICABILITY.—This Act shall apply notwithstanding any other provision of law.

(b) SEVERABILITY.—If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances, and the remainder of this Act, shall not be affected thereby.

**SEC. 9. REGULATIONS TO AID BUSINESS COMPETITIVENESS.**

Section 3(a) or 4(a), or both, shall not apply to any of the following regulatory rulemaking actions (or any such action relating thereto):

(1) CONDITIONAL RELEASE OF TEXTILE IMPORTS.—A final rule published on December 2, 1994 (59 Fed. Reg. 61798), to provide for the conditional release by the Customs Service of textile imports suspected of being imported in violation of United States quotas.

(2) TEXTILE IMPORTS.—Any action which the head of the relevant agency and the Administrator of the Office of Information and Regulatory Affairs certify in writing is a substantive rule, interpretive rule, statement of agency policy, or notice of proposed rulemaking to interpret, implement, or administer laws pertaining to the import of textiles and apparel including section 334 of the Uruguay Round Agreements Act (P.L. 103–465), relating to textile rules of origin.

(3) CUSTOMS MODERNIZATION.—Any action which the head of the relevant agency and the Administrator of the Office of Information and Regulatory Affairs certify in writing is a substantive rule, interpretive rule, statement of agency policy, or notice of proposed rulemaking to interpret, implement, or administer laws pertaining to the customs modernization provisions contained in title VI of the North American Free Trade Agreement Implementation Act (P.L. 103–182).

(4) ACTIONS WITH RESPECT TO CHINA REGARDING INTELLECTUAL PROPERTY PROTECTION AND MARKET ACCESS.—A regulatory rulemaking action providing notice of a determination that the People's Republic of China's failure to enforce intellectual property rights and to provide market access is unreasonable and constitutes a burden or restriction on United States commerce, and a determination that trade action is appropriate and that sanctions are appropriate, taken under section 304(a)(1)(A)(ii), section 304(a)(1)(B), and section 301(b) of the Trade Act of 1974 and with respect to which a notice of determination was published on February 7, 1995 (60 Fed. Reg. 7230).

(5) TRANSFER OF SPECTRUM.—A regulatory rulemaking action by the Federal Communications Commission to transfer 50 megahertz of spectrum below 5 GHz from government use to private use, taken under the Omnibus Budget Reconciliation Act of 1993 and with respect to which notice of proposed rulemaking was published at 59 Federal Register 59393.

(6) PERSONAL COMMUNICATIONS SERVICES LICENSES.—A regulatory rulemaking action by the Federal Communications Commission to establish criteria and procedures for issuing licenses utilizing competitive bidding procedures to provide personal communications services—

(A) taken under section 309(j) of the Communications Act and with respect to which a final rule was published on December 7, 1994 (59 Fed. Reg. 63210); or

(B) taken under sections 3(n) and 332 of the Communications Act and with respect to which a final rule was published on December 2, 1994 (59 Fed. Reg. 61828).

(7) WIDE-AREA SPECIALIZED MOBILE RADIO LICENSES.—A regulatory rulemaking action by the Federal Communications Commission to provide for competitive bidding for wide-area specialized mobile radio licenses, taken under section 309(j) of the Communications Act and with respect to which a proposed rule was published on February 14, 1995 (60 Fed. Reg. 8341).

(8) IMPROVED TRADING OPPORTUNITIES FOR REGIONAL EXCHANGES.—A regulatory rulemaking action by the Securities and Exchange Commission to provide for increased competition among the stock exchanges, taken under the Unlisted Trading Privileges Act of 1994 and with respect to which proposed rulemaking was published on February 9, 1995 (60 Fed. Reg. 7718).

**SEC. 10. DELAYING EFFECTIVE DATE OF RULES WITH RESPECT TO SMALL BUSINESSES.**

(a) DELAY EFFECTIVENESS.—For any rule resulting from a regulatory rulemaking action that is suspended or prohibited by this Act, the effective date of the rule with respect to small businesses may not occur before six months after the end of the moratorium period.

(b) SMALL BUSINESS DEFINED.—In this section, the term "small business" means any business with 100 or fewer employees.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 148 was laid on the table.

## THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question of the Speaker's approval of the Journal.

The question is on agreeing to the Speaker's approval of the Journal.

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

RECORDED VOTE

Mr. SHADEGG. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 372, nays 41, answered "present" 1, not voting 20, as follows:

[Roll No. 338]

YEAS—372

| | | |
|---|---|---|
| Ackerman | Baker (LA) | Barton |
| Allard | Baldacci | Bass |
| Andrews | Ballenger | Becerra |
| Archer | Barcia | Beilenson |
| Armey | Barr | Bentsen |
| Bachus | Barrett (NE) | Bereuter |
| Baesler | Barrett (WI) | Bevill |
| Baker (CA) | Bartlett | Bilbray |

Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Boucher
Brewster
Browder
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crapo
Cremeans
Cubin
Cunningham
Danner
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fields (LA)
Fields (TX)
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Lofgren
Longley
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
Meehan
Meek
Metcalf
Meyers
Mica
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Rangel
Reed
Regula
Reynolds
Richardson
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Waldholtz
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—41

Abercrombie
Brown (CA)
Clay
Crane
Durbin
Fazio
Filner
Gephardt
Gibbons
Gillmor
Gutknecht
Hastings (FL)
Hefley
Hilliard
Hinchey
Jacobs
Kennedy (MA)
Levin
Lewis (GA)
Lowey
McNulty
Menendez
Mfume
Miller (CA)
Mineta
Pickett
Pombo
Rahall
Rush
Sabo
Schroeder
Scott
Shays
Stark
Stockman
Stokes
Taylor (MS)
Thompson
Volkmer
Waters
Yates

ANSWERED "PRESENT"—1

Harman

NOT VOTING—20

Bateman
Berman
Bono
Borski
Brown (FL)
Chapman
Collins (IL)
Davis
Dornan
Fattah
Flake
Hayes
Hoyer
Johnston
Kleczka
Lipinski
Pelosi
Riggs
Schumer
Vucanovich

□ 1216

Messrs. WELDON of Pennsylvania, SERRANO, and WELDON of Florida changed their vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

## PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 67, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1996

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 149 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 149

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002. The first reading of the concurrent resolution shall be dispensed with. All points of order against the concurrent resolution and against its consideration are waived. General debate shall be confined to the congressional budget and shall not exceed six hours (including one hour on the subject of economic goals and policies) equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. After general debate the concurrent resolution shall be considered for amendment under the five-minute rule. The amendment printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. The concurrent resolution, as amended, shall be considered as read. No further amendment shall be in order except those designated in section 2 of this resolution. Each amendment may be offered only in the order designated, may be offered only by a Member designated, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against the amendments designated in section 2 are waived except that the adoption of an amendment in the nature of a substitute shall constitute the conclusion of consideration of the concurrent resolution for amendment. After the conclusion of consideration of the concurrent resolution for amendment, and a final period of general debate, which shall not exceed ten minutes equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, the Committee shall rise and report the concurrent resolution to the House with such amendment as may have been adopted. The previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final adoption without intervening motion except amendments offered by the chairman of the Committee on the Budget pursuant to section 305(a)(5) of the Congressional Budget Act of 1974 to achieve mathematical consistency. The concurrent resolution shall not be subject to a demand for division of the question of its adoption.

SEC. 2. The following amendments are in order pursuant to the first section of this resolution:

(1) An amendment in the nature of a substitute by Representative Gephardt of Missouri printed not later than May 16, 1995, in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII, if proposing a Congressional budget in which total outlays for the fiscal year 2002 do not exceed total receipts for that fiscal year.

(2) An amendment in the nature of a substitute by Representative Neumann of Wisconsin or Representative Solomon of New York consisting of the text of House Concurrent Resolution 66.

(3) An amendment in the nature of a substitute by Representative Payne of New Jersey or Representative Owens of New York printed by Representative Payne on May 16, 1995, in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII.

(4) An amendment in the nature of a substitute by the minority leader or a designee printed by him not later than May 17, 1995, in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII, if proposing a Congressional budget based on a revised budget submission by the President to the Congress in which total outlays for the fiscal year 2002 do not exceed total receipts for that fiscal year.

SEC. 3. Rule XLIX shall not apply with respect to the adoption by the Congress of a

conference report to accompany a concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

The SPEAKER pro tempore (Mr. GOODLATTE). The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for the purposes of debate only, I yield 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I might consume. During consideration of the resolution all time yielded is for the purposes of debate only.

Mr. Speaker, today is a truly historic day in this Chamber and one that I personally have waited for for a long time, because this will be the first time that this Congress will actually debate how to balance a budget instead of whether we will balance the budget at all.

Why is this so? Because we have written the rules of this debate so that only four alternatives can be offered, and all four alternatives, ladies and gentlemen, balance the budget. Can you believe that? That, ladies and gentlemen, is truly historic. So much so that I am so excited I really can hardly stand it.

Mr. Speaker, let me get to the text of the rule itself, and Members should listen because it is a complicated, complex rule.

House Resolution 149 is a modified closed rule providing for the consideration of House Concurrent Resolution 67, the concurrent resolution on the budget for fiscal years 1996 through the year 2002. The rule provides for 6 hours of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, including 1 hour of debate on the so-called Humphrey-Hawkins legislation of economic goals and policies. All points of order are waived against the budget resolution and its consideration.

This rule provides for the adoption in the House and in the Committee of the Whole of an amendment printed in the Committee on Rules report relating to spending on agriculture programs, and for those Members who might not come from agricultural districts, they might listen to this too. This is a sense-of-Congress provision to reconsider spending reductions in fiscal years 1999 and 2000 if certain conditions are not met. This amendment is language worked out between the Committee on Agriculture chairman and the leadership to ensure that spending reductions for agricultural programs do not have an adverse impact on the farm economy, and that is very important.

This rule makes in order four amendments in the nature of substitutes, subject to 1 hour of debate each, and waives points of order against them, except that it does not allow for the consideration of subsequent substitutes if any one substitute is adopted.

Before I go any further, Mr. Speaker, this is the most important part of my statement, Mr. Speaker, that provision in the rule means quite simply that there are no free votes on this budget resolution coming up. The adoption of any substitute will bring the House to a vote on final adoption of the budget resolution as amended, immediately.

This is the old-fashioned amendment process, it is not a king-of-the-hill or so-called queen-of-the-hill process. The four substitutes in their order of consideration are important, because if any one of these pass, then the debate immediately ceases and we go right to final passage. The first substitute to be offered will be an amendment by Representative GEPHARDT printed in yesterday's CONGRESSIONAL RECORD which is the text of the so-called coalition budget. That is the first substitute before us.

Second, a substitute to be offered by Representatives NEUMANN and SOLOMON, that is myself, consisting of House Concurrent Resolution 66, which you all have before you. This achieves a balanced budget by the fiscal year 2000, that is within 5 years.

Third, a substitute by Representative PAYNE of New Jersey and Representative OWENS of my State of New York printed in yesterday's RECORD, that is the Black Caucus budget.

And fourth, and this is important, an amendment printed in the RECORD by today by the minority leader or his designee consisting of a revised Presidential budget, if it achieves a balanced budget by the year 2002. We give the President of the United States 7 years to bring our deficits into balance, and we are waiting with anticipation for the President to join in this debate and offer that amendment.

Following the disposition of amendments, the rule allows for an additional 10 minutes of debate divided between the chairman and ranking minority member of the Committee on the Budget. Finally, and this is also important to Members of the House, the rule suspends for 1 year the application of House Rule XLIX, the so-called Gephardt rule on the debt limit.

What that means is that this House will be forced to conduct a separate vote on raising the debt limit later this year rather than having it automatically adopted upon the adoption of the budget resolution's conference report. There is no free ride there, Mr. Speaker, we are going to have to put our name on the line.

This is a fair rule that provides ample opportunity for the major alternatives to be debated and voted on. While we did not make in order all of the amendments presented to the Committee on Rules, I think most objective observers, including the press, will agree we have allowed for the debate to be framed in a very fair and open manner that allows for the most serious alternatives having substantial support to be offered and voted on.

□ 1230

Mr. Speaker, let me say at the outset that I commend the minority leader, the gentleman from Missouri [Mr. GEPHARDT], for agreeing to offer a major substitute even though he does not support it, according to this morning's papers. It was not offered by him or by the majority of his caucus. Nevertheless, it is a Democrat position, and it will be interesting to see where the votes fall on that.

It was our feeling that, as important as the budget resolution is, and it clearly is one of the most defining acts of a political party, that the rule should allow for a leadership-backed alternative from both sides of the aisle. Where do we stand on the issues? That is what needs to be debated on this floor today.

In addition, we have given the President, as I said, an additional 2 days beyond our Monday deadline to submit a revised budget plan that would achieve a balanced budget.

Now, Members of the House, you may recall that back on May 9 I wrote to the President's chief of staff, Mr. Panetta, the former chairman of the Committee on the Budget, inviting him on behalf of the Republican leadership, to submit a balanced budget to the Committee on Rules by last Monday, and we would make it in order. Even though Mr. Clinton promised early in his Presidential campaign, and we have got the quotes from his campaign which we will read to you today during the debate, to balance the budget, his latest budget shows deficits remaining at the $200 billion mark into the next century. I ask you, what kind of balancing act is that? One trillion dollars added to the deficit over the next 7 years.

Now, we hear Mr. Panetta in this morning's paper and on "Good Morning, America," this morning criticizing us for establishing an arbitrary date of fiscal year 2002 for balancing the budget. And yet last January we voted on six constitutional amendments requiring balanced budgets, four by Democrats and two by Republicans. The Committee on Rules did not require that they provide for a balanced budget by 2002. We did not set any arbitrary date, and yet every one of those amendments that came to this floor, Democrat or Republican, did just that. Of the four Democrat substitutes, the Owens of New York Democrat substitute was supported by 62 Democrats. You ought to add up these numbers as I read them off to you. The Wise of West Virginia substitute, another Democrat substitute, was supported by 136 Democrats. The Conyers Democrat substitute was backed by 112 Democrats.

And then finally, the Gephardt/Bonior substitute was favored by 130 Democrats.

Moreover, on final passage of the constitutional amendment, 72 Democrats voted in favor of it, and the vote was 300 to 132. Nearly 70 percent of this House voted for that date certain—the year 2002.

Mr. Speaker, when you add up all the Democrats who supported one substitute or another and called for a balanced budget by 2002, you find that 187 Democrats, or 92 percent of those on their side of the aisle, voted for a balanced budget by fiscal year 2002.

That is what is on the floor today, and yet the President and his chief of staff would have us believe that there is something arbitrary, something unrealistic about setting a fiscal year 2002 deadline for balancing this budget.

Even the Senate minority leader has said the President is wrong on that account. That was Mr. DASCHLE over in the other body, on "Good Morning, America." Go and replay it back and see what he had to say.

Mr. Speaker, one of the Democrat Members suggested at our hearing yesterday that I smiled to myself when I consider how things have shifted in just the last year toward support for a real balanced budget in this Congress and in this country. Well, Mr. Speaker, I think I can say that I really am proud to smile publicly that we have come so far in such a short, short time. The American people have spoken, and we are listening, finally, to their cries to save this country and to save our children and to save our grandchildren from economic and financial ruin, because that is where we have been going.

We witnessed a tidal wave for change at the polls last November, and, Mr. Speaker, if we do not follow through by keeping our commitment to bringing this Government and this country back into the black, then we will drown in another tidal wave. It will be a tidal wave of red ink that will engulf us and future generations to come. It will destroy this Nation.

Last January, 187 Democrats and 228 Republicans voted for at least one of the constitutional amendments offered that called for balancing the budget by fiscal year 2002. That is a total of 415 Members out of 435 Members of this House. Think about that, 95 percent of the Members of this House of Representatives supporting a balanced budget.

Today that support for a lofty and noble goal confronts the reality of making the tough choices to achieve the goal of restoring this country to a condition of fiscal sanity, of soundness and stability. Members, we will have the good intentions of last January tested by our willingness, indeed by our intestinal and political fortitude, to vote for the balanced budget we said was needed 4 months ago. Today is your opportunity, Mr. Speaker and Members. We can either follow through on our commitment to setting things straight and right, or we can cave, we can crumble at the sound of Chicken Little clucking, he who would have us believe that the world is going to come to an end if we dare to do what the American people have to do, what business and industry have to do, and that is to live within our means.

Mr. Speaker, today is the defining moment for this Congress and this country as we face the 21st century. It is right around the corner. We may never have another moment like this if we cling to the past, if we deny our children, if we deny our grandchildren and those not even born yet a promising and prosperous future.

We must put an end to this terrible debt burden that is dragging us down and denying us the opportunity to confront the new century with renewed hope, with renewed opportunity.

Confronting and conquering great challenges is what this country is all about and what we as Representatives of the people should be all about. Let us not shrink from that challenge.

I want Members to support this rule. I want Members to support a balanced budget plan that will bring a brighter tomorrow, regardless of which one of these four balanced budgets comes to a final vote. That is the one we have got to vote for in the end. We have got to do it for America.

Mr. Speaker, I submit the following document for the RECORD:

DEBATE & AMENDMENTS ON HOUSE BUDGET RESOLUTIONS, 1989–1994

| Year | Budget res. | Rule number | General debate time (hours) | Amendments allowed | Vote on rule | Total time consumed [1] (hours) |
|---|---|---|---|---|---|---|
| 1989 | H. Con. Res. 106 | H. Res. 145 [2] | 5-hours (2 HH) | 5 (3–D; 2–R) | Adopted: voice | 12½ |
| 1990 | H. Con. Res. 310 | H. Res. 382 [3] | 6-hours (3 HH) | 4 (1–D; 3–R) | Adopted: voice | 13 |
| 1991 | H. Con. Res. 121 | H. Res. 123 [4] | 5-hours (2 HH) | 4 (1–D; 3–R) | Adopted: 392–9 | 11 |
| 1992 | H. Con. Res. 287 | H. Res. 386 [5] | 3-hours (1 HH) | 3 (1–D; 2–R) | Adopted: 239–182 | 13½ |
| 1993 | H. Con. Res. 64 | H. Res. 131 | 10-hours (4 HH) | | Adopted: voice | 16 |
| | | H. Res. 133 [6] | | 4 (2–D; 2–R). | Adopted: 251–172 | |
| 1994 | H. Con. Res. 218 | H. Res. 384 [7] | 4-hours (1 HH) | 5 (3–D; 2–R) | Adopted: 245–171 | 10 |

[1] Includes hour on rule, general debate time, and debate time on all amendments, but does not include time taken on rollcall votes and walking-around time.

[2] Of the 5 amendments, one was an amendment by the Chairman of the Budget Committee (30-minutes), followed by 4 substitutes under king-of-the-hill procedure: Dannemeyer (1-hr.); Dellums (3-hrs.); Kasich (1-hr.); Gephardt (1-hr.)

[3] General debate began on April 25th under a unanimous consent request agreed to on April 24th. Four substitute amendments were allowed under king-of-the-hill procedures: Kasich (1-hr.); Dannemeyer (1-hr.); Dellums (2-hrs.); and Frenzel (2-hrs.).

[4] Of the 4 amendments allowed, one was a perfecting amendment by Rep. Ford of Michigan (1-hr.), followed by 3 substitutes under king-of-the-hill: Dannemeyer (1-hr.); Kasich (1-hr): and Gradison (2-hrs.).

[5] Three substitutes were allowed under king-of-the-hill: Dannemeyer (30-mins.); Gradison (1-hr.); and Towns-Dellums (8-hrs.).

[6] Of the 10-hours of general debate, 2-hours were allocated to the Budget Committee; 4-hours for Humphrey-Hawkins; 2-hours to discuss the Mfume substitute; and 1-hour to discuss the Solomon substitute. This was followed by 4 substitutes under king-of-the-hill: Kasich (2-hrs.); Solomon (1-hr.); Mfume (1-hr.); and Sabo (identical to base resolution, 1-hr.).

[7] In addition to the hour on Humphrey-Hawkins, Reps. Kasich and Mfume each were given one hour of general debate to discuss their substitutes. Five substitutes were allowed under king-of-the-hill subject to one-hour of debate each, with the last being identical to the reported budget resolution.

Source: Rules Committee Calendars (Note: HH stands for Humphrey-Hawkins debate).

TIMING OF HOUSE BUDGET RESOLUTIONS, 1989–1994

| Year | Budget res. | Date ordered reported | Date report filed | Date rule granted | Date House took-up BR | Days report available [1] |
|---|---|---|---|---|---|---|
| 1989 | H. Con. Res. 106 | 4/27/89 | 5/2/89 | 5/2/89 | 5/3/89 | 1 |
| 1990 | H. Con. Res. 310 | 4/19/90 | 4/23/90 | 4/25/90 | [2] 4/25/90 | 2 |
| 1991 | H. Con. Res. 121 | 4/9/91 | 4/12/91 | 4/15/91 | 4/16/91 | 4 |
| 1992 | H. Con. Res. 287 | 2/27/92 | 3/2/92 | 3/3/92 | 3/4/92 | 2 |
| 1993 | H. Con. Res. 64 | 3/10/93 | 3/15/93 | 3/16/93 | 3/17/93 | 2 |
| 1994 | H. Con. Res. 218 | 3/3/94 | 3/8/94 | 3/9/94 | 3/10/94 | 2 |

[1] Days of report availability assumes report was available on the day after it was filed and includes the day on which the budget resolution was taken up by the House.

[2] General debate begun by unanimous consent; rule was adopted the following day.

Sources: House Calendars; H.I.S.; Congressional Quarterly Almanacs.

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

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

Mr. Speaker, the consideration of this budget resolution shows the American people that Republicans can offer

balanced budgets. The debate we are beginning here in the House today is not whether we balance the Federal budget, but rather, how. And it is how Republicans want to balance the budget that should be the focus of our debate today.

Mr. Speaker, this proposal to balance the Federal budget contains $350 billion in tax cuts. These tax cuts will amount to $20,000 per person for the wealthiest 1 percent of Americans. At the same time this budget is handing the most fortunate in our society a sizeable tax break, the Republican budget is asking the rest of the country to swallow unnecessarily large cuts in programs such as Medicare and student loans.

In order to make these cuts and to finance this subsidy for the wealthiest of our citizens, Medicare recipients will pay an additional $1,000 a year more for their health care by the year 2002. When we think of that extra $1,000, we should remember that 83 percent of Medicare benefits go to seniors with incomes of $25,000 or less.

Not only will Medicare recipients pay more, hospitals will bear an unfair burden. The President and CEO of the Navarro Regional Hospital in my congressional district, Harvey Fishero, wrote to me this week to express his deep concerns about Medicare and Medicaid cuts envisioned in the Republican budget. He said, and I quote, "Medicare and Medicaid targets set by the Budget Committee are unacceptable, unsustainable and must be lowered. These reductions are much too severe and are implemented too fast for the Medicare system to handle." He says that by the year 2000, Medicare PPS operating margins would fall to −20.6 percent and hospitals would lose $1,300 in PPS payments for every Medicare recipient.

Republicans will try to deny that young Americans may be forced to forgo the dream of a college education because this budget will increase the costs of college loans. It is estimated that because of the elimination of the in-school interest subsidy envisioned in the Republican budget, students may pay up to $5,000 more for their college loans. And, when we think of recipients of guaranteed student loans, we should remember that the average family income of students receiving these subsidies is $35,000.

But, Mr. Speaker, the Republican budget is right here in black and white. Glib explanations of slowing growth and block grants and saving programs cannot explain away $350 billion in tax cuts. Those explanations cannot make what is printed on these pages go away. They cannot explain why this budget asks those who are least able to contribute the most.

Mr. Speaker, my Republican colleagues spent a good deal of their time in the Rules Committee yesterday asking for alternatives. They were asking for these alternatives while three alternatives had already been submitted for the committee's consideration. One of those alternatives, offered by the gentleman from New Jersey [Mr. PAYNE] and the gentleman from New York [Mr. OWENS], on behalf of the Congressional Black Caucus, was made in order by this resolution. Another, offered by the gentleman from Michigan [Mr. DINGELL], was not. Both of those proposals presented the committee with serious policy alternatives to the Republican budget.

A third alternative was also submitted to the Rules Committee, That proposal was developed on behalf of the conservative wing of the Democratic party by the gentleman from Utah [Mr. ORTON] and the gentleman from Texas [Mr. STENHOLM]. That proposal presented the committee with a very viable alternative to the Republican budget. The major difference between the Orton-Stenholm budget and the Republican budget goes back to the basic question of how do we balance the Federal budget. The Orton-Stenholm proposal recognizes that cutting taxes and balancing the budget might present a fundamental conflict. Yet, it seemed for much of the day yesterday this alternative would not be made in order.

This alternative will, however, be considered by the House. But it will be considered only because the Democratic leader, Mr. GEPHARDT will offer it, not because its authors were given the opportunity to offer their proposal in their own right. Mr. Speaker, it is quite clear that had Mr. GEPHARDT not agreed to put his name on this alternative, the House would have been denied the opportunity to consider a very responsible Democratic budget alternative.

Mr. Speaker, I have many requests for time today, so I will conclude. But, I must register my opposition to this rule. Mr. ORTON and Mr. STENHOLM have been shortchanged by this rule as has Mr. DINGELL. And, because they have been shortchanged, so have the American people. I believe the American people want and deserve better than what this resolution gives them.

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

Mr. FROST. I yield to the gentleman from New York.

Mr. SOLOMON. I would just say I think the gentleman knows I have a good working relationship with the Democrat coalition. I have been negotiating with them several days. Much of what you said, though, just is not true because the gentleman does not know the details of the negotiations that went on. I assure you that we would have taken care of them. We just wanted the Democrat leadership to present an alternative that he would vote for. It will be interesting to see if he does.

I appreciate the gentleman yielding.

Mr. Speaker, I yield 4 minutes to the gentleman from Sanibel, FL [Mr. GOSS], one of the very distinguished members of the Committee on Rules; he has been invaluable in developing the balanced budget concept for many years on this floor, and he is one of the most respected Members.

Mr. GOSS. Mr. Speaker, I thank the distinguished chairman of the Committee on Rules for yielding me this time. I commend him for this extraordinarily fair rule on this vital issue, and, of course, I also have to commend him for his brilliant substitute with the gentleman from Wisconsin [Mr. NEUMANN] that we will be discussing.

By sticking to the announced parameters that the only substitutes allowed will be those that bring the budget into balance by 2002, this rule ensures that we move beyond the question of if we balance our books within 7 years to how we will reach that goal. And that is truly a remarkable turnabout from the years past.

Still, of course, we have the liberal naysayers who seem to prefer the status quo. The impact of the status quo is really letting the ship of state sail full speed ahead into the rocky cliffs of certain bankruptcy for certain programs, as we know, and, I believe, fiscal calamity for our children and grandchildren, and as a grandfather, that is not responsible.

□ 1245

As a grandfather, that is not responsible. I am still amazed that the President has refused to join this effort and has abdicated all responsibility for mapping out a strategy to bring our budget into balance within the specified period of time. This rule does offer the President a final chance, and it is fair. It is a place holder, in case he has a change of heart in this crucial issue and decides he was to be relevant to the debate after all.

In addition, this rule allows three other proposals to be offered under the standing procedure of the House, including a proposal I am proud to cosponsor offered by the gentleman from Wisconsin [Mr. NEUMANN] and the gentleman from New York [Mr. SOLOMON] that charts a path to a balanced budget within 5 years instead of 7.

Mr. Speaker, the bottom line is that doing nothing really is disaster. We have a moral responsibility in our country to bring this budget into balance. The mess we are in certainly did not come about overnight. It took decades to accumulate nearly $5 trillion in debt. By the way, that is still growing today, as we speak, under the Clinton budget. Cleaning up the mess will not be easy, but it must be done, and the first step lies, obviously, in balancing the annual budget.

I am proud of the extraordinary effort of the gentleman from Ohio, Chairman KASICH, and his Committee on the

Budget. They have demonstrated that we can indeed have a balanced budget by 2002. They have attacked waste and fraud; they have attacked abuse, reviewing every program in the Federal budget to set priorities.

I am gratified that they have included many of my discretionary spending suggestions totaling more than $30 billion it seems in savings over 5 years as we proceed through the processes. I would note to Members that they can review the rest of my list of 75 proposed cuts that save $275 billion over 5 years if there are specific discretionary cuts suggested in the Kasich budget they strongly oppose and they would like to replace them in months ahead.

Equally important, the Committee on the Budget has acted to save Medicare, a program headed for collapse, unless we do something. Again, doing nothing is disaster for Medicare. This is a program that is in fact going broke, part A.

Let it be clear to you: Under the budget blueprint before us today, per capita Medicare spending is set to increase by more than 33 percent in the next 7 years. Only in the minds of status quo Washington liberals would that be translated into a cut. I know the increase in Medicare is good for seniors. I am one. I am also a grandfather, as I said, and I think I have responsibility to both seniors and to my children and grandchildren.

Sure, it is going to get hot in this kitchen. But to my friends on the other side of the aisle who seem more interested in hot and hateful rhetoric about the rich and in the cool comfort of the status quo, I say if you cannot stand the heat, then find a door and exit the kitchen, and let those of us willing to take the risk, to meet the challenge, to get on with the recipe for saving the American dream for our children and grandchildren.

Vote for this rule, please, and for the Kasich balanced budget as well.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], the ranking member and former chairman of the Committee on Rules.

Mr. MOAKLEY. Mr. Speaker, I thank my colleague for allowing me this time to speak.

Mr. Speaker, why are Republicans cutting Medicare to pay a tax break for the very, very rich? I cannot for the life of me figure it out why my Republican colleagues would want to give a big fat tax break to the very rich, so badly, that they would slash Medicare to the point that by the year 2002 every senior citizen will have to pay an additional $1,000 a year out of his pocket. But I did not sign that contract on America, Mr. Speaker, so there are things that I really do not understand about it.

But I am glad I did not, because this budget inspired by the contract will cut money from student loans, medical research, and LIHEAP. And, because of this budget, Boston teaching hospitals alone stand to lose over $700 million during the next 7 years, 20,000 Boston families will not have heat in the winter, and the cost of a college education will go up $5,000 per student.

Mr. Speaker, my Republican friends say that this budget represents tough choices. It does. But I ask, tough on whom? It certainly is not tough on anyone in this Chamber, and it is certainly not tough on anyone earning over $200,000 per year. But let me tell you who it is tough on. It is tough on those struggling families who will not be able to send their kids to college. It is tough on those American senior citizens who may have to go without heat in the winter and who will definitely be paying higher medical bills. And it is tough on the most vulnerable in our society.

Mr. Speaker, I urge my colleagues in the interests of seniors, in the interest of students, to oppose this Republican budget, and give up the idea of a tax break for the very, very rich. Let us come up with a real budget bill, Mr. Speaker, that does not harm the people who need help, and not help the people who do not need it.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the gentleman from Atlanta, GA [Mr. LINDER], another very distinguished member of the Committee on Rules, who has been a real asset to this body since he came here.

Mr. LINDER. Mr. Speaker, I want to express my support for House Resolution 142, the rule which allows for the consideration of several balanced budget proposals. Only 7 months ago it would have been impossible to imagine debating a bill to actually balance the budget by the year 2002.

Under the rule the House will have a historic opportunity tomorrow to fully debate and consider four balanced budget resolutions. In fact, the rule allows for a fifth balanced budget proposal, one from the President of the United States. While I am pleased the rule provides him with that opportunity, it appears that the President has decided to forfeit any leadership on the issue of America's financial stability.

In February I watched as President Clinton and House and Senate Democrats refused to support the balanced budget amendment. I now realize that they are incapable of curbing their irresponsible spending habits, so they have decided to play politics with our Nation's future.

Americans understand the fiscal trouble the Nation is in and the tough measures required to fix the mess. We must do something about the deficit and the debt now. We are out of tomorrows. The debt and deficit costs all of us money in the form of higher taxes, higher interest rates, and a slower economy. Moreover, it is immoral for this generation to leave our children the bill for our excesses.

Our current financial crisis is as much a threat to our Nation's children and grandchildren as Nazi Germany and Imperial Japan were to children half a century ago. House Republicans have pledged to balance the budget in 7 years. The generation of World War II saved the world in less time, but we need a united front on this too.

The change in the size of the Federal Government we propose will affect all Americans in some way. If we are incapable of sticking together to get control of our fiscal affairs, America will collapse from within. America is capable of solving problems. I believe we will rally together to do it again. I believe the American people are up to this challenge.

All around us Americans are discovering better ways to do everything. Yet the Federal Government remains the least-changed institution in American society and the President and his party seem satisfied with that. In times of crisis, Americans pull together. We can no longer skirt the issue, although administration officials Tyson and Panetta have tried to.

As in World War II, we need the talents and skills of every individual. This notion is not too romantic for us to conceive that with the help of the American people, we will balance the budget, provide a safe and prosperous future for our children, and save our country.

The rule under discussion gives House Members the opportunity to vote on legislation to require the Federal Government to live under the same budget constraints that every American family lives under. We are running out of chances. We are running out of choices. I urge my colleagues to support the rule that will allow this historic debate.

Mr. FROST. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. BEILENSON], a member of the committee.

Mr. BEILENSON. Mr. Speaker, I rise in opposition to the rule, and to the budget resolution, as reported by the Committee on the Budget.

Mr. Speaker, I rise to express my opposition to the rule, and to the budget resolution, as reported by the Budget Committee.

Mr. Speaker, we are opposing this rule because of our objections to the way the majority has treated the minority in developing this rule. There was no valid reason for the majority members of the Rules Committee to deny the gentleman from Texas [Mr. STENHOLM] and the gentleman from Utah [Mr. ORTON] the opportunity to present to the House, under their own names, a budget plan that they themselves authored.

The Stenholm-Orton plan, which under this rule would be offered by the minority leader, is a far more sensible and equitable alternative than the Budget Committee's plan. It offers a

way of reaching the same goal as the Budget Committee's plan—a balanced budget in 7 years—through spending cuts that are much more modest and reasonable.

Among other things, the Stenholm-Orton alternative would cut Medicare by over $100 billion less over 7 years than the Budget Committee plan. In fact, it would cut all entitlement programs—programs that provide much-needed income for millions of Americans—by over $200 billion less than the Budget Committee's plan. And, it would provide $35 billion more for education and training, $11 billion more for health, and $60 billion less for defense than the Budget Committee's plan.

The Stenholm-Orton plan achieves the goal of a balanced budget in 7 years through less extreme cuts primarily by excluding the ill-advised, $350 billion tax cut that the Budget Committee plan includes—a tax cut which mostly benefits the very wealthiest Americans, and which is paid for by cutting benefits for the most vulnerable Americans—the poor, the elderly, and children.

As the Stenholm-Orton plan, and the other two plans that will be offered under this rule—the Payne-Owens substitute and the Neumann-Solomon substitute—demonstrate, there are different ways to reach a balanced budget over a 7-year time period. That is why few of us objected to the ground rules for this debate—that all substitutes offered as alternatives to the Budget Committee's plan would also need to achieve a balanced budget by 2002.

The question we have to ask in considering each alternative is: Does this plan provide a fair and equitable way to balance the budget?

The answer, in the case of the Budget Committee's plan, quite clearly, is no.

With its $350 billion tax cut, that benefits the wealthy, and its preservation of corporate tax breaks—and its extreme cuts in Medicare and in dozens of other programs which benefit average Americans, the Budget Committee's plan provides for a huge transfer of resources from the poor, from children, from the elderly, to the rich. It is a plan that hurts those who need the most help from Government, and helps those who needs it the least. In terms of social policy, it makes no sense whatsoever.

What is more, the claim that this budget favors children is debatable. It is true, of course, that it would be a good thing for our children to inherit less debt from us. But what kind of country are we leaving for them if we cut education and job training and highways and mass transit and environmental protection programs and energy research and development and health research and public broadcasting? What kind of opportunities will they have if college loans become unaffordable and vocational training unavailable?

Many people speak of the Federal Government these days as though it is completely disconnected from the American people when, in fact, our Government is a very important part of almost every American's life. Nearly everyone has a family member who is receiving Social Security and Medicare. Millions of middle-class American families depend on the Student Loan Program to educate their children. Millions of moderate-income working Americans depend on the earned income tax credit to make ends meet. Millions of Americans depend on support from the Federal Government through all kinds of programs.

We should be spending less on some of these programs, but it is wrong to cut them so that we can reduce taxes for wealthy Americans—those who have already reaped the greatest economic rewards in recent years. There should be shared sacrifice in our goal to reach a balanced budget; instead, if the Budget Committee's plan is adopted, there will be definite winners and losers. And, unfortunately, those who already have the most will be the winners; those with the least will be the losers.

Mr. Speaker, the Budget Committee's plan is flawed not only because it is unfair, but also because it also raises serious doubts about whether its promised reductions in deficits are achievable.

For one thing, by splitting the reconciliation process into two separate measures—one for Medicare cuts, which are to be reported by the Ways and Means and Commerce Committees by mid-September, and all other cuts, which are to be reported by the appropriate committees by mid-July—the Budget Committee plan increases the likelihood that the $282 billion in Medicare cuts required by the plan will not be achieved. The Republican leadership is likely to find that it is far more difficult to enact these extremely deep cuts in Medicare if they are not part of a larger deficit-reduction plan that applies to more than one group of Americans.

In addition, the Budget Committee plan relies on extremely optimistic economic assumptions to achieve a balanced budget by 2002. This is particularly true with respect to the plan's projected interest rates, which many nonpartisan economists have said are unrealistically low. The level of interest rates, of course, has a tremendous bearing on the amount the Federal Government will need to spend on interest payments on the national debt.

Mr. Speaker, again, we do not object to considering a plan to balance the budget over the next 7 years. In fact, many of us—particularly those of us who have spent many years struggling with the deficit problem—are very pleased that the debate, as many Members have pointed out recently, has moved from whether we should balance the budget over the 7 years, to how we should do it. The Republican leadership, and in particular, the chairman of the Budget Committee, the gentleman from Ohio [Mr. KASICH], deserves a great deal of credit for that change.

However, as I said earlier, we do object to the way in which the rule treats the Stenholm-Orton plan, and I urge a no vote on the rule for that reason. I also urge our colleagues to vote no on the Budget Committee's budget plan.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, this debate comes down to one very simple question: Do you think we should cut Medicare, Medicaid, and Social Security in order to pay for tax cuts for the privileged few?

In the next 2 days, we are going to see a lot of charts and numbers on this floor.

But this debate is not just about numbers. It is about people.

People like Margaret Leslie—who I have a picture of here today.

Today, Margaret is a lovely lady and proud senior citizen who lives in my district.

But 51 years ago she was known to her friends as "Margie the Riveter."

When she was young, she answered the call of this country—and helped build the B-20's that helped the Allies win World War II.

Like most people of her generation, today Margaret lives on Social Security.

After paying for her rent, her medicine, her Medicare premium, and her MediGap premium she's left with about $130 each month to pay for food, bills, heat, and everything else.

And she struggles to make ends meet.

But instead of trying to make Margaret's life easier today this Republican budget is going to make her life harder.

The budget before us today will take $240 out of Margaret's Social Security check.

And over the next 7 years, it will force her to pay an additional $3,500 for Medicare.

Not to balance the budget. Not to cut the deficit.

The Republicans are cutting Medicare for one reason and one reason only: To pay for tax breaks for the wealthiest people and the wealthiest corporations in our country.

The Wall Street Journal calls this plan the biggest tax-saving bonanza in years for upper income Americans. And if you're a wealthy corporation you might not have to pay any taxes at all.

The last time Republicans were in power, 130 of the top 250 corporations paid no taxes at all for at least 1 year. We changed that law, but this budget changes it right back.

Now did the Republicans target the $200 billion we dole out in corporate tax breaks each year? No.

Did the Republicans target billionaires who get $3.6 billion in tax breaks for renouncing their American citizenship? No.

Instead, they targeted senior citizens and working families. And don't just take my word for it.

Last week, the New York Times revealed the contents of a secret Republican memo.

Under the Republican plan Medicare deductibles will double, premiums will go up by 50 percent, copayments will increase, care will be rationed, and the choice of doctors will be limited.

Mr. Speaker, this won't just affect seniors.

How is the average working family going to pay for the cost of caring for their parents and their grandparents?

And don't come to this floor today and tell us you're trying to save the Medicare system. As Margaret Leslie says, "Republicans haven't cared about Medicare for 30 years. We're not about to believe you now."

Mr. Speaker, this debate is not just about numbers. It's about basic dignity.

People like Margaret Leslie stood by this country in time of war and peace. And we must stand by them today. That is the sacred promise we made on Medicare—and it's time we live up to that promise.

But this budget is a broken promise.

And at the end of the day, senior citizens and working families throughout this country will be asking one question: why are Republicans cutting Medicare and cutting Social Security in order to give tax breaks to the wealthiest people and the wealthiest corporations in this country?

I urge my colleagues to say no to this rule. And say no to this budget.

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

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. DOGGETT. I read in the same paper, though, that Speaker GINGRICH promises that while these cuts are big, they will be painless. Will they be painless for Margaret Leslie?

Mr. BONIOR. Reclaiming my time, they clearly are not painless. People like Margaret Leslie who stood by the country in the time of war and peace deserve a much better break than what Speaker GINGRICH and the Republicans are offering in the way of higher deductibles and premiums in this particular bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I want to pay tribute to my dear friend, the chairman of the Committee on Rules, one of the most gentlemanly, courteous, gracious, and most well-liked Members of this body. He has always figures, however, how we could come up with closed rules which appear to be open rules.

Now, with all affection and all respect for my good friend, I had a little amendment which I appeared before the Committee on Rules with. I received the same gracious attention I always do up there, and I want the gentleman to know how grateful I am for both his friendship and the kind way he treated me.

□ 1300

He did not treat me kindly enough because he did not allow the offering of the amendment. And the amendment offers a really good choice, something which the gentleman from New York and the Committee on Rules have denied this House again.

So I am compelled now to call my dear friend "closed rule Solomon" because he presents us these wonderful rules which in fact do not permit the House to have a fair exposition of the business before it or to engage in a proper discussion of all the important questions.

The amendment that I would have offered was specifically designed to address the problems associated with the policy direction that many in the House are moving with respect to block grants. It would have allowed the return of Medicaid and four welfare block grants to the States over a 5-year phaseout period. Better than $539 billion in savings would have been generated. I would have taken as a base text the language of my Republican colleagues' bill. It would have restored $282 billion. It would have permitted $18 billion to be returned to graduated student loans, and it would have allowed $50 billion to go to the middle-income people in forms of a tax cut which would have redistributed the moneys in a way which would not only have been fairer but could have contributed more greatly and speedily to the well-being of this country and to the assistance of the middle class.

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

Mr. DINGELL. I yield to the gentleman from New York.

Mr. SOLOMON. I just want to tell the gentleman that there are two Democrat alternatives, two Republicans. The gentleman from Missouri [Mr. GEPHARDT] was given the choice between you and the other one. He could have made that choice. If the gentleman would see Mr. GEPHARDT, I think that would solve his problem.

Mr. DINGELL. Mr. Speaker, that is a very artful point that the gentleman makes. I want to commend his for it. As a dialectician, he has few peers. However, the hard fact of the matter is that to say we are going to give us two choices and give you two choices does not allow a real debate. All giving two choices is is it limits the choices before the House to four questions.

It does not allow us to specifically address whether or not we are, for example, cutting Medicare, which, in fact, we are. Nor does it allow us to properly address the cuts in Medicaid or student loans or school lunches or title I education funding or veterans' medical care or low-income heating assistance, all of which proposals are being savaged by the Republican budget. It does not give us time to debate them. It does not give the House an opportunity to consider amendments dealing with these different points.

I love the gentleman from New York. He is one of the finest men around here. I enjoy my little skirmishes with him up in the Committee on Rules more than I can say, but the hard fact of the matter is, even with his charm and skill, the distinguished gentleman from New York cannot deny that, in fact, this is a gag rule which is going to foreclose the House from proper consideration of some of the most important questions, not only for this year but for the 7 years which follow.

I again express my respect for my good friend, "closed rule SOLOMON."

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, why are the Republicans cutting Medicare to pay for a tax break for the rich? And two of the people who want to know more about this are in the Kierklewski family in Austin, TX. Louis is 94 years young; his son Ed is 62. They are among millions of American citizens who will suffer from the broken promises contained in this budget resolution. Louis and Ed were among 200 senior citizens and people that were concerned with them in Austin, TX, last Saturday who came together to express their great concern about the broken promises that are composed in this Republican budget.

Louis Kierklewski has devoted his life to hard work. He repaired looms in a textile factory until that job gave out. Then he went to work at the church as a janitor. And now all he has for economic sustenance is a $549 Social Security check and his Medicare. And he already has to spend out of that $195 just for prescriptions because Medicare, as important as it is, does not cover prescriptions.

And Ed—Ed worked 20 years defending this country in the U.S. Air Force. Now he is working as a custodian, moving toward retirement. And he and his wife are worried, and they have good reason to worry about this Republican budget.

The Republicans propose to double, and they did not bother telling us about this in the Committee on the Budget but we found out later through their secret memos, to double the deductible that Louis so going to have to pay and that in a couple years Ed is going to have to pay and then keep raising the deductible after they have doubled it year after year after year.

Now, if in fact Louis needs to go to the lab, he is going to have to pay extra money under the Republican plan. And if Ed decides that he needs home health care, he will have to pay extra money for that.

If Ed or Louis had the audacity to say, we want the same doctor we have always had, well, the Republicans are going to charge them $20 each per month to claim their own doctor. And meanwhile, their premiums will go up month after month, year after year under this Republican plan. That is why the AARP, the retired persons group, calls this Republican plan a sick tax on the most frail and vulnerable seniors in our society.

I guess the problem is that the Republicans had old Captain Crunch over there with the number crunchers at the Committee on the Budget, crunching away at the budget, but what they forgot about is that when you crunch numbers in a budget, sometimes you crunch human beings like Louis and Ed Kierklewski, the kind of people who built this into the greatest Nation in the world.

When the Republicans crunch the numbers this time they are really crushing every American who is dependent on Medicare or hopes to be in the future.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. BREWSTER].

Mr. BREWSTER. Mr. Speaker, today I rise in support of the rule, although I do so somewhat reluctantly.

When I joined with 23 of my conservative Democratic colleagues to form the coalition, I did so in an effort to help lift the debate on important issues before the House above petty partisan politics. So far this Congress, members of the coalition have succeeded in avoiding petty partisan maneuvering.

Congressmen ORTON, STENHOLM, BROWDER, PETERSON, and myself authored a budget proposal that we feel a majority of Americans will support. We feel it approaches a balanced budget in a more common sense, less painful approach than does the Kasich proposal.

However, when we went to the Rules Committee to ask that our proposal be allowed time on the floor, we were met by opposition. The Republican controlled committee, under pressure from their leadership, did not want to allow our proposal floor time. I do not know why—maybe they are worried that our proposal is the one that a majority of Congress, including Republicans, would support.

The Democratic leadership has risen above the partisan maneuvering and has allowed the coalition to offer our plan in the slot normally reserved for the minority leadership's proposal. As it turns out, this gesture by the Democratic leadership, was the only chance for our plan to be heard on the floor.

I am glad my party's leadership has chosen to rise above the petty partisan politics of today. I only hope that in the future, the Republican leadership will also choose to abandon the old ways of partisan maneuvering and provide equal opportunity for all voices to be heard.

Mr. Speaker, because of Leader GEPHARDT'S offer of floor time, I urge my colleagues to support this rule.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Columbus, OH [Ms. PRYCE]. She is one of the new members of the Committee on Rules and an outstanding Member of this body.

Ms. PRYCE. Mr. Speaker, I am pleased to rise in strong support of this rule. By adopting this rule, we will debate and then pass a plan to balance the Federal budget within 7 years. That statement could not have been made in this Chamber a year ago. But things have changed, and after the November elections there should be no question about the will of the American people.

They expect us to be courageous enough to make the difficult choices that some naysayers in this body have been avoiding for decades now.

But thinking in terms of the future is not always easy. There is comfort in the status quo and there are those who will use almost any tactic to preserve it. We have already seen this morning the Committee on the Budget's good work portrayed as attacks on seniors and children. We have heard actual increases in spending being called cuts. But despite these scare tactics and blatant misuse of the English language, I am confident that our seniors will appreciate the steps we are taking to preserve and protect and improve Medicare, a program which would be bankrupt in 7 short years if we do not act.

The plan crafted by the Committee on the Budget offers solutions no more complicated or profound than those employed every day by hard working, responsible families who play by the rules, pay the bills and make ends meet.

This is a fair and balanced rule. It calls for honest debate on four very different proposals to bring the budget into balance. Two Democratic ones and two Republican ones, and we are still holding things open for the President's plan. I hope we see it.

But I encourage every Member to watch this debate closely. Substitutes will be considered under the regular order of the House. Nothing fancy, nothing tricky. This rule was not designed to give political cover. Every vote counts.

So, Mr. Speaker, on this historic day, I urge my colleagues to adopt this reasonable rule and get on with the task ahead. Anything less would deprive America's children of their potential, the kind of safe and prosperous future they deserve.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, why are Republicans cutting Medicare to pay for tax breaks for the privileged few?

That's what my constituents Julius and Dottie Ruskin of West Haven, CT, who are pictured here, want to know.

The Republicans have promised tax giveaways to the most well-off in our society, and now they have to pay for those promises by taking away from the most vulnerable among us—senior citizens on Medicare like Julius and Dottie.

The Republicans claim that their budget plan demands fair shared sacrifice to balance the budget. But where's the sacrifice from people making more than $350,000, they get a $20,000 tax break under the Republican plan. Where's the sacrifice from all the beneficiaries of corporate welfare, the Republican chairman of the Ways and Means Committee refuses to close their special interest loopholes. The primary sacrifice demanded by the Republicans is from seniors like Julius and Dottie Ruskin who depend on Medicare.

This sacrifice isn't fair, and it isn't shared.

The Republican plan would cut Medicare by $288 billion. The average senior in Connecticut would pay $1,167 more a year in out-of-pocket expenses by the year 2002. The Republican plan means that the Ruskins will pay more every time they go to the doctor.

This plan will increase the annual deductible seniors must pay for doctor's services from $100 to $150. It will nearly double the monthly premium from $46 to $84 by the year 2002, an increase of $456 a year for seniors. It will add a 20-percent sick tax for home health care and laboratory tests.

Let me tell you about the Ruskins. Julius and Dottie live on Social Security and his Armstrong/Pirelli Tire Co. pension for a total annual income of about $14,000 per year. Just last month his doctor visits and medication costs totaled $10,000.

But their biggest concern is that the Republican plan may force them into an HMO and limit their choice of doctors. Julius sees six doctors, most of them specialists, and Dottie sees three doctors, and it is important to them to maintain these special relationships. The Republican plan threatens this trusted care that they now receive.

The Republicans may be keeping their promises to the privileged few. But they're breaking our Nation's historic promise to seniors like Julius and Dottie Ruskin.

□ 1315

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

Ms. DELAURO. I am happy to yield to the gentleman from Texas.

Mr. DOGGETT. Mr. Speaker, I notice that the former Republican Secretary of HEW has warned the Republicans not to go down in history as the party that destroyed Medicare. I wonder whether these cuts will destroy Medicare for this family.

Ms. DELAURO. For Dottie and Julius, their lives would be destroyed by the cuts that are in the Republican

plan to cut Medicare. Make no bones about it, these are cuts and the Republicans need to face up to that.

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

Mr. Speaker, while the photograph is still up there, I think the gentlewoman has our plan mixed up with the President's health care plan last year. That would have forced couples into HMO's; nor our plan. Second, that same couple now receive $400 in Medicare benefits. Under our plan it will go to $12,600. That is quite a difference. That couple is going to be lucky if our plan passes.

Mr. Speaker, I yield 2 minutes to the very distinguished and outstanding gentlewoman from Salt Lake City, UT [Mrs. WALDHOLTZ], a new member of the Committee on Rules.

Mrs. WALDHOLTZ. Mr. Speaker, today we begin the most critical debate this Congress will undertake. This debate is critical, it is about how to balance the Federal budget, not whether we are going to do it, and how to stop piling up debt for services and programs that we use now but that our children are going to have to pay for.

Mr. Speaker, I said how we balance the budget, not whether we balance the budget, because we have already had the easy part of this debate. Earlier this year, 300 Members of this House voted in favor of a balanced budget amendment, and we only need 218 votes to actually pass a balanced budget. It is easy to say we should balance the budget in the abstract. It takes courage and commitment, Mr. Speaker, to set priorities and make the difficult decisions that will actually balance this budget and preserve our Nation's future. In the next 48 hours, the American people will see who is willing to balance this budget and who is willing just to talk about it.

Mr. Speaker, as a member of the Committee on Rules, let me say I am very proud of the committee's decision to only allow out onto this floor budgets that balance in 7 years. This requirement was clearly communicated, not only to every Member of the House, but also to the President. I think it is very regrettable that the President chose not to participate in this critical turning point for our Nation, and did not provide us with a balanced budget that reflects his priorities and ideas as to how to end the financial calamity we face as a Nation.

However, this debate is not just about our children, as critical and important as that is. My parents are 75 years old. They just celebrated their golden wedding anniversary. Now, after a lifetime of work and sacrifice for their family and for their country, the Medicare trustees tell them that in 7 years there will be no money for their hospital care, no money for their home health care when they will need it the most.

This Republican budget plan will preserve and protect Medicare, not stand by and criticize and hope that no one holds us accountable when senior citizens lose their health care in 7 years.

Mr. Speaker, I am also proud of the fact that this rule does not use the old king-of-the-hill process used in prior Congresses that allowed Members to vote for amendments they knew would never become law, but that provided them political cover at home.

Mr. Speaker, this rule provides for a fair, honest debate on how we balance the budget. It is time to do it for our children, it is time to do it for our parents. I urge my colleagues to support this rule, and end decade of lack of responsibility and balance the budget.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, I thank the gentleman from Texas for yielding time to me.

Mr. Speaker, this morning if Members watched "Good Morning America" or other news shows, they talked about American heroes in Oklahoma City, and our heart goes out to these wonderful men and women who sacrificed so much, and at many times put their own lives in peril, to help others.

I want to introduce Members to another American hero, a person who is listening to this debate today very carefully, a person who wants to know what this House of Representatives feels about Medicare and Medicaid.

The person I want to introduce Members to is Mr. Solon Blundell of Huntsville, AL. Here is an American hero. Mr. Blundell, 72 years old, spent 20 years caring for his mother-in-law who had suffered a series of strokes and was paralyzed. When he wanted to retire from his job as an engineer, he was forced to work an additional 4 years so he could have adequate funds and medical coverage to take care of his mother-in-law.

If fate had not dealt him that tough card alone, it turns out that his daughter Becky, suffering from Lou Gehrig's disease and now on a respirator, must depend on Medicaid to make sure that her medical bills are paid for. Mr. Blundell, in Huntsville, AL, and his wife are real heroes and heroines, working across America as so many seniors do to try to get by, to try to care for others.

Therefore, we have to ask ourselves this fundamental question. If these people need this basic program of Medicare to provide help for themselves and for others, why are the Republicans coming today to cut Medicare under the Republican budget resolution?

They will tell us they are going to spend more money in a few years on Medicare. That is true. What they do not tell us is that the actual cost of Medicare is going to go up even higher than the money they are providing. What they do not tell us is that more seniors will qualify for Medicare, and they will not have the funds to provide it.

What does it mean to Mr. Blundell and so many other families across America? It means more money out of pocket, it means more premiums, it means more coinsurance payments, it means the loss of some Medicare services. It leads to possible rationing. It could lead to eliminating his family's choice of the doctor that they want.

Is that the vision of America that we want to see? In this debate on a balanced budget, let us focus on why we are making these cuts. The reason the Republicans are cutting Medicare almost $300 billion is because they need almost $300 billion to pay for tax cuts for the wealthy.

Their plan that they put forward in this Chamber, which carried in large part by Republican votes, gave tax breaks to wealthy individuals making over $100,000 a year, and the most profitable corporations in America. To plug that hole in the Treasury, where do they turn? The program Mr. Blundell turns to every day to make sure that his mother-in-law and now his daughter have adequate medical care.

Mr. Speaker, I hope we will think twice. This debate is not about statistics, it is not about a toteboard running in the background, it is about real people and real American heroes.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I will take just a moment to correct the last speaker that suggested that benefits for Medicare would go down. Actually, under these proposals, individual, per person benefits increase from $4,700 per person to $6,300 per person, so I would like to clear that up.

I just want to compliment the Committee on Rules on turning out a rule that is going to go down in the history books, if we are successful, in getting on the glide path toward a balanced budget.

I was particularly concerned with what we have been living with for the last 16 years, the so-called Gephardt rule that says "Let us sort of sneakily hide a vote to increase the debt ceiling within the rule IL, that says 'When you finally pass a budget resolution, you automatically pass a bill that increases the debt ceiling to accommodate the next fiscal year.'" I think this is a great rule. Let us vote for it. Let us move on toward a balanced budget.

Mr. SOLOMON. Mr. Speaker, I yield 1½ minutes to the gentleman from Jonesville, WI [Mr. NEUMANN], one of the freshmen Members of this body who has brought a great deal of experience from the private sector, especially about knowing how to balance a budget.

Mr. NEUMANN. Mr. Speaker, it has been a pleasure to sit her and watch some of the pictures that were brought down here from the other side of the aisle today, because when we talk about balancing the budget, this is really about the future of a nation. It is not about numbers, it is not about a lot of the things we hear the rhetoric about, it is about the future of a nation. It is about the responsibility of this 104th Congress to do what is right for the future of our country, both the senior citizens, the people that are currently in the work force, and for our children. That is really what it is all about.

I commend the Committee on Rules for bringing forth a balanced budget proposal, the Neumann-Solomon proposal, that will actually balance the budget in 5 years, with the family tax cuts fully implemented. It also does something that we did not hear much about out here in this Congress when I came. That is it also contains a detailed plan on how to go about paying off that awful $4.8 trillion debt. We do it over the next 30 years.

The third thing our plan does that is very significant is that it does not use the surplus funds collected in the Social Security system to reduce the deficit, or in balancing the budget. It is very significant for our senior citizens to know that we do have a proposal out here on the floor of the House to be voted on tomorrow that literally sets aside the surplus funds for the Social Security system, so the Social Security system is solvent to the year 2030.

Lastly, Mr. Speaker, this plan is very, very versatile, and will also allow a lot of input from both sides of the aisle, as well as the American people, in that it does not spell out specifically the reductions that are needed, but rather, lists the reductions that are needed to get to a balanced budget, and $70 billion in addition, so we can debate them over the course of the summer.

I urge my colleagues to do what is right for the future of our country: support the rule, support the Neumann-Solomon amendment tomorrow.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from Morris, IL [Mr. WELLER], another distinguished Member of this body.

Mr. WELLER. Mr. Speaker, I rise in support of the rule and in support of living within our means. For over a generation, the tax-and-spend liberals who ran this Congress for over 40 years have stiffed our kids and our families with a massive national debt now totaling $4.8 trillion. That is $18,000 for every man, woman, and child in this room and throughout our country.

The tax-and-spend liberals in the Democratic Party have behaved like a drunk out on the town with someone else's credit card. The children are the ones who will suffer, because liberals always leave someone else to pay the tab.

This budget is our contract with our Nation's children. We will balance this budget to ensure that our children have a future free of debt and full of economic opportunity. We will balance the budget by cutting spending first. We will eliminate bureaucracy, wasteful spending, and programs that simply are not working. We will return power to families, communities, and States.

We are providing tax relief for families. It is time for leadership. It is time to live within our means. It is time to protect Medicare and protect Social Security. Republicans are keeping our promise. I rise in support of the rule.

Mr. SOLOMON. Mr. Speaker, I yield 30 seconds to a very distinguished Member, the gentleman from Ocala, FL [Mr. STEARNS].

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

Mr. Speaker, I appreciate the opportunity to commend the gentleman from New York [Mr. SOLOMON] for this rule. I want to say one thing. Every term I have been here in Congress I have been trying to repeal the Gephardt rule which was put in in 1976, that says we can go ahead and increase the debt around here without a vote.

I see in this rule, the gentleman has taken the courageous step to go forward and say "no, sir, we are going to have to vote on increasing the debt." I commend the gentleman for that. I think all the Members in Congress should recognize that we have changed history in this matter. I would like to see the same action in the following years, as well as Congress in the future.

Mr. SOLOMON. Mr. Speaker, I would say to the gentleman from Florida, we have accomplished that because of him.

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

Mr. FROST. Mr. Speaker, in order to close, I yield my remaining time to the gentleman from Missouri [Mr. GEPHARDT].

The SPEAKER pro tempore. The gentleman from Missouri [Mr. GEPHARDT] is recognized for 4 minutes.

Mr. GEPHARDT. Mr. Speaker, I rise today to urge Republicans and Democrats alike to defeat this rule, and give this Congress an honest and open debate about this Republican budget and its consequences for hardworking American families.

The fact is the Republicans want to force this budget through the Congress without adequate debate. This budget was produced in the Committee on the Budget, and a vote was had on it the same day, an unprecedented rush to bring it through the committee before anyone could even know what was in it. If this rule passes, we cannot even consider all of the Democratic alternatives to the Republican budget.

The gentleman from Michigan [Mr. DINGELL] has an alternative that he wanted to bring. It is not in order. The gentleman from Texas [Mr. STENHOLM] and the gentleman from Utah [Mr. ORTON] wanted to bring a budget. They were not allowed to do it. They were told they had to do it through me.

This is one of the most important changes in the budget we have ever had, and we are in such a rush to get it done before, I guess, anyone can find out really what is in it, that we are not having an open, small d, democratic process, which this country deserves.

The people deserve to know what is in this budget. We need to consider every alternative, because if the American people are given a moment to consider it, they will find the Republican budget is so much more reckless, so much more extreme than any budget that has come before, it really belongs in Guiness' Book of World Records.

□ 1330

The largest Medicare cuts in history, slashing seniors' benefits by more than $1,000 a year. And we can talk all day about what is a cut. I will tell you what is a cut. A cut is what a senior citizen has to face. They are going to face higher copays and higher deductibles and higher premiums to buy the health insurance they have under Medicare today.

Further than that, a back-door cut in Social Security, in the pension. Republicans took the oath. They made a hollow campaign promise to protect America's retirement program. What did they do? The promise is broken in this budget. There will be an annual cut in the cost of living escalator in Social Security.

We heard it was off the table. It is on the table. So I guess we are in a rush to get it done before anybody can find out what happened.

Social Security should not be on this budget. It was never expected to be in this budget. It is in this budget. People deserve to know about it before their Representatives have to vote on it.

Unprecedented cuts in student loans. The most important investment we will ever make in the future of this country is student loans. But yet we are going to have a cut that will shut millions of young people out of their ability to get an education.

Mr. Speaker, these programs are not waste, fraud, and abuse. They are the backbone of the American dream. They are counted on by millions of working families.

To make it worse, what is all this for? It is for a tax cut that lavishes the most on those who have the most. The million richest Americans walk away with a $20,000 average tax cut, while we are taking $1,000 out of the pockets of senior citizens, or we are adding $5,000 to the cost of a student loan.

These are not American values. This is a redistribution from the middle class of this country, and the people

who are struggling to get into the middle class, to the people who have it made.

We all want to get rich. Everybody should be able to live the American dream, but this is not the way to do it. I urge Members to vote against this rule.

Let's have every alternative on the table. Let's have a longer debate than 6 hours over a budget that is going to decimate the middle class of this country to help the richest people in the country. It is wrong, and we need a full debate so the American people can see the wrongness of this decision.

Mr. SOLOMON. Mr. Speaker, we would be glad to make those amendments in order. If the President would give us his balanced budget, if the previous speaker would give us his balanced budget, we will put it on this floor. They have none. That is why it is not available.

Mr. Speaker, I yield the balance of our time to the gentleman from Claremont, CA [Mr. DREIER], a very distinguished member of the Committee on Rules.

The SPEAKER pro tempore (Mr. GOODLATTE). The gentleman from California is recognized for 1½ minutes.

Mr. DREIER. Mr. Speaker, the sky is falling, the sky is falling. That is what we have been getting from the other side of the aisle. Only in Washington, DC., can an increase of from $4,700 to $6,300 for Medicare recipients over a 7-year period be labeled a Draconian cut. Nowhere else in the world would it possibly be considered that except on the floor of this Congress.

This is a very fair and balanced rule.

Last year they gave us 4 hours for general debate. This year we are providing 6 hours of general debate, a 50-percent increase over the allotted time from last year.

Mr. Speaker, we have seen many of our colleagues come to the aisle over the past few minutes with pictures of individuals who they claim will be victimized by this budget. Yet virtually every single one of them who stood in the well on January 26 of this year voted in favor of one of the balanced budget amendments that would have, by the year 2002, brought us to a balanced budget. They talk about it and yet they will not recognize that we have to make some modifications without hurting those individuals if we are in fact going to get to a balanced budget.

Mr. Speaker, this is a very important vote. This is a very important time for us as a Congress to step up to the plate and do the responsible thing. We are not going to be hurting those students. We are not going to be hurting senior citizens. It is nothing but rhetoric. We have to look at the facts. As we proceed with the next 6 hours of general debate, we will be doing just that.

We are waiting for the Democrats' budget plan. A copy of it, in fact, is being held by the chairman of the Committee on Rules. It is empty. They are not stepping up to the plate. We are. We are simply encouraging them to join us so in a bipartisan way we should vote for the previous question, for this very fair and balanced rule, and move ahead toward our glide path of a balanced budget by the year 2002.

Mr. SOLOMON. Mr. Speaker, I move the previous resolution on the question.

The SPEAKER pro tempore. The question is on ordering the previous question.

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

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 252, nays 170, not voting 12, as follows:

[Roll No. 339]

YEAS—252

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

NAYS—170

Abercrombie
Ackerman
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bishop
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Conyers
Costello
Coyne
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Scott
Serrano
Skaggs
Skelton
Slaughter
Stark
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thurman
Torres
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—12

Berman
Bono
Chapman
Collins (IL)
Fattah
Flake
Hayes
Hoyer
Kleczka
Schumer
Vucanovich
Wilson

□ 1356

The Clerk announced the following pair:

On this vote:

Mr. Bono for, with Mrs. Collins of Illinois against.

Mr. BEVILL changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

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

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

RECORDED VOTE

Mr. FROST. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 255, noes 168, not voting 11, as follows:

[Roll No. 340]

AYES—255

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

NOES—168

Ackerman
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bevill
Bishop
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Conyers
Costello
Coyne
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Scott
Serrano
Skaggs
Skelton
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Torres
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—11

Abercrombie
Berman
Bono
Chapman
Collins (IL)
Flake
Hayes
Hoyer
Kleczka
Schumer
Zeliff

□ 1415

On this vote:

Mr. Beno for, with Mrs. Collins of Illinois against.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1415

## PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO HAVE UNTIL MIDNIGHT MAY 18, 1995, TO FILE A REPORT ON H.R. 1561, THE AMERICAN OVERSEAS INTERESTS ACT

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that the Committee on International Relations have until Thursday, May 18, 1995, to file a report on H.R. 1561, the American Overseas Interests Act.

Mr. MORAN. Mr. Speaker, reserving the right to object, I have no objection if there are no further speakers.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. GILMAN]?

There was no objection.

## ANNOUNCEMENT ON AMENDMENT PROCESS FOR H.R. 1561, THE AMERICAN OVERSEAS INTERESTS ACT

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

Mr. SOLOMON. Mr. Speaker, in relation to the last unanimous-consent request, I would like to announce to Members that the Committee on Rules has tentatively scheduled to meet this coming Monday to consider a rule for H.R. 1561, the American Overseas Interest Act, more commonly known as the State Department Foreign Assistance Authorization.

The bill was ordered reported by the Committee on International Relations on Monday of this week, and the report is expected to be filed tomorrow night according to the last unanimous-consent request. The House is expected to begin general debate and the amendment process next Tuesday. The rule will likely require that amendments be preprinted in the amendment section of the CONGRESSIONAL RECORD prior to their consideration.

Members should use the Office of Legislative Counsel to ensure their amendments are properly drafted to the amendment in the nature of a substitute recommended by the Committee on International Relations that will be made as base text for amendment purposes. A copy of the committee amendment in the nature of a substitute will be published in today's CONGRESSIONAL RECORD by the gentleman from New York [Mr. GILMAN], the chairman of the committee, for reference and drafting purposes. It will be

available at the offices of the committee.

Since the rule will not be structured as far as the limiting of amendments is concerned, there is no need for Members to file their amendments with the Committee on Rules or to testify before us. If Members have any questions, they can contact Dave Lonie in our Committee on Rules at 57985.

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

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

Mr. SABO. Mr. Chairman, my question relates not to the immediate subject, but the prior subject of the rule on the budget. Let me just simply make sure I understand that rule in terms of the 6 hours of debate.

As I understand it, the first hour is 1 hour of general debate controlled by the chairman and myself. The second hour is reserved for the Joint Economic Committee, the time to be controlled by the Chair of the Joint Economic Committee and the gentleman from California [Mr. STARK], the ranking minority member. Then we revert to the general debate on the budget resolution.

Mr. SOLOMON. That is the normal procedure. it is what we have followed in the past. We will follow it this year as well.

Mr. SABO. The reason I ask, 2 years ago, we had a little disconnect. One side was on JEC for a period of time, and the other side was not. So the plan this year is the first hour would be budget debate, the second hour JEC debate, and then hours three through six general debate on the budget resolution.

Mr. SOLOMON. The chairman of the Committee on the Budget is nodding his head yes, that is correct.

## CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1996

The SPEAKER pro tempore. Pursuant to House Resolution 149 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, House Concurrent Resolution 67.

□ 1420

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, with Mr. SENSENBRENNER in the chair.

The Clerk read the title of the concurrent resolution.

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

Under the rule, debate shall be confined to the congressional budget and shall not exceed 6 hours, including 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO].

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

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

Mr. Chairman, I have to confess, as I get ready to speak, I am nervous. I cannot remember the last time I was, frankly, this nervous or anxious. But I guess it is the way it needs to be, because, ladies and gentlemen, we are about to engage in a historic debate The House is about to consider a document that truly represents a bold, innovative, and some have called it, and frankly they are probably right, a revolutionary document and a vision for where America should go.

I have been amazed over the last couple weeks just walking through the hallways here. In fact, I just had a husband and wife grab me as I was getting ready to come in the door, and I do not know where they are from, I do not know what their names are, but you know what they said? "Thank you, Thank you, Mr. KASICH, and thank your team for what they are doing."

I am hearing it everywhere I go. I think the American people have, in fact, decided that we have this week a rendezvous with destiny, that, in fact, we cannot continue down the path of more deficits and more red ink, because in the guts of every mother and father in this country there is a sinking feeling that if in fact the politicians, the elected representatives of our country, do not stand up and do the right thing, their children will be at risk, their future will be called into question.

That is why when people have had some problems with some of the specifies in this proposal, they never stop like they did over the last several years and say vote it all down. They are saying "Maybe we can fix that. But, please, Congress, do not take your eye off the ball. Please work to save the country."

That is what we are hearing. And I got to tell you, when I was out here with the Contract for America, paying for the family tax credits, and let me say this, if there is anything beyond the balanced budget we ought to be emphasizing into the 21st century, if there is anything in this country we ought to be reinforcing, it is the American family. If there is anything that can provide a building block for superlatives for individuals in this Nation into the next century, it is the family, isn't it? It is the family structure that served this country well for 200 years, and the families are going to benefits under this.

The beautiful thing though is back when we were passing the contract, people said "You can't give us tax relief. You can't have growth incentives and balance the budget." And I said then, along with my wonderful budget team, and we speak as a team, I do not speak as JOHN KASICH, I speak as a leader of a group of wonderful men and women who are the tip of the spear in terms of this new American revolution, we said that we would come back here in May and we would lay a document down that would get us to zero, to balance this budget, and save the future. And that is precisely what we are doing today.

Isn't it wonderful? Isn't it wonderful in America that a group of elected officials are keeping their word? And you know why we are doing it? You know why we came together and we put this revolutionary document together? For two basic reasons. One is the next generation. This is about the children. This is about a growth society, an opportunity society, as our Speaker likes to say, that in a no growth economy the rich get richer and the poor get poorer.

But in a growing economy, and Alan Greenspan painted a picture for us, if we can balance the budget by 2002, if we can balance the budget, Alan Greenspan said we cannot begin to chart the kind of prosperity that we can have in America.

As the son of a mailman who got to be in the Congress and the chairman of the Committee on the Budget, how wonderful is it that in the United States of America, that every kid in America, using our system, can learn to fly. That is right, ladies and gentlemen, we can fly. That is right, ladies and gentlemen, we can fly. We can dream, and it is not about just dreams. It is about accomplishing those dreams.

That is why the Committee on the Budget and the Republicans in the House, along with our courageous colleague on the Committee on the Budget, the gentleman from Mississippi [Mr. PARKER], has said that we need to balance the budget to save the next generation, to provide for growth in our economy, for opportunity in America, and to preserve the greatest American legacy, and that is that your kids will be better off than you were.

You know what else it is about? It is about the pendulum. People try to describe this plan as radical. Let me actually tell you about the pendulum. For the last 20, 30, or 40 years, we have sent more power, we have sent more money, we have sent more control to the Federal Government. And over these last four decades the Federal Government has done a lot of wonderful things for Americans: Medicare, educational programs, elimination or an attempt to eliminate the terrible abuses in human rights in America.

But you know what Americans have been saying for about the last decade? And we have not been hearing them here in the Capitol. They spoke real loud and clear last November. You know what they are saying? Folks, we would like some of our power and some of our money and some of the control over our own lives back in our hands, because we can do it better in our neighborhoods dealing with our problems than the Government in Washington can.

Now, let me just show you what this plan calls for and how reasonable this program is. Over the last 7 years, the Federal Government spent $9.4 trillion. What is a trillion? Well, if you started a business when Christ was on Earth, if you lost $1 million a day 7 days a week, you would still have to lose $1 million a day 7 days a week for the next 700 years to get to $1 trillion. In the last 7 years we spent $9.4 trillion. We have a national debt approaching $5 trillion.

What does the Republican plan call for? The bipartisan plan, frankly, it is not just a Republican plan, it is a bipartisan plan thanks to the efforts of the gentleman from Mississippi [Mr. PARKER]. We are going to go from $9.4 to $11.9 trillion. Some people would have us grow to $13.3 trillion. I am going to tell you, you want to grow to $13.3 trillion? We are going to give the kids a dark tomorrow. But if you can restrain the growth in spending to this $11.9 trillion, we have a chance to preserve America.

Entitlements, take a second and talk about entitlement spending. Over the last 7 years, we spent $4.5 trillion on entitlements. If we do nothing, we will spend $7.7 trillion. And what does this bipartisan plan call for? Growing the entitlement programs from $4.5 to more than 6.4 trillion.

Medicare? Boy, we are hearing a lot of stuff about Medicare. Shame on those that want to scare people. Shame on those that want to scare people. We will go in Medicare from $924 billion to almost $1.6 trillion in spending for Medicare. If we go to $1.8 trillion the system goes bankrupt. What we are going to do is dramatically increase it, improve it, guarantee high customer satisfaction, and guarantee choice to our senior citizens.

□ 1430

So my colleagues, the question is, can we restrain ourselves, can we as Americans who do not want to mortgage the next generation, after all, we would not in our private lives ring up all the debt and pass it onto our kids, we should not do it with our country. If we can just grow at a $9.4 to $11.9 trillion increase, we can do it.

Let me just say to all of my colleagues, as I am about to close, you have got to examine your hearts. You have got to examine your conscience, because I am going to tell you, folks, there are things called windows of opportunity and we have it now. Why? Because the American people want this done. Why else? Because we have the leadership in the Congress that is willing to put their careers on the line for the next generation. And those two efforts together can allow us to pass a plan that will guarantee a renewed America.

In 1969, the last year that we balanced the budget in America, Neil Armstrong walked on the moon. Neil Armstrong came to this Chamber and presented this flag to the U.S. House of Representatives and the U.S. Senate in a joint session. One thousand nine hundred sixty-nine was the last year we balanced the budget. Walking on the moon for a kid from Ohio meant that Neil Armstrong really did learn to fly. And that day that he walked on the moon, we were all there with him, were we not? We were all there with him because it represented the hopes and the dreams and the goodness and meeting the challenges that America has been all about for these many 200 years.

Neil Armstrong gave us this flag. Today, 26 years later, we have a chance, when we vote on this resolution, to have one very big step for this House and one very giant leap for America. Pass the resolution.

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

Mr. Chairman, members of the committee, first let me congratulate, as I did in committee, my colleague from Ohio. We are both participants and observers of this process. I congratulate him for getting the Republicans on the Committee on the Budget together. I assume when the 2 days of debate are over, he will have the votes and he will pass his resolution, which has required an exceptional amount or work by himself and the other majority members of the committee.

I have very fundamental disagreements with that resolution, but I watch your discipline and your hard work with admiration. So I congratulate you for putting a product together that is before this House today and really presents the opportunity for some very fundamental debate.

However, let me make one observation as an observer before I say some words as a critic. The question is whether your plan will achieve its stated goal. Let me simply say that we are not quarreling over a few numbers here and there, and we might find some that we might dispute. But I, frankly, think for you to succeed requires a significant amount of luck.

I think if this were a unicameral body of the Congress and this were the final product, it simply would not succeed. There are some things you have put into place and have put into law already. Your beginning assumption has been a big tax cut, which adds roughly $90 billion to the deficit in the year 2002.

You assume as a separate vote that you are going to make huge cuts in Medicare in a separate vote removed from the balance of the budget to come in September.

My friends, if that bill were before this House with those kinds of cuts in Medicare, with the numbers in your resolution, I would predict that such a bill would not pass this House.

The numbers are sort of interesting. The tax cut is $90 billion in the year 2002. The projected Medicare cuts are $86 billion. If that did not succeed, a whole series of other numbers that you use would come unraveled.

Mr. Chairman, that is merely an observation about the plan that is before us today. It would require significant luck to succeed. But that is not my fundamental objection.

Mr. Chairman, we have had two very fundamental things occur over the last 15–20 years in this country. For the last 20 years, we have had a revolution where income flows in this country. The very rich have gotten much richer, and the rest of the American public, who work hard, working families are struggling to get ahead, many with declining income.

We have also had, since 1981, an escalating Federal deficit. Two years ago we passed the President's program to make a significant dent in that deficit. Part of that program was asking the most affluent to pay a little more, and our Republican friends all said no. They all said if we passed that program, we would throw the country into a recession. The opposite happened. We have had unprecedented growth over the last 2 years. Unemployment is down. The economy is growing. The deficit went down.

But more is left to do, and we come to that now in this year 1995. Again, we have to reduce that deficit, but we face, again, a country where income continues to flow in increasing amounts to a very few and the bulk of the American people are left struggling.

We now have the Republican proposal on how to deal with the deficit. Who is asked to sacrifice? It is clear that people who depend on Medicare and Medicaid will be asked to sacrifice. And then in a series of incredible, numerous decisions, struggling Americans, who are working hard, working Americans, find their chances to move ahead, they will find those doors sometimes slammed shut; other cases, sort of gradually closed in a series of cut, after cut, after cut, whether it is students trying to go on to college, people seeking to get new training for jobs and retraining, whether it is a parent trying to put their child in a Head Start Program, cuts on them frozen.

The TRIO Program for kids, to get them to go through high school and into college, abolished. Low income seniors who have problems with fuel

bills in cold parts of this country, program abolished. Child care reduced. Just one series, mass transit operating assistance reduced, a little tougher to get to the job, a little harder to get the training, a little harder to get to college, all cumulative on person after person. Cuts that are unrealistic in Medicare and Medicaid.

Why? To pass a tax cut to benefit primarily those who have also been rewarded most by our economy in the last 20 years. So struggling American working families, hoping for the kids to go to college, needing retraining, maybe needing some assistance with day care so they can work, worried about how they get to the job, maybe in rural U.S.A., maybe in urban areas, rural communities trying to develop economically, all seeing doors shut so we can pass a tax cut to benefit the most affluent in this country.

Mr. Chairman, these are the wrong priorities. We are told at times by people that we are talking about renewing American civilization. Mr. Chairman and Members, this plan does not represent the best of American values. It represents, in my judgment, some of the worst of American values. We can do better.

Mr. Chairman, to the majority I simply would say there are many months ahead. At some point, sometime before the year is over, you will be called on to move away from ideology, to practical reform that reduces our deficit in a fair and equitable manner. When you are ready to move away from ideology, we stand willing to help because the challenge is big.

So today, to the Members, I simply urge you to vote no when we come to final passage tomorrow.

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

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Arizona [Mr. KOLBE], a member of both the Committee on Appropriations and the Committee on the Budget.

Mr. KOLBE. Mr. Chairman, I want to congratulate the chairman of the Committee on the Budget as well as the ranking member and particularly pay tribute to the ranking member for the decency with which he has comported himself and the members of his committee throughout this debate. It has been in the Committee on the Budget, it has been truly an outstanding debate. I appreciate that very much.

Mr. Chairman, we are at a historic crossroad. This is, as the chairman of the Committee on the Budget said, an historic moment in our time. The previous speaker just talked to us about this not being the right plan, that we can do better. I think in the course of this debate in the next day and a half we are entitled to ask, what is the alternative plan? If ours is not the right plan, what is their plan? Where is the President in this budget battle? I would say, a.w.o.l., absent without leadership.

Our bottom line is fairly simple, our bottom line is shown. It is too small I guess to see here, but on page 7 of the budget report, the last year, 2002, it is a plus. It is tiny, 0.6 billion, $600 million in the scheme of a $1.8 trillion budget that year. That is tiny, but it is everything. It is the first positive number we have seen in the budget since 1969.

This is another way of looking at it. All we are trying to do is get this line of what we spend here down to the red line of how much that we are taking in in revenues so that we have a balanced budget. Spending will go up. Spending will continue to increase but at a slower rate of growth. And we think that we can do that. Yes, there are tough choices here, but they are tough choices for the next generation.

□ 1445

Not long ago I was asked to come down for a little ceremony to one of the work sites in my place, the United Parcel Service, a company I really enjoy because they are hardworking people, they are really motivated.

At the end of this little ceremony where we had a presentation there, one of the delivery men came up to me and said "Mr. KOLBE, when you go back to Washington, would you just tell them that it is my money they are spending? It is my money. I have got three kids. I am struggling. It is my money they are spending, just keep that in mind."

Mr. Chairman, I hope in the course of the debate here the next 2 days that we will keep that simple idea in mind from one of the hardworking Americans that makes this country work, and what it is. It is their money. It is our money as taxpayers we are spending, and we ought to be remembering that in each of the parts of this debate.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Chairman, I rise in opposition to this budget proposal. The Republicans' 100-day war on children marches on. Their assault began in the cafeteria, with the attack on the school lunch program. Republicans have now moved their war machine into our Nation's classrooms, libraries, and finally, to our college campuses.

The Republican budget before us would virtually obliterate the Federal role in education. Over $73 billion in education and training programs would be cut over the next 7 years. It is a repudiation of this Nation's longstanding bipartisan national commitment to educating all of her citizens. The Republicans would abolish or slash extremely successful education programs, programs like Head Start, which they would reduce by $209 million in 1966.

They would eliminate efforts in 47 States to improve reading and writing skills, to put computers into the classroom, and to improve academic standards through Goals 2000. Their budget proposal would virtually eliminate the safe-and-drug-free school program, even though drug use is on the rise among school children. It would jeopardize teacher training for 400,000 teachers.

Programs that target assistance to 700,000 at-risk disadvantaged children would also be abolished under this proposal. They show shameful hostility to programs designed to lift disadvantaged children out of poverty through learning.

Having spread their devastation to the cafeterias and the classrooms, they would eliminate Federal support for public libraries, would cut student aid by well over $18 billion, as one way to finance tax cuts for the rich and privileged. The elimination of the in-school interest subsidy would increase loan costs for close to 5 million students, adding as much as $5,000 to the total loan cost for each student who would take out a loan.

Middle-class families are especially hit hard. The Republicans want to make it harder for their kids to attend college, so they can finance the tax cut for the rich and the privileged.

Finally, Mr. Chairman, the Republican proposal to eliminate the Department of Education is myopic and reactionary. It would leave our country as one of the few industrialized nations in the world without a national commitment to education. Not only is this proposal dumb, it is unpopular. The vast majority of the American public supports the Department of Education, and a strong Federal role in education.

Mr. Chairman, this budget proposal is the most irresponsible assault on education by any political party in our history. We must reject this attack on education. We must reject this contract with ignorance. We must reject this Republican budget proposal, because it is being released 5 months prematurely. A turkey like this should surface somewhere around Thanksgiving.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. HOBSON], a very distinguished member and a dear friend of mine.

Mr. HOBSON. Mr. Chairman, I might point out that the previous speaker, the gentleman from Missouri [Mr. CLAY], voted for the Clinton tax increase, the biggest one in this country's history, and it costs his district $520 million in new taxes. It is also interesting to note that he voted against the balanced budget amendment. We should take that into context when we review his remarks.

Mr. Chairman, we are coming up on what I expect to be the most important vote of my career in this House. Today

we meet the challenge of balancing the Federal books and restoring fiscal security for America's next generation.

Today we vote on, and I encourage my colleagues to vote for, the House Committee on the Budget resolution, and restore hope to that next generation. For 26 years, our Federal Government has spent more money than it has taken in, financing this debt by borrowing money. The legacy of chronic deficit spending is passed to our children as a $4.9 trillion national debt.

Staying on this track will undoubtedly bankrupt our Nation. This subject has particular meaning for me right now, because my 15-month-old granddaughter is in town visiting. When I think why we are balancing the budget, I think of Katie. A lot of grandfathers think that way. My other daughter is going to have another baby, so you think a little differently about the future when you become a grandfather. I think a lot of people can equate to that.

What this balanced budget is about, it will not allow her to have the same opportunity the rest of us have if we do not balance the budget. Putting the future of Katie and the other children in this country first is what balancing the Federal budget is all about. Protecting the next generation from a financial crisis means acting now in a decisive, responsible way.

The House Committee on the Budget's 1996 budget resolution does this by balancing the Federal budget by the year 2002. We also close the doors on several agencies that run up costs but fail to contribute meaningfully to our Nation's well-being. Those operations that are useful are transferred to other agencies or sent back to the States. The waste and duplication is eliminated.

Mr. Chairman, our budget also protects our children's future by preventing a crisis in Medicare, the health care system of our Nation's seniors. According to the Medicare trustees appointed by President Clinton, Medicare will run out of money in 7 years. Our budget resolution provides the structure needed to protect, preserve, and improve Medicare, and then it goes on to increase benefits to seniors from $4,816 for beneficiaries in 1995 to $6,376 in 2002. That is an impressive increase, by anyone's standards.

Our budget also increases overall Government spending by $1.2 trillion over the next 7 years. That should be plenty to do the things we need to do at the Federal level. Where we can, we send programs back to the States and local governments.

In total, this process of decentralization, together with the removal of duplication and waste, justifies eliminating 283 programs, 14 agencies, 68 commissions, and 3 departments: Energy, Commerce, and Education. This is just one path toward balancing the Federal books.

Over the next few months, the committees of jurisdiction will map out the details. The job of balancing the budget is a challenge we can meet. When we are done, we will have a healthier, stronger Nation in solid financial shape for our children to inherit. I invite everyone here to join us in this historic effort, and rise to the challenge at hand. Vote "yes" on the Committee on the Budget's 1996 resolution, and keep hope and opportunity alive for the next generation.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would remind all persons in the gallery that they are here as guests of the house, and that any manifestation of approval or disapproval of proceeding on the floor is in violation of the rules of the House.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentlewoman from Hawaii, Mrs. PATSY MINK.

Mrs. MINK of Hawaii. Mr. Chairman, I rise in strong opposition to the budget resolution. This resolution is being presented based upon policy assumptions which must be challenged. These assumptions are contained in the committee report. I hope that all of the Members will read it.

For my limited time in this part of the debate I want to direct attention to the egregious assumptions that are the basis for huge cuts in Function 500, which deals with education, training, and Head Start. The cuts contained in this budget resolution in Function 500 amount to $82 billion over a 7-year period.

Despite what has been said by the Republican majority about the resolution providing for a steady increase in spending, I want to alert Members to the fact that in Function 500, the current fiscal year 1995 budget authority is at $58 billion, and 7 years from now, it is $44 billion. This is a substantial cut in one of the most areas of Federal Government responsibility, which in the past has enjoyed large bipartisan majority support.

In the area of education alone, the cuts are particularly devastating. Despite the avowed pronouncements about being for family values, the Republicans in this budget resolution have disavowed their support for the most important goal of American families, which is quality education for their children, enriching their experiences in education, providing for science and math instruction, and help for those who are disadvantaged by poverty, by deficiencies in language, and assuring that higher education is available for all, regardless of age or economic circumstances.

Mr. Chairman, this budget resolution strikes a deep blow to the promise of America to improve educational opportunity for all. The cuts in education will hurt all school districts, most of whom cannot possibly make up for the huge losses in these funds.

I want to remind the Members of the House that if they support this resolution, they are voting for the elimination of President Bush's initiative called Goals 2000, which was implemented by President Clinton. This was an initiative that was promoted by the National Conference of Governors, and now it is being eliminated.

If Members vote for this resolution, they are cutting about $5 billion in the next 7 years in the Elementary-Secondary Education Act, passed some 30 years ago. The title that is being cut is the concentration grants. Everybody has been saying target the money to the most poor, to the neediest districts. That is precisely what we did last year, and this program is being eliminated.

If Members vote for this resolution, Federal funds to help schools prevent drug abuse in their schools, the very, very difficult issue which the Federal Government has put money in, and from which the schools have benefited enormously, $3 billion are being taken away.

If Members vote for this resolution, they will be cutting the Eisenhower Professional Development Program. All of us know that quality education is contingent on the quality of the teachers, and it would be absolutely criminal if we destroyed this program, which helps school districts provide for development of our teaching profession, allowing them to improve themselves and keeping up with the technological advancements in our society.

If Members vote for this budget resolution, they will be eliminating totally the bilingual education program. Think of the promises we have made to the young children who have come to this country with their families, whose only fault is that they are deficient in speaking and understanding English, and we are taking away from them the one chance they have to keep up with their classes and to get into this educational system so they can benefit and improve their lives.

All across America, Mr. Chairman, if Members vote for this budget resolution, they will be cutting the only Federal funds in libraries that have been in existence for decades. Our rural small libraries all benefit from the library program. This program is being eliminated totally. What a travesty on what support the Federal Government has been able to provide.

The last and probably most egregious cut that is proposed in this resolution, which if Members vote for they will be a party to, and that is to take away the interest subsidy of our young people and others aspiring to a higher education, wanting to better themselves. This is the American ideal. This is what we talk about when we say self-sufficiency: "Get in there and work to better yourselves." When they do, we have a Congress that is taking away

that small subsidy which we have provided over the years.

Mr. Chairman, I urge a "no" vote on this resolution.

Mr. Chairman, I rise in opposition to the budget resolution which is being considered today. There are policy assumptions that must be challenged in this resolution. These assumptions are contained in the committee report. For my time in this part of the debate I want to direct attention to the egregious assumptions which are the basis for the huge cut in Function 500 which deals with education, worker training, foster care, aid to the disabled, and Head Start.

The cut contained in this budget resolution in Function 500 amounts to $82 billion over the 7-year period.

Current fiscal year 1995 budget authority for Function 500 is $58 billion. The 7th year allocation for Function 500 in fiscal year 2002 is $44 billion. This represents cuts in some of the most successful programs that have been in the past supported by large bipartisan majorities.

In the area of education alone, the cuts are particularly devastating. The avowed pronouncements about being for family values, the Republicans have disavowed their support for the most important goal of American families, which is quality education for their children, enriching experiences in education, promoting science and math, and help for those who are disadvantaged by poverty, by deficiencies in language, and assuring that higher education is available for all regardless of age or financial circumstance.

This budget resolution strikes a deep blow to the promise of America to improve educational opportunity for all. The cuts in education will hurt all school districts, most of whom cannot possibly make up for the loss of these supplemental funds.

President Bush's initiative, Goals 2000, joined by President Clinton in implementing them, will be eliminated. Remember this is an initiative joined in the Nation's leading Governors and goes to the heart of the national effort at education reform. The cuts are $2.8 billion over 7 years.

Elementary secondary education funds, Title I concentration grants, are eliminated. These funds concentrate and target schools with the highest concentration of poor children which is exactly what the Republicans have argued for in the past. This is one of the most egregious of all cuts. The cuts are $5.1 billion in 7 years.

Federal funds to help schools prevent drug abuse and violence in the highly regarded program called Safe and Drug Free Schools Program are also being cut. The loss of these funds so desperately needed to help schools deal with this problem is unconscionable. The cuts are $3.5 billion in 7 years.

The Eisenhower Professional Development Program is eliminated. We have always supported ways to improve the quality of teaching. Teaching is what schools are about. Schools have grave difficulty in providing funds needed to help in professional development to maintain education relevant to the challenging times in which we live. The cuts are $2.2 billion in 7 years.

Bilingual education is eliminated. To ignore the needs of students whose primary language is not English is to punish and retard their ability to learn. We give lip service to the ambition of immigrant children to achieve their goals and yet take away the help they need. The cuts are $1.4 billion in 7 years.

Libraries support which is a basic Federal help that has been available to the smallest of our libraries, in the most rural of our communities is to be cut. This is the most backward unthinking cut of all. Funds that are lost here, will not be made up by local funds, which are largely unavailable. The cut is $1 billion in 7 years.

Higher education loans—Stafford loans and direct loans—will no longer have an in-school interest subsidy. This is negative thinking. How can we believe that our Nation's future is in our children and at the same time cut back their higher educational opportunity? The cuts are $18.7 billion in the 7-year period.

Federal Trio programs for outreach to highly talented high school students to urge them to continue with their education is what enlarging opportunity means. Killing this highly successful initiative is to turn our back on talent. The cuts are $3.2 billion in 7 years.

The much heralded early childhood education program, Headstart, is cut by $1.5 billion over 7 years. It is frozen at fiscal year 1994 appropriation levels. It freezes our long hoped for full funding of this important program that has dramatically changed the future of the poorest of our children.

This budget is a travesty of immense proportions. All the talk about adopting these cuts for the future of children is totally wrong. It cripples our children's future. It casts a dark shadow over the future of thousands of our Nation's children. Instead of hope and opportunity, supported by the country as a whole in its Federal budget, our children will have to struggle to attain their goals on their own with their dreams shattered by politics which did not include them or consider their future.

Vote down this budget resolution. It punishes our children. It robs them of a brighter promise for their future.

Republicans who support the budget resolution also supported the balanced budget amendment by arguing that it would force the Federal Government to balance its budget just as families, businesses, and the States do. If this is so, why did the Republicans support a balanced budget amendment and now support a budget resolution that simply fails to make distinctions between operating and long-term investment costs in the Federal budget when families, businesses, and all 50 States make those very distinctions when they plan or structure their budgets?

For example, when a family purchases a home, the cost of this long-term investment is accounted for over the 15- or 30-year life of a mortgage. However, when the Federal Government decides to build, say, a submarine, also a long-term investment, the entire cost of the submarine is front-loaded in the first year's budget and shown as a debt in that year's budget.

If we establish a Federal capital budget, the Federal Government will have separate operating and capital budgets just like all the 50 States, and the Federal Government will be required to maintain a balanced operating budget and reflect its long-term debts in its capital budget, just like those States with balanced budget mandates such as my own State of Hawaii.

We cannot look at this budget without considering the immediate impact it will have on individuals and their families. This drastic move to severely cut our investment in our most important asset—our human capital—will have monumental consequences on programs which people depend upon everyday to help improve life for themselves and their families.

Americans want nothing more for their families than to provide their children with a better life, to be able to give them opportunities for education, employment, and economic achievement. I know this is what the people of Hawaii want over and above an effort to reach a zero budget deficit just for the sake of doing it, without regard to the impact it will have on our overall economy, our future, and most of all the lives of individuals.

Many programs which the people of Hawaii support and depend upon will be eliminated or severely reduced under this plan:

East-West Center—eliminated; Native Hawaiian Education Act—eliminated; Native Hawaiian Health Care Act—eliminated; Student loans—cut by $18.7 billion; Impact Aid—cut by $1.3 billion; Davis-Bacon Act—eliminated; Travel and Tourism Administration—eliminated; Legal Services Corporation—eliminated; National and Community Service [Americorps]—eliminated; Retired Senior Volunteer Corps [RSVP]—eliminated; National Endowment for the Art/Humanities—eliminated; Support for the Public Television—eliminated; National Biological Survey—eliminated; Head Start—cut by $1.5 billion over 7 years; Bilingual Education—eliminated; Library programs—eliminated; TRIO programs—eliminated; National Writing Project—eliminated; Homeless Assistance Grants—eliminated; Vocational Education/Adult Education/Job Training—block granted cut by 20 percent; Community Development Block Grant—eliminated; and U.S. Geological Survey—cut by $798 million over 7 years.

These are not programs which can be eliminated without a significant impact on the State of Hawaii. These programs help us invest in education and training of our workforce, provides jobs in highly technical and scientific fields of research, provides investment in infrastructure and housing to improve our rural and urban communities. Davis-Bacon helps to stabilize Hawaii's economy by preventing "fly-by-night" construction companies from the mainland from gaining an economic advantage over our local construction companies in getting Federal contracts.

This budget resolution must be voted down.

□ 1500

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, the previous speaker talked about the cuts in education. Let's be very clear what we are preserving here.

We are preserving the title I basic grants for disadvantaged students, the impact aid for "A" students, the special education, the vocational rehabilitation, the Pell grants, the historically black colleges grants, the campus basic

aid, and then we are creating 5 new block grants. So let's just be clear what we are preserving here.

The issue about libraries. One percent of funding for libraries comes from the Federal Government.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER], the distinguished chairman of the Committee on Science and vice chairman of the Committee on the Budget.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, there used to be a tradition in this country that you bought the farm, paid off the mortgage, and gave the farm to the kids mortgage-free. The Federal Government for years has been now moving in a different direction, where what you do is buy the farm, sell off the assets, and hand the mortgage to the kids.

What we are hearing today is a debate between those people who want to make certain that we do not continue to hand the mortgage to the kids but rather begin the process of ending deficit spending and ultimately paying off the debt.

The surprising thing is that there is a bipartisan consensus around that idea. In January, fully 187 Democrats voted for one or another of balanced budgets that said to balance the budget by the year 2002.

That is right. We actually had people line up in January on the Democratic side, 187 of them, nearly three-fourths of their conference, and say they were for some kind of balanced budget that balanced the budget by the year 2002. Now we hear today that, well, maybe they were not really for that, that was just a political vote they had to cast.

I must say that when it came to final passage, many of them voted "no," including the gentlewoman who was just in the well, although she did vote for one of the balanced budgets. The amazing thing is that they have come to the floor today with no presentation of their own of how they would get to that balanced budget that they voted for by the year 2002.

When they have told us before how they will do these kinds of things, they raise taxes. The gentlewoman who just spoke, in her district she voted back in 1993 to raise taxes on her own district by $522 million in order to bring down the deficit.

Now we find out what they really did. In the President's budget that he brought forward earlier this year, deficits begin to go up again at the end of the 5-year period. Guess what? When you get out into the 7-year period that we assume in our budget, the deficits soar out of sight, despite the fact that they raise taxes, presumably to lower deficits.

The question here is whether or not we are going to do real things in order to get the Federal books in order. I believe we have the capacity to do some real things.

This budget does assume some things that many, many people in this House do not like. When you cut 283 programs, there are people who are tied to the special interests that back those programs, who simply do not want to do the cut of 283 programs. When you cut over 60 commissions, there are people who are tied to the special interests who love those commissions, who then come to the floor and argue for keeping them.

When you eliminate three departments, there are people who are tied to those three departments and the special interests who back those departments, who come here and defend those departments. When you eliminate a dozen and more agencies, there are people who are tied to the special interests who love those agencies, who come to the floor and defend it.

You are going to hear them all day long out here, defending the special interests that defend those agencies and saying that this is all in the name of helping the poor and the downtrodden. Nonsense.

Mr. Chairman, if you take a look at the reality of this, what you are supporting in the budgets that we have had over the last several years is huge bureaucracy. Vote for a balanced budget.

Mr. SABO. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, let me simply observe the explosion of the Federal deficit occurred when we passed the Republican program in 1981.

I hear this discussion of special interests. Let me remind this body that we have before us a tax proposal that would repeal the alternative minimum tax for the largest corporations in this country. To pay for that, we would repeal and make more difficult the getting of student loans by thousands and millions of students in this country.

Mr. Chairman, I yield 4½ minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, contrary to the claims of the majority, this is not a budget to protect our children's future. This budget is an assault on our children's future, and an assault on their grandparents as well.

It opens up tax loopholes for wealthy special interests, and slams the door on school cafeterias; college classrooms; and hospitals all over this Nation. If this budget represents the future of our children, then the future looks grim. It is no wonder Mr. KASICH says he is nervous.

Mr. Chairman, education is our future. Education, not reckless spending cuts, must be our Nation's No. 1 priority. The most glaring mistake in this budget is that it makes deep cuts in education to pay for a tax break for wealthy special interests.

Our children should be the most important special interest for this Congress, not the privileged few with influence over the Republican budget process.

It is too bad kids don't have powerful lobbyists here in Washington, because many of the education programs which are important to our children's future are being assaulted in this budget: Goals 2000 is eliminated; Head Start is cut dramatically; bilingual education is terminated; President Clinton's national service program will disappear school lunch and school breakfast is cut the entire Department of Education would be eliminated, clearly demonstrating to the American people the majority's lack of commitment to the future of our children.

This budget is not limited to attack on our young children, it also attacks low- and middle-income college students, and their families. On May 8, 1995, the New York Times called the Republican budget resolution "the strongest assault in recent years on student-aid programs."

Mr. Chairman, this assault makes a mockery of our Nation's core values—the opportunity to get a good education, and the opportunity to get ahead. Taking away the college loan interest subsidy, which the Government provides to students while they are in college, amounts to taking away the American dream from all but the privileged few. Nationwide, college costs will increase by an average of $5,000. Low- and middle-income students and their families just won't be able to foot this bill. In addition, these cuts in student aid threaten our future economic health and our global competitiveness. In a time when our country needs people who are more educated, not less, in order to compete in the global marketplace, this assault on our low- and middle-income families is also an assault on American's economic future.

Also, if we want to get people off welfare and into the work force, these cuts in education send us in the wrong direction. As a former welfare mother—able to work myself off welfare because I had a good education—I can tell you for sure that these cuts are just plain wrong.

Make no mistake about it, when Members of Congress cast their vote on this budget, they are providing their constituents with a clear "yes or no" answer to the following question: Should we take education and nutrition away from children; college aid away from students; and health care away from seniors in order to put money into the hands of wealthy special interests?

I beg my colleagues to answer with a resounding "no" by rejecting this budget.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from New

Jersey [Mr. FRANKS], a distinguished member of the Committee on the Budget.

Mr. FRANKS of New Jersey. Mr. Chairman, I yield to the gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. Mr. Chairman, I just noted the gentlewoman across the aisle was saying that there are no special lobbyists for the children, no powerful special lobbyists for the children back home. I know one man that is standing right here who is a powerful lobbyist for three young children in Kansas. I am here representing them, as many of my colleagues are. We are terribly concerned about them. That is why we are balancing the budget.

Mr. FRANKS of New Jersey. Mr. Chairman, this is the most expensive credit card in the history of the world. This card has been used by decades by politicians in Washington, DC, to buy things that we simply cannot afford.

In the process, we have accumulated deficit after deficit and piled up debt upon debt. The very children that we profess to be so deeply concerned about are the people who are being asked to pay off this enormous debt. The only answer to ending this deficit spending and to begin to pay down this enormous debt which is putting a burden on our children and on our families is to balance the budget.

Mr. Chairman, just like every American family who, when they have an important objective to meet, sit around the kitchen table and have to prioritize what is essential, identify what is important and talk about what they can do without, that great historic discussion begins for the first time in a generation right here right now.

Ladies and gentlemen, this is the time for a balanced budget.

Mr. SABO. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, one group of children that no Member here is lobbying for—and it is obvious we lobby for our own and our grandchildren—are the homeless children in the United States, numbering between 750,000 and 1 million on a daily basis. These are not children that caused the deficit. These are the children of parents who used to work and who do not anymore.

This program, which is very modest, has helped over 350,000 children since 1990. The number of homeless children not in school because of this program has dropped from 50 to 18 percent. Obviously it works.

A nation that believes that it is better to allow 750,000 to 1 million American children to grow up in shelters and on the streets and not to be in school has no reason to expect not to reap the whirlwind that growing up uneducated, unhealthy, and untrained will assure us. This program that costs so little and produces so much could only be eliminated by meanness.

It is a total transfer of the benefits for homeless children to the very rich who benefit from the tax cut.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Staten Island, NY [Ms. MOLINARI], a very hardworking member of the committee.

Ms. MOLINARI. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, let me just say what we have here today is a difference in definition between the two political parties as to the American dream.

The Democrats, as you hear, say it is OK to add to the deficit. Increase taxes, the Government will save the day Over the next 6 or 7 hours, we are going to hear from the other side, a picking out of small programs throughout this budget that we believe the country will absolutely fall apart if they are not continued to be funded.

What you will not hear in their American dream is how to balance the budget, how to restore economic equity to the next generation, how to positively bring back that vision of hope to Americans regardless of their age.

The Republicans, on the other hand, have defined the American dream, but we have gotten that definition from people who pay taxes throughout this country, who tell us to stop runaway spending, reduce the deficit, and balance the budget. "If you want to help our children, really help our children, let them grow up in an opportunity society that is debt-free."

That is how we discourage homeless children. That is how we increase educational opportunities. That is how me make sure that we in Washington do not define the American dream, but create an economy that allows the children and their parents throughout this Nation to feel, to dream, and to hope for a tomorrow that right now today, under the current Democrat spending plan of no new options, will lead them to one big dead end.

Mr. Chairman, I urge my colleagues and the people who are watching today to dare to dream the American dream and join in supporting the Republican budget.

Mr. SABO. Mr. Chairman, I yield myself 5 seconds.

The Republicans want to cut Medicare, Medicaid, education, and a host of programs to pay for a tax cut for the rich.

Mr. Chairman, I yield 2¾ minutes to the gentlewoman from Michigan [Ms. RIVERS], a distinguished new member of our committee who has been outstanding in her work.

Ms. RIVERS. Mr. Chairman, at the end of this month I will celebrate my 20th anniversary of graduation from high school. The next day I will celebrate my 20th anniversary of my marriage.

□ 1515

My husband and I got married the day after high school. I was 18; he was 17. At the time we were married we had few skills, little money, and a rough row to hoe. By the time we were 21 we had our second child. Today, 20 years later, I have an undergraduate degree, I have a law degree, and I represent my community in the people's House, the Congress of the United States.

What made the difference for me? What made the difference for me is what has made the difference for many, many Americans over the years, education, and an education was only available to me because there were student loans, because I could borrow money, because I could get a helping hand. It made all the difference. It still took me 15 years to get 7 years of education, but I would have been shut out had I not been able to ask for help.

And yet now we see a Republican plan that retreats from that position, that makes it harder to go to school, that makes it harder to get ahead.

Chairman KASICH mentioned the American dream. Mr. Chairman, I will tell you I have lived the American dream. I have done what countless others have done. I have worked hard, I have persevered. I have played by the rules, and now that I have walked through the doors of opportunity, I would like to see them kept open for others to follow.

I think it is a terrible hypocrisy for folks on the other side, particularly in the leadership, who have climbed the ladder and now wish to pull it up behind them. We need to say no to this budget and to make it clear that any retreat in student aid is unacceptable.

The CHAIRMAN. Let the Chair state that, before the time comes for the Joint Economic Committee's part of this debate, the gentleman from Ohio [Mr. KASICH] has 3½ minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 3 minutes 10 seconds remaining.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Just very quickly, Mr. Chairman, the previous speaker talked about the education of homeless children. What she is talking about is a program that funds an Office of Coordinator of Education for Homeless Children and Youth in the State educational agency. And in the functions of the Office of Coordinator, page after page of State plans, local education agency requirements. There is not one bit of program for homeless kids in here. It is a bureaucracy. It is a State agency, it is a coordinator. There are no programs in here.

Mr. SABO. Mr. Chairman, I yield 30 seconds to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I just wanted to respond to the gentleman from Arizona [Mr. KOLBE], because I have a report on the homeless in his own district.

There are 64 children right now in Amphi High School. Three earned a 4.0 grade average in 1992, another 5 GPA's at 3.5 or better. Ninety percent have improved their grades since entering the program.

None of the students served by the McKinney grant dropped out of the school in the first semester. We believe the success of these students is due to our policy of encouraging perfect attendance and academic excellence, as well as to the support they receive from the independent living class.

Mr. SABO. Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts [Mr. OLVER].

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

Mr. Chairman, if this resolution is adopted the Republicans are going to cut $4 billion every year for the next 7 years out of educational aid programs, and that is in addition, all up and down the line of education programs, and that is in addition to one of the biggest blows to education that you could make, and that is the $19 billion that is taken out of these in-school interest subsidies for our college students.

Who does that interest-subsidy removal hurt? Here is an example of someone in my district who depends on student aid. Her name is Theresa McGuire, a 34-year-old college student at North Adams State College in western Massachusetts. She is a single parent, the mother of a 7-year-old daughter. She left a low-paying, no-benefits, dead-end job to go back to school only when she knew she would be able to get that kind of financial aid. She now has a 4.0 grade point average. She is two semesters from her bachelor of arts. She is going to go on to graduate school. And she would manage to finish because she is almost finished anyway, but there are millions of others in positions like that who will not start or will find that their school is made considerably more expensive.

Mr. Chairman, why in the world would the Republicans focus on the getting-ahead opportunities for people like Theresa McGuire to pass a tax cut?

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SHAYS], a member of the Committee on the Budget.

Mr. SHAYS. I thank the gentleman for yielding time to me.

All my life I have wanted to serve in Government, whether it was as a civil servant or as an elected official, so it was a dream come true for me to have an opportunity to serve first as a State legislator and then as a Member of Congress.

When I was a State legislator and first elected I started to notice that Congress, unlike the States and unlike my State of Connecticut, could spend more than it raised. And I thought, well, they can do it but they will not. And I saw it happen one year, and I saw it happen another year, and I saw it happen another year. For 13 years I watched Congress spend more money than it raised. And I know who is hurt by that. It is all of the children who have to pay the bill.

So I saw my Congress spend more than it raised. And when I was in Congress, along with a number of others, I have been working and waiting for the opportunity to vote finally for a budget that will get our financial house in order.

Today I have this chance. I have waited 20 years for this day to get our financial house in order, and that is what we are doing and we are doing it fairly. We are going to take 7 years admittedly, but we are going to spend 19 percent more in the seventh year than we spend today. We are going to slow the growth in spending.

Only in Washington. I know no other place in the world, only in Washington is an increase in spending called a cut, only in Washington. Where else when you spend more do they call it a cut? I never found a place anywhere else but in Washington.

We are going to spend more. Admittedly domestic spending is going to go down, because we are going to downsize and we are going to reorganize it and provide better services in the process. International, foreign aid is going to go down; that is a cut. Defense spending is going to stay relatively the same.

But Medicare and Medicaid, they go up. Medicaid goes up 36 percent in the next 7 years, it goes up, it does not go down. I hear cuts. It goes up. It is $89 billion; it will be $121 billion. We are going to spend $33 billion more in the next 7 years than we spent in the last 7 years. That is a spending increase, maybe not as much as some people want, but it is not a cut.

But most importantly, we want to save Medicare. It is going bankrupt. We know from the President that in the next year it starts to go bankrupt and in 7 years it is bankrupt. We want to protect it and we want to improve it. We want to save Medicare. We are going to have a 45-percent increase in Medicare. That is a cut? Well, in Washington it might be, but nowhere else in the world.

We are going to spend $659 billion more in the next 7 years than in the last 7 years. Is that a cut? No. We are going to spend more. Only in Washington is an increase in spending called a cut, and I am fed up with it.

What we are doing today is we are having a sea of change. We are going to change the way Washington does things.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] has 1 minute and 10 seconds remaining during this part of the debate.

Mr. SABO. Mr. Chairman, if the minority does not object, I would like to yield 1 minute and 30 seconds to the gentlewoman from New York [Ms. VELÁZQUEZ], and we will take the 24 seconds out of the next hour.

Mr. KASICH. I do not know if we can be that reasonable.

The CHAIRMAN. By the sufferance of the Chair the gentlewoman from New York is recognized for 1 minute and 30 seconds.

Ms. VELÁZQUEZ. Mr. Chairman, we have heard a lot of rhetoric from the new majority this year. When it comes to this budget, they outdo themselves. They talk about saving our children and grandchildren. What they do is the exact opposite. They take Federal dollars away from our children to be able to give huge tax breaks to the wealthiest families in this country.

With a $7 billion cut in education and training programs, this budget will deny thousands of children their chance for a decent education and a brighter future. The only ones who have a brighter future under this budget plan are the wealthiest families in this country. They will get over $281 billion in tax breaks under this budget. There is no bright future for our kids in this budget.

Saving our kids means giving them new books, building them new and safer schools.

Let us stop the rhetoric, Mr. Chairman, and speak to the truth. The only savings that is going on here is in the tax bill for the rich.

The CHAIRMAN. Pursuant to the agreement entered into prior to the House going into the Committee of the Whole, the next hour will be devoted to a debate controlled by the members of the Joint Economic Committee. Under the rule, however, that time is controlled by the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO].

Mr. KASICH. Mr. Chairman, I ask unanimous consent to yield my 30 minutes to the gentleman from New Jersey [Mr. SAXTON] and that he be allowed to control the time.

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

There was no objection.

Mr. SABO. Mr. Chairman, I yield 30 minutes to the gentleman from California [Mr. STARK], and I ask unanimous consent that he be allowed to control that time.

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

There was no objection.

The CHAIRMAN. The gentleman from New Jersey [Mr. SAXTON] will be

recognized for 30 minutes, and the gentleman from California [Mr. STARK] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. KLOBE], a member of the Committee on the Budget.

Mr. KOLBE. Mr. Chairman, earlier the gentlewoman from New York [Ms. SLAUGHTER] was again talking about the office of coordinator of education for homeless children. Let me just read that sentence from the Department of Education's budget:

> This program provides formula grants to States to operate an Office of Coordinator of Education for Homeless Children and Youth and to develop and carry out a State plan for the education of homeless children.

The education comes out of Head Start, out of title I; it does not come out of this. We are talking about cutting out a bureaucracy. The tax cuts, we are going to be talking now about the tax part of this thing, go to take care of senior citizens and children, senior citizens and children, the next generation of Americans and that generation now which deserves our help, the senior citizens.

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

Mr. Chairman, the purpose of this hour of debate is to focus on the economic implications of the budget proposal before us. I believe that this debate today is truly a very historic debate, and to the extent that the Committee on the Budget has worked very diligently, I congratulate them on bringing us to this historic point. For the first time since the 1980's Congress is preparing to confront the tidal wave of red ink drowning our country's future. Listening to the prophets of doom, one comes away with the impression that balancing the budget is an exercise in group sacrifice, when in fact we believe it is just the opposite. Balance the budget is only painful if we accept the premise that every American is dependent upon the Federal Government. We reject that premise.

A true understanding of the economic rationale for balancing the budget is that by reducing spending we are freeing the economy from the burdens of the state. We are renewing the time-honored American values of independence, responsibility, and hard work.

However, we are faced with a dilemma. Do we once again attempt to balance the budget by hobbling the economy with higher taxes, or do we balance the budget in a manner consistent with economic prosperity? That is the big question, and I submit to my colleagues today that the American people told us last November to balance the budget in a way that makes the economy grow, and they told us to reduce taxes at the same time.

The American people understand that these two goals are consistent, and so it is essential for us to do both.

Why is it important to balance the budget with lower taxes? Because balanced budgets alone have limited power to unleash the competitive power of America's workers, which is the basis of our economic prosperity, not big Government.

□ 1530

The President and his administration have crowed about how wonderful this recovery has been. Let us take a minute to focus on the history of economic recoveries. Economic recoveries do what their name implies: They restore the economic performance of a poor economy to the economic performance of a good economy. Traditionally, during economic recoveries, productivity, incomes, and job growth are higher than the norm.

On the other hand, the current economic recovery has continued for several quarters. However, it has not created the prosperity of other economic recoveries. Far from it. In the first 3 years of the expansion of this recovery, real gross domestic product grew by less than half, less than half of the growth of GDPs in other recoveries. The Clinton recovery has been a failure in restoring productivity and in restoring incomes. Productivity grew by an average rate of about 3.1 percent in the two decades immediately following World War II. However, during the 1970's, productivity decreased alarmingly. Growth was again restored during the Reagan expansion. However, since President Reagan, productivity has declined to the level of the 1970's, which is totally unacceptable.

In the current recovery, productivity gains in the service sector, have, in fact, been negative. Incomes have also been flat in the current economic recovery. Real median income increases dropped in 1991, 1992, and 1993, unique, unique for a sustained expansion. The only other time in American history post-World War II when GDP grew and family incomes fell was in 1979 during the Carter administration.

The Clinton recovery also is not providing Americans with quality jobs. If real median family incomes are falling, this means that new jobs created by this recovery offer wages below the average.

What has the Clinton administration done to counter this trend? They have piled additional burdens on American families with higher taxes and more regulations. The major reason for stagnating incomes is that failure of the economy to provide adequate capital for a robust economy and robust economic growth. Net fixed investment ran about 5 percent of GDP in the 1980's, but has fallen to under 4 percent, 3.8 percent, to be more exact, today.

Economists have debated the reasons for the slowdown of investment, but they are almost unanimous in believing that it is the high taxes on capital income that is primarily responsible for lowering investment and subsequently lowering incomes.

When confronted with the positive steps made by the House with the Contract With America and now with this budget proposal, many of our friends across the aisle and down Pennsylvania Avenue have resorted to the timeworn class warfare arguments. The Secretary of Labor is a great example. Secretary Reich has labeled the problem of stagnating incomes the problems of the "anxious class." Unfortunately, the administration has not learned the lessons of the anxious class. The anxious class spoke in November 1994. They said they are afraid of a Government that takes a large portion of their income in taxes, a Government that spends money imprudently, a Government that regulates in capricious and cavalier manner, and they rejected it categorically.

The Clinton administration, in its economic report of the President, states that the economy cannot grow faster than 2.5 percent. Imagine, our administration, the current administration, stating to us that the economy cannot grow faster than 2.5 percent. They look at the experience of the 1970's and the early 1990's to buttress their claims that a faster growing economy will generate inflation. Real economic growth has stagnated in recent years. However, the postwar annual average of growth was 3.9 percent, almost 4 percent. The difference between the postwar real GDP rate of growth and the current real GDP rate of growth has been labeled by economists as the growth deficit.

I might point to this chart at this point and say that had growth continued as it should have, if taxes had been kept low and if regulations had been kept at a reasonable level, the red line indicates what GDP growth would be today, and, of course, the blue line represents what it actually is. Real economic growth has stagnated, and as we go through the postwar times and the 3.9 percent increase, if the economy had grown at the present postwar growth rate, the real GDP would be, and the difference here, of course, the deficit is $1.6 trillion.

Per capita GDP would be approximately $6,600 larger. A family of four, therefore, would have an annual income of and an additional $26,000. Pretty neat, it would have been.

Why can we not achieve the level of growth of the postwar years? Because the Government is taking too many resources away from the private sector to satisfy its ever-expanding appetite for more Government and the need for more tax dollars to support it. This is why balancing the budget is so important. It provides for the kind of economic growth that we need, and we

must contain Government spending to get it.

Government spending is clearly a negative for economic growth. Economists now understand that, as the Government grows too large, it destroys the necessary incentives for a healthy economy. From Moscow, Russia, to Moscow, ID, and from Paris, France, to Paris, TX, people understand that the size of Government today is the Government which is the biggest impediment to economic prosperity.

The party of the status quo on the other side of the aisle who are content to take shots at our budget without producing a real one of their own are resisting the people's desire for smaller Government and a stronger economy. They are even resorting to the highly unusual arguments like that of Laura Tyson, President Clinton's head economic adviser, who has said any effort to reduce Government spending means a dollar in reduction in demand in the economy, so it increases the contractionary risk on the economy. That statement is incredible, and it is so incredible that she must have meant, I think, something else. Clearly, all economists understand that the Government does not create wealth out of thin air. Rather they tax citizens for the resources using Government programs. If the Government does not spend tax dollars, citizens will use them for other, more productive purposes. If the Government, on the other hand, takes our dollars, it will take them away from citizens and their desire to do more productive things with them.

Rest assured that citizens will use their dollars much more prudently than Government bureaucrats will use their tax dollars for them. Controlling Government spending, then, will be an ambitious gain for the economy. Private entrepreneurs will have more incentives to take risks, to create jobs and prosperity, but not the Government, and we will all benefit from the fruits of the labor of the private sector.

Historically, we can see the effects on lower Government spending. As the Government got larger, the economy's real rate of growth slowed. The process we are initiating today is a historic process to restore America to a high-wage, high-growth economy. We are truly at a crossroads.

What about those who say the Government has certain functions that private markets cannot undertake? Well, first, we have been deluded too often to accept the arguments that the Government must do this or that task. Private markets are much more efficient than Government processes.

And, second, these people are thinking only in the short run. If we take the long-run perspective, we can see that by maximizing economic growth, we will maximize Government revenues, and actually we have a chart here that shows what happens when taxes are kept down. We actually get more revenue and more Government revenue from growth than under the current flawed system.

What about those who say that Government has functions to undertake? Well, we agree that it does. But to balance the budget, we will have other benefits as the economy responds to our efforts. Increased economic growth will make it easier for us to reform the tax system, and we are hearing more and more from citizens who are angry with the current tax system. They find it capricious and difficult to understand.

Economic growth will allow a more reasoned approach to taxation.

The economy loses many of its best and brightest careers that simply interpret the Tax Code. All the efforts of accountants and lawyers to understand the tax system are lost to the economy. They do not bring more revenue to the Treasury. They do not generate goods and services to make Americans wealthier or richer or better off. Rather, correctly understood, the time and expense to prepare tax forms is another form of taxation that reduces economic wealth. Reducing the burdens of the tax system will make Americans wealthier because it will free up these revenues as well.

The new ethic must take hold with regard to taxation. A long time, too long, we have focused on the debate, with the debate, on the impact of taxation on the distribution at static losses, a term we hear inside the beltway a great deal. We have ignored the dynamic harm done to every American worker by excessively taxing capital. Taxation reform must recognize that the prime determinant of wage growth is capital investment. We cannot help Americans to economic prosperity without reforming the tax system.

Also, we cannot allow this opportunity to pass, and the key to future tax reform is reducing the size of Government today. That is what our budget does.

The American voter wants a healthy economy. The American voter wants lower taxes. The American voter wants a smaller Government. We must restrain spending to reduce the deficit.

We are not reducing spending because we are masochists. Rather, we are reducing spending to enlarge opportunities for all Americans to produce economic growth. Reducing Government, reducing Government spending is the most positive thing we can do for the American people, for older Americans, for future generations, and for today's children. It is a win-win strategy.

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

Mr. STARK. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this is the hour allotted to the Joint Economic Committee. I thought it was train schedules for the Metro here. But I am going to explain that, as we learned in agricultural economics, that chicken droppings and chicken salad come from the same place, but there is, indeed, a world of difference between them.

The budget resolution, as propounded by my Republican friends, really has nothing to do with economics. It has to do with a little accounting sleight-of-hand, perhaps some legislative legerdemain, but certainly not economics.

It does represent massive redistribution from the elderly to the rich. Programs that benefit average Americans are cut, reduced, squeezed, whatever you want to call it, to provide huge tax breaks for the wealthiest people among us. Cuts to finance those breaks are made across the board, children's programs, Medicaid earned income tax credit, a whole host of credits, to given tax cuts to the rich.

Today, however, I would like to focus on the proposed cuts in just one area. Guess what, Medicare. The resolution would require us to cut $283 billion out of the Medicare Program. That is a big chunk of cut.

Now, the Republicans would like to pretend, and this is interesting, this is what economists do all the time, they pretend something is what it ain't. The Republicans would like to pretend that these are not really cuts, just reductions in the rate of growth.

□ 1545

Now, that argument is, in economic language, specious, misleading, and hypocritical. For the Social Security recipients, these proposals increase out-of-pocket costs while reducing availability and quality of medical services.

Now, the Republicans would make it sound as if Medicare costs rise over time because the program is growing, as if Congress is adding entitlements and new services, or paying higher reimbursement rates, or covering new categories of people. But none of those things are true. The truth is the Republican cuts would come out of the amount needed to keep benefits and rates at current levels. That is all.

In 2002 alone, payments for each senior will increase by over $1,000. That is economics that the seniors in my district understand. The increases in the Medicare premiums and deductibles seniors would pay are not even the whole story. These cuts that the Republicans are talking about would reduce seniors' access to health care and require new copayments for services such as lab tests, home health care, and skilled nursing facilities.

Seniors in California in my area would have to pay almost $1,500 more on the average for health care by the end of the 7th year. That is economics, ladies and gentlemen, that they can understand. Yet my Republican colleagues complain that the Government programs do not work.

The distinguished vice chairman of the Joint Economic Committee, the ranking Republican member, just said this is about independence, responsibility, and hard work. Hogs on ice are independent. There are a lot of responsible people out there, and certainly we all know about hard work after Speaker GINGRICH's 100 days.

But, these proposals do not illustrate any of that. They illustrate how you can destroy Government, if that is really what you want to do, and I submit that is what the Republicans are about. And these proposals illustrate how.

They take an effective program and cripple it. Last year much smaller Medicare cuts were proposed. The Republicans complained that any Medicare cuts, and that is the word you all used, you Republicans, you, would destroy the qualified and ability of care for seniors under the program. Given their objections to last year's proposed cuts, how can they possibly come back and justify larger cuts this year?

They have tried to hide their intentions about Medicare by claiming they are just trying to save the trust fund. Well, now, here is an economic term. The seniors will recognize that claim as baloney. That is Economics 102. The proposed Medicare cuts are much larger than are needed.

The only Republican proposal relating to Medicare so far that has passed this House actually makes the trust fund worse by repealing factions on high income elderly that were dedicated to the trust fund. That hardly seems like a good way to save the trust fund.

Last year, my colleagues on the Democratic side of the aisle proposed Medicare reforms that would have saved $168 billion over 7 years in the Medicare trust fund, and the Republicans, to the man and woman, voted against it. They argued that they wanted to support an amendment to strip the savings on the theory that they would ruin Medicare with the cuts. Now, if $168 billion was going to ruin it last year, $238 billion is going to knock the socks off it this year.

You have been treating, you Republicans, you, the specific details of that Medicare plan like it was the Stealth bomber plans, top secret. DORNAN could not have kept them more secret. They know that savings, you Republicans know, of the size that you are proposing, cannot be achieved without absolutely devastating the Medicare Program and placing new burdens on Social Security recipients.

No wonder you are nervous about revealing what you intend to do. But let me tell you, my friends on the other side of the aisle, here is a hint of what they have up their sleeves. Medical insurance, part B, that covers doctors payments, which is by the way financially solvent and does not need any cuts to maintain its solvency, the Republicans are planning to double the deductible that beneficiaries pay before Medicare reimburses them for their doctors bills. After doubling it, that is not enough, they are going to index it so that their payments do not keep up, but their co-pays keep up with inflation, and they go up every year, just to remind these seniors how tough they are when they raise the cost of Medicare every year for the next 7 years and on into the future. They plan to increase the premiums that Medicare enrollees must pay. And if that is not enough, they make the patients pay a bigger share of laboratory tests, home health care services, skilled nursing facilities, all those things that the seniors are going to need.

Here is the bottom line. Medicare patients will pay more upfront for their coverage, and if they get sick they are going to pay even more than that. No wonder you are not anxious to tell us what is hidden in that budget. These Medicare cuts will hurt. They will hurt beneficiaries, they will hurt the entire health care system, and ultimately hurt the economy. You knew I would get to it.

Our economy and society as a whole will be devastated. Hard-working Americans who paid Medicare taxes for years will find themselves without medical insurance they had been counting on. Confidence in that portion of Social Security will be undermined, and rightly so.

If you arbitrarily change a contract, renege on a deal, pull back on a promise to seniors that was made back in 1965, that we promised these workers, they will know you are reneging, they will know you are chintzy, they will know what your contract is. The health care system will suffer, especially in rural areas and inner cities. Hospitals will go bankrupt, rural health clinics and community health care centers will be forced to close, and medical care will be rationed and quality will decline. The overall economy will be harmed as those proposals slash Medicare and do nothing about rising health care costs, as the President has asked us to do.

We cannot continue to spend an ever increasing share of our national income, and that is an economic term, on health care. But cutting health insurance for seniors and the poor without reforming the system is unfair and unwise. And making these cuts in order to finance tax breaks for the wealthy just compounds the folly and exacerbates the existing divisions.

One more thing, just a word of advice. You are going to fix this by changing the CPI, aren't you? You are counting on that adjusting. Well, we have got a suggestion. If you really want to be tricky, and I see the good doctor sitting there, all we have to do is raise normal from 98.6 to 103 and we will save billions in Medicare. How would you like that? That makes about as much sense as the rest of this budget.

So I urge you to defeat the budget, save the seniors from the destruction of Medicare, and get on about the business of seeing this country build and grow as it has over the past several years.

Mr. SAXTON. Mr. Chairman, I yield 3½ minutes to the gentleman from Egan, IL, population 42 [Mr. MANZULLO].

Mr. MANZULLO. Mr. Chairman, this Republican budget is the first step toward balancing the budget and putting our Nation back on the path towards fiscal responsibility. We will reduce or eliminate programs that may sound nice on paper, but in reality throw away billions of hard-earned taxpayers' dollars every year. And we may eliminate some worthy programs for which there is simply no money, but without which this Nation can function.

We are approaching a national debt of $5 trillion, and each year we go into debt $200 billion more. This means $200 billion a year is added to the national debt. Today the tax rate for local, State, and Federal taxes is 50 percent. That means that a family with both husband and wife working, one spouse is working solely for taxes.

According to the Clinton administration's Office of Management and Budget, if we do not make dramatic changes in this country's fiscal policy, every child born after 1993 will pay between 84 and 94 percent of his or her income for local, State, and Federal taxes. That means out of an annual income of $30,000, a child will be left with only $1,800 to $2,100 after taxes each year on which to live. This is hardly the legacy we want to leave our children.

The findings of the Bipartisan Commission on Entitlements and Tax Reform show that absent policy changes, entitlement spending and interest on the national debt alone will consume all Federal revenues by the year 2012. That means no money for defense, no money for education, no money for roads and bridges, no money for law enforcement.

The Republicans propose a common sense solution to the deficit problem. Slow the growth of spending to about 2.2 percent a year so that revenues catch up with spending levels, which should occur by 2002. By reducing the deficit, the Nation will benefit in reduced interest rates, more employment, and a stronger economic climate.

The Medicare trustees, including those appointed by President Clinton, say that the Medicare Trust Fund will be out of money in 7 years. This means if something is not done to preserve Medicare by the year 2002, there will be no money to pay for seniors' medical expenses. To preserve and protect Medicare, the Republican budget puts it on

a road towards fiscal responsibility and puts us on a glide path towards a balanced budget.

Mr. Chairman, I urge my colleagues to vote for the Republican budget.

Mr. STARK. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. VISCLOSKY].

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

Mr. Chairman, I rise today in support of the Democratic coalition substitute budget resolution, and in opposition to the Republican proposal.

I believe that the time has come to balance the budget. This is what my constituents want because they know that the economic futures of their children and grandchildren depend on it. They want us to balance the budget in a way that is both fair and effective, and this is what the Democratic substitute would do.

The Democratic substitute is fair because it asks everyone, regardless of age or circumstance in life, to share the sacrifice for the benefit of the common good. Unlike the Republican plan, it does not transfer funding for social programs, that benefit the old and poor, to subsidize tax cuts for the rich.

Further, the Democratic coalition substitute will work. I am an original cosponsor of this measure because it takes a rational and responsible approach to balancing the budget. Not only does it restore sane spending priorities by adding back funding for education, health, and economic development programs, it also achieves a budget surplus in 2002 that is $500 million higher than that proposed in Mr. KASICH'S plan. Less pain with more gain—Why? Because this alternative resolution reaffirms the logic of achieving a balanced budget one step at a time. This means holding off on enacting expensive tax cuts, which require slashing vital programs, until we are well on our way to ensuring a healthy national economy that can be enjoyed by generations to come.

I have serious concerns about the approach taken by the Republican budget resolution. For example, the proposed two-step reconciliation process would delay the consideration of painful spending cuts, until after politically popular tax cuts have been given away. If the Republican majority is truly serious about including tax cuts in their proposal, they should make sure they have the money to pay for these cuts up front, not after the fact. It seems the new Republican majority has forgotten the old Republican rallying cry—"Cut Spending First." Balancing the budget is like curing a cold, the longer you put off swallowing bad-tasting medicine, the longer it takes to return to good health.

In addition, the Republican budget backloads deficit reduction until after the year 2000, when the spending cuts kick in and interest rates decline. In fact, nearly two-thirds of the deficit reduction in the Republican plan occurs in the final 3 years. This is an approach that was tested in the early 1980's under President Reagan and failed. When it came time to make the difficult cuts, they did not materialize. Remember, the 1980's was the decade when the debt tripled under Republican control of the White House. Therefore, as far as the effectiveness of the approach to deficit reduction is concerned, I would say, "Been there, done that, let's not do it again."

Finally, I am pleased that the coalition substitute includes enforcement language. In January, I supported a constitutional amendment to balance the budget for the first time because I finally lost faith that the President and the Congress have the resolve to balance the budget without a constitutional mandate. While this initiative failed, I still believe that we need to hold our feet to the fire and enforce our budgetary decisions.

Earlier this year, I introduced the Balanced Budget Enforcement Act of 1995, H.R. 1516, along with our colleagues, Representatives STENHOLM, DOOLEY, BARRETT, MINGE, and POSHARD. This legislation, which I cosponsored in the 102d and 103d Congresses when introduced by our former colleagues, Leon Panetta and Tim Penny, respectively, would enact tough, new measures to reform the budget process and eliminate the Federal budget deficit by the year 2002. It would do so by setting spending caps and using across-the-board cuts if the targets, set and evaluated by a nonpartisan Board of Estimates, aren't met. Yesterday, I asked the Rules Committee to allow me to offer sense-of-Congress language endorsing the approach embodied in H.R. 1516 as an amendment to the budget resolution. Unfortunately, this request was denied. In any event, I believe that this legislation needs to become central to debate on budget process reform later this year.

In closing, Mr. Chairman, I believe that balancing the budget is our responsibility as Members of Congress. I have always supported a balanced budget, and the responsibility to achieve this is not one that I take lightly. Over the years, I have frequently taken the political road less traveled in the name of deficit reduction. When I am in northwest Indiana, I tell my constituents that I am opposed to cutting their taxes because it would undermine serious efforts to reduce the deficit. In March, I was one of only six Democrats to support the rescissions bill, H.R. 1158, because I believe we need to start making tough spending decisions now.

Mr. STARK. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Minnesota [Mr. PETERSON].

Mr. PETERSON of Minnesota. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as a fiscal conservative who believes that it is critical that we put our fiscal house in order, I cannot tell you how much fun it is to participate in this debate today on how we should be balancing the budget instead of debating whether or not we should be balancing the budget.

I want to congratulate the other side and the gentleman from Ohio, Chairman KASICH, for helping to make this debate possible and for bringing a budget to the House floor which tackles many of the tough choices that we have to face. I also want to congratulate the gentleman from New York [Mr. SOLOMON] and the gentleman from Wisconsin [Mr. NEUMANN] for the proposal to balance the budget in 5 years.

Unfortunately, I cannot support the committee resolution as it is before us today. This resolution allows us to postpone and possibly even avoid the tough choices that we must make.

□ 1600

It calls for a very unusual process that allows us to make the politically popular and easy choices before we even consider the real spending cuts that are necessary to balance the budget. Even if we do not duck these tough choices, as this resolution allows us to do, the overwhelming majority of the spending cuts called for in this resolution will occur in the last 2 years.

I hope that the committee is right in its assumptions, but I am afraid that the savings that are supposed to occur in the last 2 years will not materialize and we will be left with a deficit that continues to drag down our economy.

Fortunately, Mr. Chairman, the House will have an opportunity to support a sensible and fiscally responsible alternative to the committee resolution when the coalition budget is offered as a substitute tomorrow. The coalition put together this alternative because the coalition members have long been committed to the goal of balancing the budget, but we believe that it must be done in a way that makes sense and will work.

The budget that we produced is a realistic proposal that does make sense. It achieves a balanced budget by the year 2002. It borrows $160 billion less than the committee resolution without making unreasonable cuts in vital programs. Unlike the committee resolution which backloads the deficit reduction in the last 2 years, the coalition budget cuts spending first and provides for a reasonable, level glide toward a balanced budget in the year 2002.

Mr. Chairman, if my colleagues have any reservations about the budget resolution before us today, I urge them to review the coalition budget carefully. I am confident that if they have done that, they will agree with me that the

coalition budget is the most sensible alternative before the House and deserve the support of all Members.

Mr. STARK. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I rise in very strong opposition to the proposal presented by the Republican leadership. At a time when this country has a very large deficit and a $4.7 trillion national debt, it is vulgar. It is crass to be giving huge tax breaks to the wealthiest people in this country and to the largest corporations.

It is unacceptable that half the tax breaks in this proposal go to people making $100,000 a year or more and that the wealthiest 1 percent will receive more in tax breaks than the bottom 60 percent. It is pathetic that at a time when the richest 1 percent of the population own more wealth than the bottom 90 percent and when the upper 4 percent of earners make more money than do the bottom 50 percent of earners, that taxpayers making over $200,000 a year receive a tax break of $11,000 while those making less than $30,000 receive a tax cut of $124. And the rich get richer, and everyone else gets poorer.

Mr. Chairman, it is especially outrageous to be talking about tax increases for the rich when we all know that it was the huge tax breaks for the richest 1 percent in the 1980's that was a major cause of the explosion of the deficit during that period. As a result of tax breaks given to the wealthiest 1 percent, the Treasury Department lost over $1.5 trillion between 1981 and 1992, 1.5 trillion in tax breaks to the richest 1 percent during the 1980's. And guess what in the 1990's? They are coming back for more tax breaks for the very same people. Shame.

Mr. Chairman, I rise in very strong opposition to this budget proposal presented by the Republican leadership.

At a time when this country has a very large deficit and a $4.7 trillion national debt, it is vulgar and it is crass to be giving huge tax breaks to the wealthiest people in this country and to the largest corporations.

It is unacceptable that half the tax breaks in this proposal go to people making $100,000 a year or more, and that the wealthiest 1 percent will receive more in tax breaks than the bottom 60 percent. It is pathetic that at a time when the richest 1 percent own more wealth than do the bottom 90 percent, and when the upper 4 percent of earners make more money than do the bottom 51 percent—that taxpayers making over $200,000 a year receive a tax break of more than $11,000, while those making less than $30,000 would receive a tax cut of $124. And the rich get richer and everyone else gets poorer.

Mr. Chairman, it is especially outrageous to be talking about any tax increase for the rich when we all know that it was huge tax breaks for the richest 1 percent in the 1980's that was a major cause of the explosion of the deficit during that period. As a result of tax breaks given to the wealthiest 1 percent, the Treasury Department lost over $1.5 trillion between 1981 and 1992—which is approximately half of the national debt that was accumulated during that period. Given the fact that the tax breaks provided to the wealthiest 1 percent is largely responsible for the deficit, why in God's name would we give them more tax breaks now.

Mr. Chairman, this Republican budget cuts taxes for the rich and the largest corporations, spends $92 billion more on the military over 7 years, and then makes devastating cuts for the middle class, for working people, for the elderly, for students, and for the poor.

Senior Citizens: At a time when many of our seniors are finding it extremely difficult to pay for their health care needs the Republican House budget calls for, over a 7-year period, a $282 billion cut in Medicare and a $184 billion cut in Medicaid. The American Association of Retired Persons [AARP] estimates that this proposal means that the average Medicare beneficiary would pay over $3,500 more out-of-pocket over the next 7 years. Further, Social Security will be cut by $24 billion from 1999 to 2002 due to a six-tenths of 1 percent reduction in the COLA formulation. Also, the LIHEAP fuel assistance program will be eliminated, and there will be a major cut-back in senior citizen housing. Such excellent senior programs as the Foster Grandparents Program, and RSVP will also be eliminated.

Education: While college costs are soaring, and many middle class families are experiencing declining incomes, the budget reduces student loans by $33 billion. According to the administration, the Republican plan to eliminate Government-paid interest on student loans while the student is in school would cost 4 million undergraduates more than $3,000 each during the course of a 4-year college career.

Further, the Republican budget would eliminate or drastically reduce funding for such important educational programs including Goals 2000, the TRIO Program, title I, School-To-Work, student incentive grants, Head Start and Safe and Drug-Free Schools—among others. There is little question that not only will these cuts be harmful to education, but they will result in higher State and local taxes.

Veterans: The bill passed by the House Budget Committee would, over a 7-year period, reduce veterans programs by $8.3 billion. The Senate Budget Committee proposal would reduce veterans benefits by $15.1 billion. Among other cuts would be an increase in the prescription drug copayment from $2 to $8. The House bill would also reduce the COLA on veterans compensation. It would also eliminate the Veterans Employment Program under the Job Partnership Training Act, the Disabled Veterans Outreach Program, the Local Veterans Employment Representative Program, and the homeless veterans reintegration project.

Workers: At a time when millions of American workers have lost their jobs because many American companies are downsizing, or moving to Mexico, this budget not only cuts back significantly on job training programs, but it eliminates unemployment insurance extended benefits. That means that unemployed workers would not get assistance after 13 weeks.

The poor: While poverty is increasing and the United States continues to have the highest rate of childhood poverty in the industrialized world, the Republican proposal cuts back on food stamps, child nutrition programs, childcare, affordable housing, WIC, and assistance to the homeless.

Culture: At a time when television is filled with more and more violence and junk, this budget eliminates funding for the Corporation for Public Broadcasting. It also eliminates funding for the National Endowment for the Arts which has been so effective in providing seed money for many excellent projects.

Should the United States move toward a balanced budget and address its $4.7 trillion national debt? Yes. Should we, at the same time, be giving huge tax breaks to the top 4 percent of earners who make more money than do the bottom 50 percent? No. Should we balance the budget on the backs of the middle-class and working people who are already hurting, and who are experiencing a decline in their standard of living? Absolutely not.

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

Mr. Chairman, could the gentleman from Minnesota [Mr. PETERSON] explain to me the difference between the budget program that you are suggesting and the one that the Republicans are proposing?

Mr. PETERSON of Minnesota. Mr. Chairman, will the gentleman yield?

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

Mr. PETERSON of Minnesota. Yes, I can. What we do is we basically start with the Domenici budget but what we do is we eliminate the tax cut. We take that money and reallocate it to Medicare. We add $109 billion back to Medicare. We add $54 billion back to the Medicaid from the Kasich budget. We add back $5.6 billion in agriculture cuts. We restore the student loan cuts. We add $35 billion into the education area and, I believe, $11 billion into the area of health research.

Mr. STARK. You take that tax cut for the very rich and invest it in the bedrock of the American economy, in students and farmers and in the growing economy of our country.

Mr. PETERSON of Minnesota. That is exactly right.

Mr. STARK. Mr. Chairman, that sounds very good to me.

Mr. PETERSON of Minnesota. Mr. Chairman, if the gentleman will continue to yield, I think that is the right way to go.

Mr. SAXTON. Mr. Chairman, I yield 3½ minutes to the gentleman from Pontiac, IL [Mr. EWING], a member of the Committee on the Budget.

Mr. EWING. Mr. Chairman, I rise in support of the budget resolution.

Mr. Chairman, there is something in this budget for everyone to dislike. That is probably what makes it an excellent budget. For instance, I come from rural America, from agricultural land. For instance, the budget will cut $9 billion over 5 years from agricultural commodity programs alone. This comes on top of major reductions in agricultural expenditures over the last several years.

These cuts will be painful. They will be painful for producers, for American farmers, for agribusiness people, for those who share an interest and an investment in the great industrial agricultural-industrial business of this country, as we struggle to compete with heavily subsidized European agriculture.

But once again, those of us from farm country are willing to step up to the block and help reduce the deficit. The difference is this time the cuts that have been made will not go to additional Government spending, as they were in past administrations. They will go to deficit reduction. If every other program in the Federal budget had been cut, as agriculture has over the last few years by the Democratic controlled Congress, we would not be here today debating how to balance the budget. But that is history.

I am glad that this budget finally forces all segments of this Government to meet their responsibility in balancing the budget. For the first time we are going to start controlling Government expenditures and guarantee that the deficit will be zero by the year 2002.

This is real fiscal responsibility, the kind of Government management that the American people called for in the last election, not what the last speakers have been talking about, social spending increases. It is about time we tackled the issue. For the first time the budget reverses the tax and spend policy of the other side of the aisle. There is no telling how fast our economy can grow when we turn it loose and quit strangling it.

What are some of the things that will come out of a balanced budget? Well, let us first of all talk about tax relief. Tax relief is not just for the wealthy. I am certainly not wealthy. I do not expect one dime of tax relief, but there will be a lot of tax relief for American families. That is better than the Government taking the money from them and spending it for them. And you are opposed to giving the families of America tax relief. I really cannot believe that.

Chairman Greenspan has said, what would come out of a balanced budget? Probably a 2-percent reduction in the interest rate. Well, I tell you, if you know anything about business or the economy, you know that is going to create jobs.

I would rather give American agriculture a 2-percent cut in interest rates than a bigger subsidy, and job creation.

Mr. STARK. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Chairman, the caring majority budget of the congressional black caucus and the House progressive caucus is concerned about the jobs necessary to keep our economy a robust economy. Our priorities are clear: education, job training and job creation. And in the budget that we have prepared, which is a balanced budget, we provide for jobs, education and job training.

The budget boldly sets forth investments in the activities which will keep our Nation prosperous at home and competitive in the global arena. And we do this by providing, first of all, a tax cut for hard-working Americans.

Our tax cut does go to all families. It does not favor the rich and the privileged. We invest more than $27 billion also over a 7-year period in education and job training by increasing function 500 by 25 percent. We protect major job creating functions. Other functions such as transportation, public works, commerce and health care are protected despite the pressure to make huge cuts.

We ensure that current services are continued for both Medicaid and Medicare. Medicaid and Medicare are fully maintained. We supported the President's position that Medicare and Medicaid should not be touched until we have a comprehensive health reform program.

We oppose all of the attempts to erode Social Security, including the extensions which will continue the COLA and have no cuts in the COLA. We advocate a more sane defense budget, a defense budget which offers a peace dividend to the taxpayers. These taxpayers have diligently supported the burden of massive modern military costs for years and years. Now we have no more Evil Empire. The Soviet Union is gone. Why do we have to continue to shoulder a massive military burden?

So our biggest cut is in the area of defense. Our biggest cut is where the money is. We maintain that although defense industries do create jobs, study after study has shown that you can create two jobs for every defense job that is created. With the dollars you spend, you can create two nondefense jobs.

So if you wanted to create jobs, you can create many more by spending them in other places, including, by the way, health care. Health care provides an enormous amount of jobs although the business of health care is not to provide jobs; it is to take care of people, but health care is a labor intensive industry and it does provide jobs.

In order for us to accomplish all of this and still have a balanced budget and have a balanced budget with minimum pain on families and individuals, we have focused on the closing of corporate tax loopholes. We have attempted to end the lopsided tax burden which has been forced upon wage earners via the personal income tax. Corporations used to shoulder as much as 39 percent of the responsibility for Federal revenue. Now the corporations only shoulder a mere 11.2 percent of the burden, and we are saying that we would like in this budget we propose to increase it to a modest 15.9 percent of the total tax burden.

By the way, individuals shoulder 44 percent of the total tax burden. We would like to change that and in the process of changing that, you will generate. That is the policy key to a balanced budget. If you must have a balanced budget, and we do not think you need to balance the budget by the year 2002, but if you wanted to move toward balanced budgets, then the way to do it is to correct the imbalance.

I have a chart here which shows that in 1943, 39.8 percent of the revenue burden was carried by corporate income taxes. In 1982, that dropped all the way down to 8 percent, from 39.8 percent all the way down to 8 percent in 1982.

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During the Reagan years, from 1982 all the way to the end of his Presidency, it hovered around 8 and 9 percent of the total tax burden. It did not begin to back up until later on.

If Members want to balance the budget, let us let the American people in on the great secret. They as individuals, the American people as individuals and as families, are bearing a greater and greater percentage of the tax burden, while corporations have been allowed to get off with more and more. Therefore, we are closing tax loopholes. Who is there who would not want to stop multinational corporations from taking advantage of our tax system? We want to end the multinational corporation swindle, and we want to close other loopholes. We can balance the budget without cutting Medicare, Medicaid, and without inflicting undue pain on numerous Americans.

Mr. SAXTON. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, there are, of course, many important issues we could debate with regard to this budget, including whether we will continue to saddle our children with debt, and whether an increase in the amount of money in a program, both totally and per beneficiary, is still going to be called a cut in Washington, DC.

Another important issue is the size of government, and how much government, both in taxing and spending, takes out of the economy. This is not just abstract political theory, but it is very practical about what really works to improve the lives of regular folks. It affects every person in this country.

We can see now the administration sees an economic slowdown coming and is ready to point the finger of blame at somebody else. As Stephen Moore pointed out in his book "government: America's Number One Growth Industry," the problem is very clear. He said:

The reason that America finds itself on an economic downward spiral is that today,

Washington, DC is taxing, spending, borrowing, mandating, decreeing, and regulating America to death. The private sector—businesses, entrepreneurs, investors, workers, and families—is slowly suffocating under the weight of a relentlessly expanding government.

Mr. Chairman, the resolution reported out by the Committee on the Budget and the Neumann budget are the first things in a very long time in this House that begin to deal with each of those things that Moore identifies. It deals with the taxing, spending, borrowing, mandating, decreeing, the regulating that is consuming so much of our national wealth.

If we look at the numbers, government at all levels consumes more than ever before. One study found about 42 percent of our national income is spent by government these days. Other facts about government are equally astonishing. Government at all levels spends about $24,000 for every household in America. With the $2.5 trillion that local, State, and Federal governments spend this year, you could buy all the farmland in the United States, plus all the assets of the Fortune 100 companies. There are more people working for the Government than are working for all the manufacturing industries combined.

The danger, I think, Mr. Chairman, is that we are on the verge of becoming what Margaret Thatcher called a nanny State, where the government takes too much from us to do too much for us. Even President Kennedy in 1962, in his address before the Economics Club of New York, said "The growth of the American economy in the 20th century demonstrates for all to see the power of freedom and the efficiency of free institutions." Yet those are the very things that have been under assault year after year as a result of the policies of this Government.

I think that for the first time in a long time, we are beginning to take power and responsibility away from Government, and give more power and more responsibility back to individuals. That is what is absolutely essential, in my view. We must also reduce the size of Government. The President is fond of pointing out how he is making drastic reductions in Federal employment, but if we look at the numbers and take out one department, the Department of Defense, we will find out that even President Clinton's target is some 40 percent more than the Federal work force at the time of President Kennedy.

Mr. Chairman, I think it is absolutely necessary that we stop adding debt to our children. It is also necessary that while we are straightening out the national budget, we straighten out the family budget as well.

Mr. STARK. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, the Republican budget says two things to the American public: Don't get sick and don't get old.

The Republican budget would cut Medicare by $280 billion over 7 years. To those who say this does not represent a real cut, I suggest they argue those semantics with senior citizens who will have to pay $1,000 more in extra Medicare premiums, deductibles, and copayments under the budget. I advise them to make that argument when seniors can not find a doctor to treat them because Medicare pays providers less and less. I will ask them to explain to my constituents why a Medicare cut three times bigger than any reduction ever enacted in the history of program does not represent real pain for senior citizens.

Let us not hide the facts. The Medicare cuts in the budget could decimate the only universal, portable health coverage we have in this country. When you combine these cuts with steep reductions in Medicaid's coverage for nursing homes, the budget offers seniors a bitter pill to swallow.

Some have said that these cuts are needed to save Medicare. America knows better. The same budget that cuts Medicare by $280 would also enact $345 billion in tax breaks for the wealthy. This is not a fair trade for our Nation's seniors.

Mr. Chairman, I have taken the tough votes to keep Medicare solvent and strong. In 1993, I voted to extend the solvency of Medicare by 3 years, and last year I voted in committee to extend the trust funds an additional 8 years. Both times not even one of my friends from the other side of the aisle joined with me in protecting Medicare.

I remain committed to ensuring the solvency of Medicare, but let's do this the right way. Senior citizens should not be forced to accept Medicare cuts to enact tax breaks for the wealthy.

Mr. SAXTON. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. SANFORD].

Mr. SANFORD. Mr. Chairman, I was going to discuss the short-term outlook for the U.S. economy. Unfortunately, time will not permit much detail, but I would also like to address Laura D'Andrea Tyson's recent statement that budget cuts pose significant downside risks to our economy.

I think this shows an antiquated notion that the more Government spends, the better off our economy. This does not seem consistent with what we have seen over the last 30 years. It also does not recognize what Government fundamentally does: Government redistributes wealth, it does not create it.

There are three real threats in the near term to our economy. First would be the possibility that Congress does not act seriously on the budget deficit that is facing us; second, that Japan resolves the run-up of its currency to our detriment; and third, that a trade war ensues between America and Japan. Let us explore all three for just a few moments.

First, our Nation's budget deficit is the biggest threat to our economy. I think that for several reasons. First, if we were to look on relative terms, the ratio of public debt to gross domestic product that our Nation is facing right now is the highest that our Nation has ever faced. Second, a child born in America today will end up paying $187,000 in interest costs over the course of their lifetime, simply as their share of past Federal spending.

Third, it is simple math. The standard of living is directly driven by productivity, which is driven by investment, which is driven by savings. The larger the Government share of the economy, the smaller the personal savings will be, and there will be less money for investment.

The second near-term threat would be the international value of our currency. I think there are two grave dangers on this front. One is that almost anything that Japan does in the near term to correct its over-valued currency will hurt our economy.

At 75 yen to the dollar, Japan's gross domestic product [GDP] equals America's GDP. That clearly does not make sense. It is unsustainable, and will change. The only question is when.

Second, the risk of losing reserve currency status. If the Asian central banks were to use gold as a reserve asset instead of the dollar, or simply to decrease their dollar holdings, I think it would have very damaging consequences for the American economy.

Finally, I think the third risk facing us is the possibility of a trade war with Japan. I think we ultimately would be the ones most affected by this, because any escalation of global tariffs would especially hurt the largest trader in the world, which is the United States.

Specifically, I do not think that Japan is the problem. The problem facing our economy is a tax system that rewards consumption over savings and investment.

Mr. STARK. Mr. Chairman, I yield 1½ minutes to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Chairman, I think all of us in this Chamber and across the country agree that the American deficit has reached critical and, of course, historic proportions, and that the No. 1 task before this body is to determine the course of action that is necessary to bring us out of the deficit and address the debt that still lingers, and to do so forthrightly.

One of the tragedies we have faced in this country is that we have even masked the true size of the debt and deficit. We have used the Social Security cash flow surplus for that purpose. We need to have a budget that actually discloses the true size of the deficit, which would currently be approximately another $70 billion. Then we

need to decide what course of action will indeed bring us out of this tragic situation.

I think that it may be idealistic, Pollyannaistic, to think we can get together and do this on a bipartisan basis, but we ought to. The American people are not looking for partisan answers. The American people are not asking what is the Democrat plan, what is the Republican plan, what is the President's plan. They are asking "What is a plan that will work for us? What is a plan that will allow us to continue to grow our economy, to invest in our children, to invest in education, and eliminate this millstone around the necks of our economy and those of us as individuals?"

I submit that a plan of this type has been submitted by the Democratic coalition.

Mr. STARK. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from California [Mr. STARK], is recognized for 2½ minutes.

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

Mr. STARK. I yield to the gentleman from Mississippi, and perhaps I could engage my distinguished ranking senior vice chairman in this colloquy for the minute or two remaining on our side.

Mr. TAYLOR of Mississippi. Mr. Chairman, let me begin by saying that I am very much in agreement with the fact that we have to balance the budget and balance it soon. I really resent, however, speaker after speaker coming to the podium telling people what a terrible Nation we have. This Nation saved the world from Hitler. This Nations saved the world from the imperial Japanese. This Nation saved the world from communism. This Nation saved the world, and all of it has a cost.

The gentleman from New Jersey [Mr. SAXTON], in his statements, said we would be much better off if we privatize everything. I am not in total disagreement that we ought to privatize some things. However, is it not realistic that the biggest expense to this Nation is the combined Medicare-Medicaid? The next biggest expense is national defense. The third largest expense is interest on the national debt.

I would ask the gentleman from New Jersey, which of those things would he privatize, because we have just gobbled up almost 70 percent of the budget.

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

Mr. STARK. I yield to the gentleman from New Jersey to respond.

Mr. SAXTON. First of all, Mr. Chairman, it was the gentleman's assumption, or maybe he heard me say we would privatize everything. I do not recall saying that. I do not think I did. Obviously, I would not privatize national defense, nor does our budget pretend to do so. We do not privatize Medicare or Medicaid. As a matter of fact, it continues to grow under our program, as a very important part of our budget and our program. In fact, it grows from an average benefit of $4,600 per recipient to $6,300 per recipient.

□ 1630

Mr. STARK. The gentleman is close to being correct as he usually is.

Mr. SAXTON. We really do not propose to do the things that the gentleman has suggested.

Mr. STARK. Reclaiming my time, the gentleman is close to being accurate as he usually is on economic matters, but when it comes to discussing the privatization of Medicare, he is wrong.

The secret document wants to offer vouchers which will make it difficult for your parents and mine and the average elderly to purchase health care. It is a step toward privatization, perhaps dressed in some kind of economic clothes that neither of us understand if that is the case.

I want to thank the gentleman from Mississippi for bringing out that privatization is not the end all and be all to economic growth.

I would like to ask the distinguished gentleman from New York if the budget that is generally described as the Black Caucus budget is not a product of the same group that year after year has brought us a budget that has tried to be sensible about defense, has held back tax cuts to the very rich while concerning itself with children, with education, with investment and research for health care, with the things that have made this country great, indeed, the things that create wealth in this country only through Government.

If you could tell me where Lockheed or Martin Marietta gets any money to create wealth except through Uncle Sam, I think I miss my guess.

I ask the gentleman from New York [Mr. OWENS], is your budget balanced in the long run and if so how long?

Mr. OWENS. Mr. Chairman, if the gentleman will yield, our budget is balanced——

The CHAIRMAN. All time for the gentleman from California [Mr. STARK] has expired. The gentleman from New Jersey [Mr. SAXTON] has 2 minutes left.

Mr. SAXTON. Mr. Chairman, I yield the final 2 minutes of our time to the gentleman from Iowa [Mr. GANSKE], the doctor, who would like to discuss the subject that the gentleman from Mississippi [Mr. TAYLOR] brought up, Medicare and the Republican proposal to make it grow.

Mr. GANSKE. Mr. Speaker, there will be much talk about the Republican budget cutting Medicare and how Republicans do not care about Medicare recipients.

Well, I am a Republican and a physician and I care deeply about providing quality care for the elderly and about balancing the budget.

The Medicare trust fund will be broke in the year 2002. Here is the trustees' report. Let me read from page 13. "The Medicare program is clearly unsustainable in its present form."

Page 14. The trustees say, "We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed."

What is the option the Democrats are proposing? Should we let the system go bankrupt in 2002? If we do that, we will have to increase the Medicare tax from 2.9 to 9 percent. If we don't control over 10 percent annual increases in Medicare growth, it does not take a neurosurgeon to figure out that in 30 years we will be spending the entire Federal budget on health care.

As a member of the Subcommittee on Health and Environment of the Committee on Commerce, I look forward to working with my Democratic and Republican colleagues. It will take some short-term solutions and some long-term fundamental changes, but we need to look at this. But the facts of this report and the compounding of interest on our national debt mean that if we diet now, we will be healthier tomorrow. If we continue the status quo, we will have a heart attack tomorrow. Let me quote President Clinton.

President Clinton has said:

> Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. So, you know, only in Washington do people believe that no one can get by on twice the rate of inflation. So when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid.

Mr. Chairman, I care about my Medicare patients, and I want to make sure they have Medicare.

The CHAIRMAN. All time yielded to the Joint Economic Committee has expired.

The gentleman from Ohio [Mr. KASICH] has 120 minutes of debate time remaining. The gentleman from Minnesota [Mr. SABO] has 119 minutes 40 seconds remaining.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, we want to kind of give Members a little background on how we put this together. As I pointed out earlier in the debate, we are going to go from $9.4 trillion spent over the last 7 years to $11.9 trillion. As you can tell, that is an increase in spending over the last 7 years, and if, in fact, we had stayed a course to the $13 trillion, folks, we would be very, very pessimistic about the long-term economic health of this country.

One of the things that we tried to do is to slow the growth of entitlement programs. Many people watching on

TV, and trying to figure out what is this all about, keep hearing about cuts in all these entitlements.

What you have to understand is in Washington if something does not go up as fast as somebody thinks it ought to go up, it is a cut.

I want to tell you an interesting, illustrative story about an interview I had with a reporter. The reporter said, "Well, Mr. KASICH, how do you define a cut and how do you define an increase?"

I said, "Well, let me put it to you in these terms, and you ought to take some notes on this. If, in fact, I get more money this year than I got last year, that is an increase, and if I get less money this year than I got last year, we are going to call that a cut, and if I get the same amount of money this year as I got last year, let's call that a freeze."

Now, I said, that is the way it works back in Westerville. A cut means less, an increase means more, and a freeze is a freeze.

In entitlement spending, we are going to go from $4.5 to $6.4 trillion. Folks, you can see the blocks. It is an increase.

Medicare is going to go from about $890 billion to $1.6 trillion. That is an increase.

What we have attempted to do in this budget is to slow the increase in many of these entitlement programs. In other words, when you take all the entitlement programs of the Federal Government over the next 7 years, we will have to design entitlement programs that will serve the public by spending almost $6.5 trillion.

When I go home and ask people, "Do you think we can design the entitlement programs to spend $6.5 trillion?" they say, "Well, yeah, but why are you spending $6.5 trillion? Why are you spending so much?"

Down here in Washington if you say you are spending $6.5 trillion, they say you are cutting somebody.

People tell me on buses, on airplanes, in the gymnasium, "JOHN, why can't we get the language right? Why can't we describe this appropriately?"

Mr. Chairman, what we are doing in these entitlement programs, except for agriculture, is that we are going to spend more, far more than what we spent over the last 7 years, but we have to do it because we have people in need and we are trying to redesign the programs.

In the case of Medicare, which we will discuss later, we are saving it. If we grow Medicare at the rate that it is currently going, it goes bankrupt. Medicare will go bankrupt. So what we are attempting to do is to study the experience in the private sector. Many companies were going bankrupt. They could not control their health care costs.

What we have done is, we have said that we are going to slow the growth in Medicare because if we do not, it will go bankrupt in 7 years. In fact, we will be able to go, under our plan, from $4,800 per recipient to $6,400 per percipient over the next 7 years. They call this a cut. $4,800 to $6,400, they say you are cutting spending.

The big chart shows that we are going to go from $924 billion to almost $1.6 trillion. They want to grow it to $1.8 trillion, which will bankrupt the system, and by us going from $924 billion to $1.5 trillion, they call that a cut.

If you are out in America and you are scratching your head about these numbers, you have a right to, because we are not cutting entitlements. We are growing entitlements at a somewhat slower rate.

In the area of discretionary spending, those are the nonentitlement programs. By the way, if we can control those entitlements, we will not be robbing from children's futures in this country.

Let me tell you about some of our programs here on the discretionary side: One hundred and sixty-three separate job training programs; 23 separate programs to prevent child abuse; 8 separate programs dealing with child care; 7 separate child nutrition programs; 42 separate programs to give health professionals education; 300 separate economic development agencies; 71 departments and agencies duplicating the function of Commerce. That is why we eliminate the Commerce Department. Nine agencies promoting trade.

All this excess, all this duplication and bureaucracy and excess, and guess what? You have to pay for it. It is not right that you are paying for those programs.

What we do is, we consolidate, we eliminate, we send some back to the States, we privatize others. What we do is, we slow the total growth in spending in this country to an increase of about $2 trillion.

Mr. Chairman, the simple fact of the matter is that by consolidating all those programs, by slowing the growth of entitlement programs, it is a modest program, ladies and gentlemen, we will save America. Just that simple.

If we do not do it, if we continue to grow at the current rate and let all the bureaucracy continue and let the entitlements shoot out through the roof, we are taking from the children, denying them a future.

I think we can live with this. You want to know something? So do the American people. That is why Members of Congress are getting such support for the plan that we present, and at this point we are going to give a little more detail to lay this out for you.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Chairman, I appreciate the opportunity to address the House on the impact of this budget in the health area, particularly when it comes to Medicaid and Medicare.

Mr. Chairman, I want to point out to the previous speaker and others who these Medicare recipients are. They are not rich people. Over three-fourths of them have incomes less than $25,000. They are people who are dependent on their Social Security checks. Thirty percent of older Americans rely on Social Security for some 80 percent of their incomes. A majority of older Americans rely on Social Security for at least half of their income.

If this Republican budget is adopted, the typical Medicare beneficiary is going to see almost 50 percent of their Social Security cost-of-living increases eaten up by increased Medicare cost sharing and premiums by the year 2002. Two million Americans who are on the Medicare Program would lose their whole cost of living increase under Social Security simply to pay their additional Medicare costs as a result of this budget.

Are my Republican colleagues going to say to their constituents, that is not really a cut in their Social Security check? Are they going to argue then that even though the cost of living has gone up and their Social Security check has not, that they are not worse off?

There is something else about the Medicare beneficiaries that our Republican colleagues seem to forget. They are people who need a lot of health care. That is particularly true the older they get. When they get old and when they get sick, insurance companies do not seem to want them.

The fastest growing group of Medicare beneficiaries are people over 85 years of age, the disabled, and people with end stage renal disease. No wonder Medicare expenditures are growing. It costs money to be sick.

They also seem to forget that people on Medicare pay a lot for their health care right now. The average elderly household pays 12 percent of its income for health care right now, and that is over 3 times as much as younger families pay. They pay Medicare premiums and deductibles, Medigap premiums. They pay for prescription drugs which are not covered under Medicare, and they spend about $2,750 out of pocket right now. Yet this budget will require them to pay more.

□ 1645

A Medicare beneficiary will have to pay nearly $1,000 dollars more out of pocket for their Medicare services in 2002 and over the life of this budget. Medicare beneficiaries are going to help balance the budget by coughing up some $3,500 in extra dollars to pay for their Medicare services.

This budget is very bad news for these people. I urge its rejection.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Michigan [Ms. LYNN RIVERS], a distinguished member of our committee.

Ms. RIVERS. Mr. Chairman, throughout the course of the discussion today we have seen many attempts to explain away the concerns that are being raised about the cuts in Medicare and programs for children and students. We have seen a variety of facts and figures produced to explain why these issues really should not count. And we have been accused of using demagogery to make our point.

We have also heard over and over again about only in Washington can this happen or that happen and what the American people will support.

I decided that it was important not to speak as someone from Washington, but to let the American people speak themselves. This is a portion of the mail I have received on one of the cuts currently in the proposal which would eliminate home heating subsidies for older people and low-income people. This is what some folks in my district had to say about that.

One woman said,

I feel sorry for all older people. Its too bad that we have to live so long.

Another person writes that they will not be able to pay for their necessities.

For God's sake, please don't stop this. I am disabled senior citizen of 73. I only make $462 in Social Security and $16 a month in SSI. Seems like people on Capitol Hill really don't care about us poor people. They are trying to put us into homelessness or make us commit suicide.

A woman writes,

The money I receive for my home heating credit helps me buy my pills for my heart and then I won't skip them. I can take my pills every day.

Another person writes,

I have to cut back even further on my $546 monthly income. I'm 91 and use more heat than others. I just had a severe heart attack.

Another woman writes,

People like myself, senior citizens, will suffer greatly. The winters in Michigan are very hard on disabled, old and the sick.

She is 97.

One senior writes,

Being seniors you have to stay warm with less heat. As you get older, it gets colder.

Another person writes,

We will have another drop in our living standard and the bottom is coming up fast. Please do not eliminate these services.

Another person writes,

I will be facing another severe hardship on top of the present one. Can you imagine my wife and I getting $695 a month and paying $335 to our HAP alone. Buying our medicine and as little food as possible to survive and we cannot afford any luxuries whatsoever and are unable to pay our utility and other necessary bills. We did work hard all our lives and helped pay into the system. So please help us help ourselves. Just help us to survive the rest of our lives.

Last, someone writes,

We come very short on our money during the winter. Our only source of income is my husband's Social Security disability. I think the Republicans have gone too far to help the rich.

Mr. Chairman, I would have to agree.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman for yielding time to me, and I thank the gentleman from Minnesota who has provided such leadership on our side on this.

This is about promises made and promises broken, and I think that we really have to look at the very core of what we are talking about. It must be confusing to people, because people are trying to make out like we are not for balancing the budget. Yes, we are. We worried about the deficit. We started this whole deficit reduction last year all by ourselves.

But the question is how do you balance the budget, and who do you cut in getting to balance that budget.

I want to ask you to show me one American family where they come to the table to put together their budget and they decide that they are going to cut the kids and they are going to cut the elderly and they are going to cut the infirm so they can give more money from the family budget to those who are doing really well already. As I said, that is socialism for the rich. That is the dysfunctional family. That is not American values, and yet, that is what we are doing in this budget that is in front of us.

I brought Stephanie Clark along. She is from Denver. Stephanie Clark is very excited. Because of student loans she is finally graduating this year from CU Denver and she had hoped to be able to go on to Americorps. Guess what? Americorps is going away, and student loans are going to be severely impacted.

This is our future. These are the people who want to learn how to fish; they do not want to be given a fish, but they need help to get there.

As we look at this budget and we see that we cannot get a commitment on cutting back a lot of the benefits that business had, even the $25 billion that they have in the budget to take it out of the tax pennies for the rich, guess what, the committee is saying they will not do it.

As we look at all of the other things that are in there that are not being touched, because there are big, powerful people protecting those pet rocks, the people we are going after are the Stephanie Clarks of Denver, we are going after the elderly on Medicare who thought they had a Contract With America already. And we are going after the most vulnerable.

I keep coming back to the same old thing. You do not attack your most vulnerable. Either we are a community or a bunch of isolated individuals, which I hope we are not, or we are a community of a country that reaches out and tries to help each other through some sort of shared ethic. That is what it is about.

Mr. WAXMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. Of course I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentlewoman for her statement which talks about Medicare. But there is Medicare and Medicaid and our poorest of the poor are on the Medicaid Program. In fact most of the people on Medicaid are children, but most of the money goes to the elderly in nursing homes. That program is going to be devastated, it is going to be devastated, it is going to be blockgranted and cut in the amount that will go to the States.

But I just recall hearing from Edna Ferris, who talked to us at a conference on Monday. She talked about how they struggled with her husband who had Alzheimer's, she tried to keep him home as long as she could. When she could not manage it anymore, she looked to the Medicaid Program to help pay for the nursing home costs, which can be $35,000 a year, and more, and she did not have that money. So she went on Medicaid and the Medicaid Program kept her from being impoverished, allowed her to keep some of their money so she could live at home. If she had no Medicaid to protect her, all of her resources would have gone to that nursing-home care, and maybe her husband would not have been able to get in the nursing home because they are not going to take somebody for free.

So these programs help the most vulnerable in our population, and we should not forget that.

Mrs. SCHROEDER. The gentleman is absolutely correct. I just did a talk radio show where I talked to a woman who had adopted three medically dependent children and desperately needed Medicaid to help her, and I pointed out that was cheaper than institutionalization.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. LAZIO], a distinguished member of the Committee on the Budget.

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

Mr. LAZIO of New York. I yield to the gentleman from Arizona.

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

We have been looking at pictures here, and I just want to show this picture here. This is Ari Cowen. His father is one of our budget staff people. Ari is a 3-year-old. This to me is what this is all about. This is the young generation we are talking about saving America for and being sure that they have a balanced budget.

And just before we resumed this part of the debate I was back in the back talking to the pages, and I think of the young people like Abby Moon from Ohio and Vanessa Ruggles, Nick Ryan, Tammy Brewer, Nancy Brim from my own hometown, this is the young generation that we are talking about. This is what we are talking about saving America for. Let us not forget that.

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

Mr. LAZIO of New York. I yield to the distinguished gentleman from Connecticut.

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

The distinguished gentleman from California talked about Medicare. We want to save Medicare. We do not want it to go bankrupt. It starts to go bankrupt next year, and in 7 years it is bankrupt, and the Congressional Budget Office said in the next 3 years after we spend more on Medicare than they do, because their fund runs out, Medicare Part A. This is the Democratic plan to solve and resolve the Medicare trust fund problem. It is a blank sheet. That is their plan.

And the gentlewoman from Colorado talks about she wants to balance the budget. She voted against the balanced budget amendment. My only question is if she wants to balance the budget, when, and how.

Mr. LAZIO of New York. The gentleman is correct, that my colleagues on the other side, whom I respect and in many cases admire, have had plenty of opportunities to move toward a balanced budget. They had an opportunity to vote for a balanced budget amendment and voted against it because they said there were not enough specifics. Then they were given the specifics and they said these were the wrong specifics. Then I began to be lectured as a dad who has two small children, two preschool children, Molly and Kelsey. I do not have a picture of my children here. Maybe I should have brought one, but you know this blank easel next to me should be for all of the children we are trying to save here today.

These are two of the most important days that I think I will have in my service in Congress, and I believe deeply in what I am doing here. I believe deeply because I want to be able to go back and tuck my kids in bed at night and say to them they are going to have a better future, we are not going to pass the buck, we are not going to punt, we are not going to get involved in political demagoguery. We are going to do the right thing. Republicans know it and Democrats know it. The debt is out of control. It erodes the ability for the next generation to have hope. It erodes their ability to have a sense of opportunity. We are doing something about it right now.

I really invite my colleagues on the other side who are bent on name-calling and lecturing about compassion to reevaluate their sense of compassion. What compassion is there when we are spending today billions of dollars that the next generation has got to pay back. What compassion is it when we cannot provide an opportunity for the next generation, when they cannot go to school and they cannot find a job after they go to school because they are so burdened with debt that there are no jobs left.

So, I really beseech my colleagues on the other side, who I respect, do not lecture us about compassion, because I think it is misplaced.

Mr. Chairman, I rise today as a proud member of the House Budget Committee, but more importantly, I rise as the proud father of two young daughters, Molly and Kelsey. More than anything else in the world, I want to ensure that my two daughters have the opportunities that past generations of Americans have enjoyed and that they are not burdened by the shortsightedness of this body.

For reasons that my children, who are 2 and 3 years old, are still too young to realize, our actions today will have a profound effect on their future. America has always been known as the land of hope and opportunity. This is what I ask for my children and therefore ask my colleagues to think toward the future when they cast their votes on the budgets before the House.

As members of this body we have a moral imperative to pass this resolution and balance the budget. Without it our children will face uncertain futures in which they will face unimaginable obstacles. The late Senator J. William Fullbright once said, "A nation's budget is full of moral implications; it tells what a society cares about and what it does not care about; it tells what its values are." With this vote, we send a strong moral message that the status quo is unacceptable, a $4.8 trillion debt is unacceptable, annual deficits close to $200 billion are unacceptable, and it is unacceptable for Congress to continue running from these problems without consideration for America's future. This budget represents hope, opportunity, and a positive vision for the future.

The budget we reported from the Budget Committee last week represents a historic change in the direction our country is headed. It moves us from the path of increasing debt and inefficient, big centralized government toward a government that is smaller, more decentralized and efficient and a country that will be more productive, with a higher rate of net savings and a higher standard of living. It is a budget that outlines a positive future for our country, a future filled with hope and opportunity. We cannot continue on our current spending binge.

The public debt now totals almost $4.8 trillion—about $19,000 for every man, woman and child in the United States. A large part of our taxes go to the interest payments on this debt, $235 billion—$643 million per day—this year alone. Interest payments on the Federal debt are behind only Social Security and National Defense as the third largest single expenditure in this budget. By 1997, Americans could be paying more for the debt than for defense.

Without the spending changes in this budget, the national debt is projected to reach almost $7.5 trillion by the year 2005, with interest payments of $412 billion. Unless we control spending now, servicing the national debt will crowd out all other priorities in the Federal budget.

Last fall the American people made a choice and gave Republicans a majority in Congress. They did so because they did not want the status quo, they wanted responsible, positive change. Most of all, they wanted Congress to quit ducking the tough issues and to take action. This budget fulfills our promise to provide that positive, responsible change.

Unfortunately, when the President submitted his budget this year, he punted, ducking all the tough choices.

My friends on the other side of the aisle who opposed the constitutional amendment to balance the budget said they agreed with the goal, but they did not want to change the Constitution to force balanced budget. Faced with a budget that will be balanced, these same Democrats say they do not like it. It is now clear that Democrats who opposed the balanced budget amendment really opposed balanced budgets period.

Out budget tackles the tough issues head on. Our budget problems will not go away. In fact, each year we avoid making tough choices, they get even more difficult.

While the committee's budget is tough, it also is fair. Overall, Federal spending will continue to increase, but the rate of growth will slow to allow revenues to catch up. Every part of the country is affected. No group or program is unaffected. It affects our urban areas, as well as our rural areas.

The critics will say the public will not accept it. Those critics are wrong. The American people are prepared for change as long as they know it was fairly and thoughtfully arrived at by their elected representatives. They are willing to put up with these changes because they know in the long run the changes are necessary to ensure the American dream—that each generation will do better than their parents, that America will remain the land of hope and opportunity.

This budget plan will make this country stronger for our generation, and for generations to come. A balanced budget will produce lower interest rates, higher productivity, improved purchasing power, reduced inflation, and accelerated long-term growth. With this proposal, we are setting the stage for a higher standard of living for all of our children and our children's children.

Total government taxes per household, measured in 1990 dollars, were $18,500 in 1994, nearly three times their level in 1950. Federal taxes as a share of median income have risen from 5 percent in 1950 to 15 percent in 1970 to 24.5 percent in 1995. If taxes today were at the same level as they were in 1970, the average family would keep $4,000 a year more of their take-home pay.

Americans are paying for the debt in other ways. Government borrowing competes with the private sector in the credit markets, forcing interest rates higher. Interest rates would be 2 percentage points lower if the budget were balanced. That means a 30-year mortgage on a $150,000 home costs $74,000 more today

over the life of the loan than it would if the budget were balanced. Auto and consumer loans also would be more affordable.

Balancing the budget and the accompanying 2 percent interest rate reduction would create 4.25 million more jobs over the next 10 years, and increase per capita income by 16.1 percent. The Congressional Budget Office says a balanced budget would redirect resources from consumption to investment, increasing the Nation's capital stock and national wealth.

Federal Reserve Chairman Alan Greenspan testified to the Budget Committee in March that the economic benefits of a balanced budget would be startling. "I think that productivity would accelerate," Greenspan said, "the inflation rate would be subdued . . . the general state of financial markets would be far more solid, and the underlying outlook would be generally improved for long-term economic growth. Real incomes . . . would significantly improve, long-term interest rates would fall significantly, and they [most Americans] would look forward to their children doing better than they."

The committee's budget is a gateway to a future filled with hope and opportunity. It presents a new vision of government. It begins to move authority out of Washington and will help empower every individual American. It gives the relief for America's families. It protects Social Security. It saves Medicare from bankruptcy, spends 80 billion more—almost 4 percent more while increasing per beneficiary Medicare spending from the current $4,700 to $6,400 per year.

By adopting the committee's budget today, we will have kept our word to the American people and met the challenge they placed before us. When I put my daughters to bed tomorrow night I will know that we have done the morally right thing and helped pave the way for prosperity for them and for all future generations.

Mr. SABO. Mr. Chairman, I yield 3 minutes and 30 seconds to the distinguished gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Chairman, I just hung up the phone on Minnie Wilensky from Queens County. She cannot even watch this debate because she cannot afford cable. You can talk about big numbers and little numbers and how we have to raise it and cut it. All she knows is that her copayments are going to go up and her premiums are going to go up and she will not get a cost-of-living increase in Social Security. And Minnie Wilensky, who is making constant choices about whether she buys the chicken or whether she cannot buy the chicken, because she lives on $11,000 a year, I just want to tell you the story because it is not a number in your statistics. Minnie lives in Queens County and she knows it is going to cost her more and she is going to pay more for the choice of doctor and more premiums and more deductibles, and that is what she knows.

Day after day we have heard how the Republicans have kept their promises to the American people. One after another the Republicans told us that promises made are promises kept. Well, Mr. Chairman, today we learn that Republican promises made are Republican promises broken, a promise broken to a person like Minnie Wilensky from Queens County. Now, Speaker GINGRICH and the Republican majority promised that they would not cut her Social Security benefits, but they are going to cut her COLA. They promised not to cut her Medicare, but they are going to raise her fees that she is going to have to pay. What is the truth? What does the new budget say? The Republican budget does cut $24 billion from Social Security. Seniors who have worked hard their whole lives will lose hundreds of dollars in Social Security benefits. Social Security is a contract. The Republican majority has been saying that for years. They said they would not touch it. Well, they have, they have broken that contract into pieces. They are proposing the largest Medicare cut in history, close to $300 billion.

The bill will cost individual seniors over $1,000 more a year for Medicare benefits by the year 2002. How will this affect real people like Minnie Wilensky? She has a heart condition. She has glaucoma. She and so many other seniors in my district cannot afford what they are already paying in prescription copayments and deductibles. How are they possibly going to afford these increases?

As I mentioned, she lives on $11,600 a year. She was telling me, "I am grateful for what I have got, but I have to make choices. If I have to buy more medicine, I cannot buy the chicken. If I have to buy more in a grocery store, I have to constantly make those choices."

□ 1700

How can she possibly afford these increases? And she is also worried about her generation; she is worried about her grandchildren, not only her own generation. She worries that her grandchildren will not be able to afford to go to college. She told me that with the average increase of $5,000 which is proposed in this budget, they are not going to be able to go to college.

Mr. Chairman, the Republican budget breaks faith with the millions of American seniors, like Minnie Wilensky, who depend on Medicare and Social Security. This is how the Republicans kept their promise, cutting Medicare, cutting Social Security, cutting education.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. PARKER].

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

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

Mr. HOKE. Mr. Chairman, I just wanted to say to the gentlewoman from New York, where did Minnie get this information about there is not going to be as much Medicare, their money is going to be cut, she is going to have to pay more? Where on Earth? Did you tell her this personally?

The other thing I would like to say, since you did not yield me any time, I will not yield you any now, but the other thing I wanted to say is simply this: You are complaining about a cut in Social Security that does not exist, and yet in 1993, you voted for the Clinton tax bill that actually did, in fact, cut Social Security by $26 billion. You cannot have it the both ways.

I thank the gentleman.

Mr. PARKER. Mr. Chairman, it will come as no surprise to anybody in this body that I rise to express my unbending and total support for the Kasich budget resolution reported by the House Committee on the Budget.

There is not a person in this body who does not have at the very core of their being the best interests of this Nation at heart. There is not a Member of this body on either side of the aisle who does not want this Nation to grow and to prosper and to achieve what it has always achieved, and that is being a world leader and standing for what is right.

The real question that we have is not whether we want what is best for this country, but how we can best achieve those goals. For a long time we have spent our time talking about programs and how much each of us cares about people. Politically, we all attack each other blindly.

For instance, in the past, it was not true when some Republicans attacked Democrats saying they were not patriotic for their stand on one issue or the other. It is equally untrue when Democrats point to Republicans and say they do not care. They do care. I think we all care.

But how do we get to that point where fiscal responsibility brings this Nation back into the mainstream? It would have been unheard of even a year ago for anyone to say that we would be moving toward a balanced budget by the year 2002.

I am in my fourth term and I had thought it would never happen. I had reached the point of believing it just could not happen. I think the key has been to have a date certain because it forces the issue. We are now in a situation where we must move to a date certain—2002—and the debate has shifted from not whether the budget should be in balance but how and what priorities should be established to get the budget in balance. That is a major shift in the thought processes that occur on Capitol Hill.

I want to express my appreciation to JOHN KASICH, chairman of the House Budget Committee, and all of the Republican members who invited me to work with them in developing this

budget. There was a tremendous amount of give-and-take. And I believe we have developed a product that makes sense and puts us on that road. Granted, we have the Senate which has a different version. We have different versions here in the House. But I firmly believe that the path we are taking as members of the Budget Committee in passing out this piece of legislation is the correct path.

Now there are those that say, "Well, the cuts are so horrendous—draconian in nature." Please understand that the amount of money the Federal Government spends will continue to rise. Each year it will continue to increase. The Federal Government will spend more money next year than it will this year. It will spend more in 2002 than it has ever spent before. What we are trying to do is slow down the rate of growth.

I know that a lot of discussion has taken place on programs such as Medicare. But the system is going broke. Something must be done to change the direction of Medicare or it will not be there. And it is important for the American people to understand that everyone must participate.

One of the major arguments that I had on the committee with other members, those on the Republican side, is that they wanted to exempt Social Security. I have a problem with that. I believe that senior citizens care about this country as much as we do, and I believe that they be given the opportunity to participate—that everyone should be treated the same. But, the Republicans won that argument. Social Security is untouched in this budget.

I am not suggesting elimination or the cutting of Social Security. What I want them to do is to participate in an equal way in which everyone is treated the same. That is fairness. I believe that instead of us trying to scare people and put them in a position of being afraid that the money they have come to depend on will be cut out, that they need to look at this process from the standpoint of purchasing power and the economic stability of our Nation.

When Alan Greenspan came to our committee, he made the statement that not since World War I has our economy ever experienced the pluses of a balanced budget, that we have never experienced what the positive aspects can be for this Nation if we are at a balanced budget. We need to look to the future. We need to look and see exactly what the pluses are going to be for everybody. And it is just like my friend PETE GEREN has said, it is like finding the cure for cancer—but nobody wants to talk about the cure. All they want to do is talk about the chemotherapy you have to go through in order to get to wholeness.

Well, there is pain in this budget. No one with any common sense in this country has ever felt or ever said that we can resolve our financial situation and get back into a surplus without pain. We did not get into it overnight, and we are not going to get out of it overnight. And we all have to accept some responsibility for that. This is the first step on that road.

Many people have said they have a problem as far as the tax decrease. But 2 years ago, we had a tax increase that I voted against. I did not feel that we should go in that direction. I felt that we should cut spending first. I believe that we need to roll it back. The bill 2 years ago was a tax increase of $246 billion over 5 years. The tax cut that we have in this package is $281 billion over 7 years. I believe this tax cut will relieve some of the pain during readjustment. But more than that I believe that this budget puts in place a system where we are on the glide slope to a balanced budget, and that we can make a difference.

In the words of the ultimate Republican Abraham Lincoln, "There are few things wholly evil or wholly good. Almost everything, especially of Government policy, is an inseparable compound of the two, so that our best judgment of the preponderance between them is continually demanded."

Alan Greenspan said that all the talk about the next generation not having a better standard of living than the previous generation will be gone if we are on a line to a balanced budget. If successful, we will unleash the power of our economy, the most powerful now, the most powerful that has ever been in the history of the world. An economy that can do phenomenal astounding things. We have to release the restrictions placed on us by the deficit and the debt. If you look at fairness, everyone participates. It is a fair budget. It is a hard budget. But it has to be hard in order to make it work.

For a long time, there have been many of us who have been pushing for us to get out fiscal house in order. The amazing thing about it is that if we had done this 10 years ago, it would have been so much easier. We could have made the necessary changes—we did not do it. Many people blame Ronald Reagan and the early 1980's. That is, to some degree, true. There were problems back then—things were not handled right by either the Republicans or Democrats. But I think we need to go back further than that, back to the mid 1960's when we put entitlement programs on automatic pilot and Congress abdicated its responsibility.

Compound interest is a fascinating thing when we put all these entitlement programs on automatic pilot, we abdicated our responsibility. What happened was we just sat back and our debt reached a trillion dollars by the time we reached the 1980's. And when you start dealing with figures like that, you see growth that is devastating. Now we are approaching $5 trillion in debt.

We cannot sustain the debt that we have and the growth in deficit that we have. It cannot be sustained. And from a generational standpoint, when you look at our kids and our grandchildren, in order to maintain the programs that are in place, if the status quo exists, they are going to be paying from 75 to 84 percent of their salaries to the Federal Government just to maintain the programs that are there.

It has not worked. The status quo is destroying us. And just like when many Republicans believed we must throw more and more money at Defense, that wasn't the answer. We wasted a lot of money. The same is true of throwing more and more money at social programs, where a lot of them don't do any good. It is not working. We must change.

All of us care. All of us want to do what's right. All of us love this Nation. But I believe the real choice is whether we really want a balanced budget. Do we really want it? Are we willing to pay the price to get to that point? You will vote for any bill that you want. But, in the final analysis, the bill that has been reported out of the Budget Committee, is going to be the bill that is going to make it or not.

I believe it is going to make it this week. And if you really believe in a balanced budget, if you really believe that we must change the course of this Nation, if you really believe that we need fiscal responsibility to come back in and be an integral part of our decisionmaking, if you really believe we need to take the first step to let the American people know we are serious about this problem, then you must vote for this.

I know all the political arguments. I know a lot of people are going to be calling. I know that a lot of people are going to be upset. In fact, I think everyone is going to be upset before it is all over with. But it is about time. It is about time that everyone in this country got upset. It is about time that they realize we need to do something. It is about time they decided that they need to participate. The time has come. And I am very happy to be able to vote for this budget.

I am glad that I have been permitted to be here on this historic week, to participate in this process where we can actually make a difference—a true difference for this country where I can look at my children and say I had a part in changing the direction of this country. And I did not worry about the political ramifications and I did not worry about my political future—I did what I felt was necessary.

That is what I want each of you to do. I want you to search your heart and do what you feel is right. If you disagree, then disagree; you have every right to disagree. But if you are like me and you feel that the time is come to change the course of this Nation, I

ask you to join me and proudly vote for this budget.

Earlier I quoted President Lincoln, let me close with these words from John F. Kennedy:

. . . Democracy means much more than popular government and majority rule, much more than a system of political techniques to flatter or deceive powerful blocs of voters. . . . The true democracy, living and growing and inspiring, puts its faith in the people—faith that the people will not simply elect men who will represent their views ably and faithfully, but also elect men who will exercise their conscientious judgment—faith that the people will not condemn those whose devotion to principle leads them to unpopular courses, but will reward courage, respect honor and ultimately recognize right.

I ask each of you to please join with me. Let us pass the committee budget—it is the right thing to do.

□ 1715

Mr. SABO. Mr. Chairman, I yield 20 seconds to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Chairman, I just think it is important for me to respond to the gentleman from Ohio who asked me how Minnie Wilensky from Queens County knew about the increase in the deductible, the increase and the copayment, and I think it is very important that we be honest in this debate. I say to the gentleman, page 5, page 18 of your budget, Mr. KASICH, talks about——

The CHAIRMAN. The time of the gentlewoman from New York [Mrs. LOWEY] has expired.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, the senior citizens in my district are in fundamental opposition to the Republican budget, and I rise to support them.

All is not well in America today. The wages of working people are stagnant. Corporations downsize or flee our shores altogether in search of cheap labor. Fewer workers have pensions to look forward to in old age and employers seek to squeeze employee health benefits.

Tragically, this budget does not address those fundamental problems. Instead, it would cut taxes for the rich, and—amazingly—it would pay for those tax cuts by cutting Medicare.

This Republican budget is an assault on the Medicare Program. We have a compact with our senior citizens. Between Social Security and Medicare, this country has reduced elderly poverty, tended to the sick, and assisted in long-term care for our mothers, our fathers, and our grandparents. With this budget, Mr. Chairman, all this could come to an end.

To our shock, this Republican budget would destroy years of trust between the Federal Government and seniors. The $283 billion in Medicare cuts would have several different consequences. Many costs that are currently paid by the Medicare Program would probably be shifted to Medicare beneficiaries in the form of higher premiums, deductions, and coinsurance payments, such as the proposed 20 percent home health coinsurance.

Let me share the story of my friend and constituent, Mrs. Pat Eastman. Mrs. Eastman is a World War II veteran. She is 82 years old and lives alone. Mrs. Eastman has numerous medical problems. While she is a veteran, she does not qualify for medical service through the VA because she is not 50 percent service-connected disabled. Mrs. Eastman has to pay someone to transport her back and forth to the VA for outpatient care. She has to pay a copayment for her medications. Recently, Mrs. Eastman was hospitalized for severe infections from Ecoli bacteria.

Since her discharge from the hospital, Mrs. Eastman has had to rely on the services of a visiting home nurse who comes to her home three times a week. Without these home health services, paid for by Medicare, Mrs. Eastman would have had to remain in the hospital or be transferred to a skilled nursing facility.

Mrs. Eastman has a long history of service to the Los Angeles community as well. She was a vote registrar. She sat on street corners and helped register people to vote. She continues to be a member of our California senior legislature. Pat Eastman has devoted her life to making her community and her country better.

It is estimated that approximately 3.8 million Medicare beneficiaries will use home health services, in 1996. Under current law, these services are covered by Medicare. If Republicans have their way, Mrs. Eastman and the other Medicare beneficiaries will have to pay an additional $900 out-of-pocket for home health services; this amount will rise to $1,200 in 2002. This 20-percent coinsurance will not save money or reduce Medicare costs. It will simply drive many Medicare beneficiaries into nursing homes because they will not be able to afford the home health services that would enable them to remain at home.

At age 82, after all the hoopla surrounding the 50th anniversary of V–E Day, this heroic World War II veteran should not be abandoned.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, these budgets are going to cut seniors, workers, farmers, pensions, economic development, community development, roads, bridges, highways, wastewater treatment plants, sewer projects, all in America. These budgets will still provide billions and billions of dollars for the defense of Japan, Germany, Europe, even money for Russia. There is not one penny, one penny in cuts, for either Israel or Egypt, not one penny. We have a budget in America, my colleagues, that will not touch Israel, will not touch Egypt, takes care of Japan and Germany, but no one in America is free from the ax.

I will have no part of it. I am going to vote "no" on every one of these budgets because to me they are not an American budget, and, by God, where is the Democrat Party?

Mr. Chairman, I say to my colleagues, "I don't blame the Republicans. I commend you for some discipline. But what you're disciplining is the American people. We shouldn't be closing bases in America. Close the bases overseas. We got troops falling out of chairs over there without arm rests. Bring them home. Let them cash their check in America."

I am not voting for any of this. None of this is worth my vote, and I think the Democrat Party better start working out a budget before we are a minority party for a damn long time.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Chairman, let me start out by saying that my perspective on this is a little bit different than a lot of the other Members here.

Earlier today, when I was back in my office working on this, I had a chance to watch some of the debate, and I heard some of the Members on the other side of the aisle come back and say, "Well, you voted to raise taxes that amount in your district time and time again." As one of the new Members here, obviously I was not here during the last bill, but let me go back to 1981, when I was a college student and we started down this road by spending too much money, not cutting spending, and cutting taxes primarily for the wealthy, and not being willing to pay for it. Yes, we ran up a $4 trillion debt, and that is not fair to the American people, but this budget is not fair either. We should balance the budget but not do it this way.

This is not fair. Just like 1981, Mr. Chairman, we are going to cut taxes for the wealthy, but now we are going to pay for it by cutting Medicare and Medicaid, and in particular cutting Medicare which people have paid for. We are going to change the rules on them. Many seniors are going to see themselves paying higher deductibles, higher premiums, higher co-payments. Over 2½ million Texans will pay more than $4,000 over the next few years for the same benefit. If that is not a cut, it certainly is a bad deal.

Seniors will definitely lose their choice under the Republican plan, the choice to choose their doctor. I do not think that is what they want. The Republican budget will also cut the Medicaid program by 184 billion over 7 years. This is a 30-percent cut that will not just hurt the poor, but it will hurt the children.

We heard a lot of talk about the children. My friend, the gentleman from New York [Mr. LAZIO], talked about his two children. I, too, have two young children who are preschoolers. Last Christmas my youngest daughter got sick. I rushed her to Texas Children's Hospital at 11 o'clock at night to see a doctor in an emergency room which is full of children from all walks of life in the Houston area. Texas Children's Hospital, which is the premier children's institution in the Southwest, funds 48 percent of their budget for Medicaid funds to pay for disproportionate care for neonatal costs, and this budget would cut it and would cut it across the board.

So we talk about the children and what we are doing to protect them, but we are going to cut the children under this budget, and we are going to cut it and use the money to pay for tax cuts for the wealthiest, and that is simply imprudent, and it is wrong.

This budget will not just cut seniors, but it will also cut the research that we do at our hospitals. How can we have a better health care system if we are willing to stop the research we do? How can we say we are going to provide better health care for Americans when we do not want to provide the dollars so we have residents so we can create more doctors? We have talked about the need for more primary care doctors, but we are not going to get them under this budget because we are going to cut the funding for it. That makes no sense whatsoever.

Let us balance the budget, yes. But let us do it fairly. This budget is not fair. It does not address the problems fairly. There is a tax cut for the wealthy which we cannot afford, and it makes the middle class pay for it.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. ROYBAL-ALLARD].

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise to denounce the Republican plan to pay for tax cuts for the wealthy by destroying Medicaid: our country's ultimate health care safety net.

To fund their $340 billion tax cut for the wealthiest Americans, Republicans intend to slash the Medicaid benefits of 32 million Americans, 65 percent of whom are children and the elderly.

Tragically, their proposals ignore the human costs.

Republicans say they are increasing the Medicaid budget by 4 percent. What they do not say is that this meager increase is insufficient to offset the rapid growth of the elderly, the young, and the alarming rise of health care costs.

Under their proposal, the youngest Americans will suffer grievously.

During 1988 to 1991, poor children receiving medicaid coverage increased from 54.3 to 63.6 percent. This trend is projected to continue upward into the 21st century.

At present, Medicaid offsets the loss of private health coverage during economic downturns, giving millions of children coverage when parents are laid off.

The Republicans budget proposal, however, makes no allowances for coverage during economic decline. Therefore, when parents lose their jobs children will suffer without health coverage.

Without sufficient Medicaid funding, more than 3.7 million senior citizens currently receiving health services from Medicaid will also suffer.

In my district families like Forest and Ruth Haver are concerned about their health care future.

The Havers, in their eighties, living on a fixed income, are worried that the cuts will make them unable to afford the health problems which have left Ruth homebound.

Steve, their only child and a local fire captain, is willing to do all he can financially.

He also worries whether that will be enough if his parents' benefits are cut.

The Medicaid safety net is vital to the health of older women, for it is women who bear the brunt of Republican cuts. Consider that: Women are 75 percent of all nursing home residents aged 65 and older and are more likely than men to have chronic disabling conditions; and, that women 75 or older have an average annual income of only $9,170—one-third the annual cost of most nursing homes.

To cap Medicaid spending at 4 percent, Republicans will leave millions of children, low-income elderly, and particularly women, without critical health services.

We must not sacrifice our Nation's children, seniors, and families to benefit the wealthy. I urge the defeat of the Republican budget resolution.

□ 1730

The CHAIRMAN. The Chair's math was in error. At the present time the gentleman from Minnesota [Mr. SABO] has 95 minutes remaining, and the gentleman from Ohio [Mr. KASICH] has 93.5 minutes remaining.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Florida [Mrs. MEEK], a member of the Committee on the Budget.

Mrs. MEEK of Florida. Mr. Chairman, I am new to the Committee on the Budget. I commend the integrity and demonstrated brilliance of our chairman, Mr. KASICH. I commend the coolness and calmness under duress of my ranking member, Mr. SABO. I do not care, I am calling this entire thing the Kasich manifesto. He is behind all of this. He is a brilliant man, but he has not been to some of the places I have been, Mr. Chairman. He has not had those experiences.

I have heard today about misplaced compassion. There is no such thing as misplaced compassion. He met a couple in the hall that thanked him for trying to balance the budget. But he has not heard from the old lady in North Miami who said to me not "Thank you, CARRIE MEEK," but "Why? Why is it that the budget has to be balanced on our backs?" I said, "Well, I voted against the balanced budget amendment because I felt it would be balanced on your backs."

Then as I talked to a young student who came here in a wheelchair to say to me "I need help," and he asked me also, why? I ask Mr. KASICH, why? Why do we have to balance the budget on the backs of these people?

I hear all the numbers. I hear all the rebuttals. I see all the charts. But it is one thing that they do not answer: Why is the budget being cut the way it is?

Yes, we will work toward a balanced budget. But does it have to be done on the backs of poor people for the benefit of the rich? I want to say to each one of you, you cannot block grant your responsibility. You can block grant a lot of other things, but you cannot block grant your responsibility. You cannot block grant a method of providing quality care for the poor and the elderly population.

You have poor folks back home. You also have elderly people back home who cannot pay for the care they are going to need in the nursing homes. These are your mothers, these are your fathers, these are your disabled children. So you cannot balance that through a block grant program.

I feel that this is a concern which Congress has to keep. You cannot abdicate that responsibility. You cannot pass it off to the States. This is your responsibility, to take care of the people who are being taken care of through Medicaid. There is no other way.

I want you to say no to this budget, because what this budget does is it forgets about certain beneficiaries, laboratory services and x ray services, immunization, prenatal and nursing home care. You are thinking you can block grant Medicaid. You cannot do it. You want to save $5 billion over the next 7 years or so. Over $180 billion in cuts have to be absorbed by the States. I wan to say to you, Mr. Chairman, and the admirable Mr. KASICH, it cannot be done.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from North Carolina [Mrs. MYRICK] a former mayor and a member of the Committee on the Budget.

Mrs. MYRICK. Mr. Chairman, we hear a lot about what is wrong with this budget, and I would like to talk a little bit about what is right with this budget.

Mr. Chairman, we feel that we have a moral responsibility to leave this world better than when we found it, and part of this is taking on that responsibility

for our children's future and looking at what we are going to leave them. In putting together this budget, it was not just quickly put together. There is much thought that has gone into this. It has gone by line by line and program by program, agency by agency, and said is it necessary? Is there a better way to do it? Is it worth spending our children's future?

I came here because of six grandchildren. In addition, I look after a 92-year-old elderly lady who has no family who is in a nursing home. So I am very familiar with what people are going through. We are handling that in our own family right now.

But we are doing a lot of things that are necessary in my district, and people are telling me it is necessary, we want you to do it. And I want to talk a little bit about some of the things the changes that need to be done.

We are cutting foreign aid by $29 billion and eliminating a lot of wasteful programs. We are keeping our promise not to touch Social Security. There are not going to be any changes in Social Security coming up. We are block granting job training, because there are 163 different job training programs right now. It is very confusing. They do not all work. So we are finding how all this can work together and saying let us take the duplication out and really make it reach the people who need the job training.

We are eliminating some departments, Education, Commerce, and Energy, because there is a lot of wasteful bureaucratic structure there. There are over 71 duplicative programs in commerce throughout Government. That is ridiculous. It is a waste of money.

We also are terminating and privatizing 284 programs, 13 agencies, and 69 commissions. Sure, there are good changes, but it is a better way to spend our tax dollars. Privatizing is the way to go. We are privatizing General Services, Public Broadcasting, other things that can carry their weight only the open market, and looking for a better way to deliver the services.

We are stopping a lot of the Federal subsidies to business and industries, things they do not need Government help on. They do it themselves.

So the bottom line is, we are looking at this responsibly. We care about what is going to happen. We care about where our children and our grandchildren are going to end up. And we want to make Government work better, and let the people at home make their decisions and let them keep the money in their own pocket. They can spend it better than the Federal Government can.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Chairman, the Committee on the Budget proposal to slash Medicare will put thousands of Alabama senior citizens in jeopardy. Many of them already have to choose between paying for food and paying for medicine. This dilemma will only get worse.

The Committee on the Budget has proposed to carve huge holes in the safety net which many elderly people depend on. Those who are teetering on the edge are more likely to fall through the cracks under this proposal.

Ruby Swann, of Glencoe, AL, broke her leg a year ago and had to have a knee replacement this year. She is a widow, 76 years old, who lives on her Social Security. She told me people like her are just scared to death over this proposal, and I believe her.

Jessie Box, a 78-year-old widow from Etowah County, depends on her Social Security. She suffers with arthritis. She had a similar experience. These women are not alone, and under the House Committee on the Budget's proposal, the average Alabama beneficiary will pay about $3,561 more out-of-pocket over the next 7 years. Those who use home health care will pay an estimated $900 more for their services in 1996.

I have voted for every deficit reduction bill in recent history here in the House. But I will not vote for this bill, produced by the majority party, which will put the financial burden on those who can least afford it, our senior citizens. It is just not right, and my colleagues know it.

Mr. Chairman, I am strongly opposed to this, and I urge my colleagues to defeat this budget measure.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. I would just like to point out to the gentleman that in Alabama, the amount of money it gets is $3 billion under our plan. By the year 2002 it will get $4.3 billion. I point out to the gentleman from Alabama that the per beneficiary amount is $4,800. Under our plan it goes to $6,361.

Mr. Chairman, only in this town do you call an increase in spending a cut.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Texas [Mr. GEREN].

Mr. PETE GEREN of Texas. Mr. Chairman, I thank my friend for yielding.

The low point in my service as a Member of Congress was March 17, 1994, when the balanced-budget amendment went down by 18 votes. A dozen Members who cosponsored the balanced budget amendment were persuaded at the last minute to vote against it, and they did, and they brought it down.

It hit me that day that if a dozen Members were willing to suffer the embarrassment of voting against a bill that they had their name on, that they cosponsored, that forces behind deficit spending were so powerful that they would always win. The future would always lose. Political reality was that the status quo, the deficit, would always win. The arguments might change, but the results were always the same.

It hit me that day that what the cynics had always said was true, that everybody says they want a balanced budget, but no one is willing to do what it takes to get there. Everyone wants to go to heaven, nobody wants to die.

I concluded that we in Congress are doing nothing more than rearranging the deck chairs on the *Titanic*, and I wondered what we were doing here.

With those facts, it was simple and depressing arithmetic: The United States was going to go broke. Not now, not today, but later, and with certainty. Now little more than a year later we are going to pass a balanced budget. The cynics were wrong. We can do it. We will do it. The debate is not if, the debate is how.

My colleagues, this is a great day. I do not care if your greatest concern is education, transportation, defense, childhood nutrition, health care in general, Medicare specifically, the path we have been on is going to destroy it. There will not be less Medicare, there will be none. Eventually the debt on and the interest on it will destroy everything worthwhile that Government can do. That is simple arithmetic, and a year ago that seemed inevitable. Tomorrow we change course.

Who wins? All Americans. It is not the greedy versus the generous, men versus women, rich versus poor, young versus old, have versus have-nots. As some of my colleagues would characterize it, everybody wins. A balanced budget means a brighter today and it means a brighter tomorrow.

Is the coalition plan perfect? No. Is the Kasich plan perfect? No. There are differences in the two, but they agree on the most important point: They balance the budget. A year ago a balanced budget was a pipe dream. Tomorrow, thanks to some courageous Members, it is a reality.

Some of my colleagues attacked these balanced-budget provisions as mean-spirited and cruel. As compared to what? Mr. Chairman, the present course is cruel. The status quo is cruel. To beggar the future, to condemn future generations to financial ruin, is cruel, it is wrong.

Balancing the budget is tough, harder than I ever imagined it would be. But it is not cruel, it is good, it is fair, it is the right thing to do, and tomorrow we will do it.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. FILNER].

Mr. FILNER. Mr. Chairman, I rise in strong opposition to the Republican budget resolution.

Mr. Chairman, I rise in strong opposition to the Republican budget resolution for fiscal year 1996.

I am filled both with awe and with sadness today. I am indeed awed by the tenacity, the discipline, and the enthusiasm of my colleagues on the other side of the aisle. Their zeal and determination in their quest for a balanced budget must be admired.

But I am also saddened. Would that they were a bit more compassionate, less greedy, more even-handed, less protective of special interests in their budget.

Let us take a closer look at this budget they are proposing.

Cuts for students from preschool through college, cuts for veterans, cuts for seniors, cuts for arts and culture, cuts for farmers, cuts for the working poor, cuts for middle-income Americans. Cuts for everyone except the wealthy and special interests.

Take one example: It seems that veterans—yes, our Nations' veterans—have been singled out for cuts beyond those proposed for other major national programs. I fail to understand how we can repay the very people who fought for our country with massive cuts to the medical care and benefits they were promised. Veterans Secretary Jesse Brown estimates that this budget will eliminate treatment for 1 million veterans a year and will require the closure of almost 40 hospitals. And, maybe saddest of all, it will cut programs to help homeless veterans get back into jobs and productive lives.

Another example: Of the programs targeted for elimination, over half are in education—from the smallest Cabinet Department which receives only 2 percent of the Federal budget. In fact, the Department of Education itself is scheduled for elimination under this proposal. Do we care about our children? Don't we know that a good education is the key to a good life?

Several million students will lose access to educational opportunities beyond high school due to reductions in Federal scholarship and grant programs. And with the elimination of the in-school interest exemption, the debt burden for students with loans could rise 20 to 50 percent.

This resolution attempts to control Medicare spending when it is widely acknowledged that Medicare can only be fixed in the context of overall health care reform. If this budget resolution becomes law, the result will be higher premiums, higher co-pays, and higher deductibles for senior citizens under Medicare. Already, many seniors are choosing between food and medicine, heat and in-home nursing care. In addition, reducing the Federal Government's COLA formula is a back-door way of cutting Social Security benefits.

Lower- and middle-income Americans seem not to count in this budget. By contrast, the wealthiest Americans and corporations not only are spared the wrath but are rewarded with tax cuts.

We do not have to cut programs that are the heart of what our country stands for in order to balance the budget. I recently introduced legislation to close a glaring loophole for a few giant mutual life insurance companies. Do you know that these companies have been paying no tax on earnings from business activity since approximately 1986? My bill, cosponsored by Congresswoman HELEN CHENOWETH, would reduce the deficit and, at the same time, require no new funding, attack no one's programs, and raise no new taxes.

What it does is close a $2 billion loophole—that is $2 billion per year. Closing this loophole would require only that these companies pay their fair share—and, at the same time, the Nation's small insurance companies would be helped by our efforts and would receive significant tax relief.

I cannot in good conscience vote to slash money from the earned-income tax credit which says that if you work, you should not have to live in poverty. I cannot in good conscience vote to slash low-income heating subsidies, Head Start, college loans, veterans' health care—when $2 billion corporate loopholes exist.

If we pass this budget, we will be trading one deficit for another—we will produce a deficit of compassion, a deficit of spirit. As a country, we are losing our soul.

We will be telling our children, you don't matter. We will be telling our seniors, you don't matter. We will be telling students and veterans, you don't matter. We will be telling hard-working, middle-class Americans, you don't matter.

I would say to my fellow colleagues that we all do matter. I urge you to vote against this budget resolution.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Chairman, I was 1 of the 72 Democrats who supported the balanced budget amendment earlier this year. Then, as now, I firmly believed that we must put our fiscal house in order. We must control spending. We must reduce the deficit. If we do not, quite simply the quality of life of all citizens, rich, poor, it matters not, we are all in this together, we all lose.

Let me say again, unequivocally, that to preserve the American dream, we must balance the budget. But, as with all things, there is a right way and a wrong way. Today I rise in support of the alternative budget supported by my colleague from Texas, Mr. STENHOLM, and the gentleman from Utah, Mr. ORTON.

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A level-headed approach to deficit reduction, it requires sacrifices from everyone. Our friends on the other side have couched their arguments essentially without detail, looking only toward the end product, which is the balanced budget.

Well, now that we agree on the end, let us look at the means. The Democratic alternative balances the budget and reduces the national debt $160 billion lower than the Republican plan. In the process of balancing the budget, however, we restore funding to guaranteed student loans, areas of education, health research, and economic development.

So we can all agree on the benefits on deficit reduction for future generations. The Republican plan, however, would take and place that same generation at risk by cutting student loans, underfunding Head Start, abolishing the Department of Education, and cutting funding for immunization and child care.

Under the Democratic plan, everyone is asked to sacrifice, but we also recognize the need to invest in America and in our future.

The real choice tomorrow will not be between balancing the budget or continuing deficit spending. The choice will be how do we want to balance the budget.

I say we have a responsibility to act responsibly and to support the alternative budget proposed by the gentleman from Texas [Mr. STENHOLM] and the gentleman from Utah [Mr. ORTON].

Mr. KASICH. Mr. Chairman, I yield 2 minutes and 30 seconds to the distinguished gentleman from Cleveland, OH [Mr. HOKE], a member of the Committee on the Budget.

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

We are going to spend $11.5 to $12 trillion over the next 5 years. I have never seen from the other side a glass more half empty than in the characterizations that we have heard about it. It is just, it is stunning. Let us talk about some of the positives.

Church bells should peal from all over this Nation tomorrow as we do something that has not been done in 26 years. This is a cause for a celebration. What does it mean? It means that our streets are going to be safer. It means that there are going to be greater opportunities for our children. It means that there will be more jobs. We are saving Medicare. We are preserving the blessings of liberty to ours and to our posterity. This is a time to celebrate.

I was asked by the chairman of this distinguished committee to head up the internatonal affairs function working group, and I want to report to this House and to the American people that we have done exactly what they wanted to do. We have done with foreign aid exactly what the American people have called on us to do for a long time, and that is to make some significant, significant realignments with respect to what we are doing.

We are talking about a reduction of $29 billion over 7 years from programs that are in the international functions. It means about a 22- to 23-percent reduction in spending in that area.

Let us talk specifically about some of the things that we are doing. We are reducing subsidies for the Export-Import Bank and for the Trade and Development Agency, and we are privatizing the Overseas Private Investment Corporation, that is OPIC. That is commonly known to many people as corporate subsidies or also known as corporate welfare.

We are ceasing supporting the International Development Agency, IDA. We

are reforming the Multinational Development Bank. We are eliminating the United States Information Agency's cultural and educational exchanges, and we are terminating the overseas nonmilitary broadcasting.

We are also reforming and we are restructuring the State Department by absorbing ACDA, the Arms Control and Disarmament Agency and the Agency for International Development. We are completely revamping. In fact what we are doing with the State Department, we are doing exactly what the President's advisors had said to do, and then backed away from it the very last minute.

We are making the changes that America wants and we are doing it not just for this Congress but for the future generations, for the children.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I thank the gentleman for yielding time to me and very ably leading the Committee on the Budget. My remarks will warrant no applause and certainly arouse not much interest other than simply some boredom. Because I come simply to tell the truth about Medicare, part A and part B.

When you get your form in the mail and senior citizens look at it, they see part A and part B. The hospital insurance program, part A, pays for in-patient hospital care and other related care for those age 65 and older and for the long-term disabled.

Hospital insurance is financed primarily by payroll taxes with the taxes paid by current workers and their employers used mainly to benefit current beneficiaries. Income not currently needed to pay benefits and related expenses is held in the HI Trust Fund. So those working today pay for those needing today.

Why is it in trouble? Interestingly enough, it is in trouble for a good reason. They are increasing the number of elderly, our elderly population is growing. What do the Republicans want to do? Cap the program at 5 percent growth when the number of beneficiaries are growing in proportion. What kind of a reasoned brainstorm is that?

In 1994, 32 million seniors and 4 million disabled cost $104.5 billion, only $95.3 billion was put in of 141 million workers. The real issue is that what the medical trustees have suggested is the reason we have some sort of short range financial inadequacy is because seniors are growing, elderly populations are growing. Let us fix Medicare, not cut it.

My constituent, Viola Smith, 71 years old, Houston resident, arthritic Medicare recipient has said, Please, do all that you can to stop the harsh cuts of the Medicare Program. I will not make it without my benefits.

Folks, this is smoke and mirrors. The reason why we are talking about financial instability is because our senior population is growing. If you cut $283 billion with a growing senior population, what sense does it make?

I am here simply to tell the truth. Let us fix Medicare and let us not break it.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, we are confronting here an interesting exercise in which relatively few choices exist with regard to the Members of this body. The measure before us, the base measure, is fiscally irresponsible in the extreme. It places the responsibility for drawing down the deficit squarely on the backs of the most vulnerable portions of our society: children, veterans, senior citizens.

Here are some of the cuts that are proposed: $280 billion reduction in Medicare. This will require senior citizens to pay an additional $1,060 in out-of-pocket expenses in the year 2002.

Earlier today a Member on the other side of the aisle asked how anyone could characterize Medicare cuts as being draconian. I would simply quote that the distinguished current chairman of the Committee on Commerce charged that these cuts in the last session were draconian. These reductions are, those reductions were two-thirds below those suggested today.

The resolution targets seniors by cutting senior citizens COLAs by $24 billion between fiscal year 1999 and the year 2002. This will reduce the average senior's benefits each year by about $240. The resolution before us also reduces Medicaid by about $184 billion. These changes will limit access to health care for many older Americans and threaten their financial security. They will also result in seniors being ejected from nursing homes.

It is clear that the Nation has to reduce the budget deficit. It is a threat to our long-term economic strength. However, attacking the most vulnerable, dealing with those who have concerns and who indeed are our future is unwise. Reducing the educational opportunities of our youngsters is perhaps one of the most foolish kinds of raids on good investment practices and good economic policies this country can make.

The benefits, however, that will be accrued from this proposal are those few in this country who already have plenty. Better than half the benefits in the $350 billion tax cut package that are before us in this legislation or will later come will go to Americans earning more than $100,000 a year.

During today's debate, my colleagues on the other side of the aisle have frequently asserted that the buildup of the national debt over the last 14 years is the fault of the Democrats. Nothing is further from the truth. An examination will show that my Republican colleagues and indeed Presidents Bush and Reagan submitted and supported budgets wildly out of balance, and they made inaccurate assumptions and included asterisks to indicate that there might be some savings appearing at some future time.

The Democratic Congress has cut every one of those budgets save one. Indeed the Congress saved some $49 billion that was suggested for expenditure by the prior administrations.

I urge my colleagues to reject this outrage.

Mr. Chairman, I rise today in opposition to House Concurrent Resolution 67, the budget resolution for fiscal year 1996.

This measure is fiscally irresponsible in the extreme. It places the responsibility for drawing down the deficit squarely on the backs of the most vulnerable in this Nation—children, veterans and seniors.

The harsh cuts that have been proposed include:

A $280 billion reduction in Medicare. This will require seniors to pay an additional $1,060 in out-of-pocket expenses in 2002.

Earlier today a Member on the other side of the aisle asked "How anyone could characterize the Medicare cuts being proposed as draconian?" I would remind him that the distinguished chairman of the Commerce Committee, the committee charged with making these cuts, characterized the Medicare savings included in the 1993 budget as draconian. These reductions were a full two-thirds below those being considered today.

The resolution also targets seniors by cutting Social Security COLAs by $24 billion between fiscal year 1999 and fiscal year 2002. This will decrease the average yearly benefit by $240.

The resolution before us also reduces Medicaid by $184 billion.

These changes will limit the access to health care for many older Americans and threaten their financial security. They will also result in seniors being knocked out of nursing homes.

We clearly must work to reduce the deficit which poses a threat to our long-term economic strength. However, as we work to prevent future generations from being saddled with enormous debt burdens, it is imperative that we proceed in a responsible and fair manner. The budget resolution that the majority has introduced clearly does not meet this standard.

As I mentioned the cuts in this resolution fall hardest on those who most deserve our support. Yet, the benefits are localized to the lucky few in this Nation who already have plenty. Better than half of the benefits of the $350 billion tax cut package that has been included go to Americans earning more than $100,000 a year.

During today's debate, my colleagues on the other side of the aisle have frequently asserted that the buildup in the national debt over the last 14 years is the fault of the Democrats. I believe an examination of recent history shows that the memories of my Republican colleagues, with respect to this matter, are very convenient.

For 12 years, Presidents Reagan and Bush submitted budget proposals with rosy economic scenarios, inaccurate assumptions and asterisks instead of savings. While both called for a balanced budget, both submitted budgets grossly out of balance and left it to Congress to cut their requests. Congress did so in every year save one. In fact, the Congress appropriated almost $30 billion less than both Presidents requested.

Now we are hearing that the administration is not committed to deficit reduction. This strikes me as peculiar indeed in light of the fact that our President, unlike his predecessors, had done more than just talk about deficit reduction.

Two years ago when the President came forward with a very successful budget plan, a Republican alternative was nowhere to be found. Instead we heard fearful cries that the Clinton budget would lead to nearterm economic calamity.

Our distinguished Speaker asserted that the budget plan would lead to a recession and actually increase the deficit.

And, our majority leader classified it as job-killer in the short run.

Despite the unwillingness of a single Republican to vote for the plan, it was passed and signed into law. The successes it has contributed to speak for themselves. Better than $700 billion in deficit reduction; the creation of close to 7 million jobs; and a tax cut for 20 million low-income working families. Yet, only the richest 2 percent have been asked to pay more in taxes.

Now we are being asked to consider a package that takes a completely different approach. An approach, which I might add mirrors the failed supply-side economic policies of the Reagan and Bush years.

It targets those who have been hurt most by trickle-down policies—the low-income and middle-class families of this Nation. Over the past 15 years this group has seen their annual incomes stagnate and in many cases decline. The wealthy however have enjoyed unprecedented gains.

Mr. Chairman, this Voodoo Economics II budget plan does not represent a constructive and sound proposal for bringing the deficit down further. I urge my colleagues to vote against the resolution.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, only in Washington is an increase in spending a cut. In Michigan, to the gentleman that just spoke, we are going to spend 44 percent more in Medicare, the per beneficiary is going to go from $4,600 to $6,100. The gentlewoman before talked about it being a cut when we are increasing Medicare in Texas 53 percent. The per beneficiary is going to go from $5,000 to $6,600 per beneficiary.

Only in Washington is an increase in spending a cut.

Mr. KASICH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington. Mr. Chairman, I rise in favor of the Kasich budget.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from the State of New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise in qualified support of House Concurrent Resolution 67, the Budget Committee's version of a fiscal year 1996 budget resolution in this historic debate we are holding today.

For the first time in more than a generation, the House of Representatives is debating a series of budget resolutions that all share a common trait: the Federal Government's budget will be balanced by the year 2002.

The goal of a balanced budget is not an abstract exercise that some economists or "green-eyed shade types" thought up in their ivory tower.

It is an essential economic tool to get the savings and capital investment we desperately need for research and development, and new plant and equipment to rebuild the American economy; keep us competitive in the global economy and create the good jobs at good wages we need for this generation and those to come.

Obviously, the various budget plans we will consider this week have different funding priorities—but that is exactly what the democratic process is all about, and it is a tribute to the diligence of many Members of Congress that we have several different paths we can choose from in order to reach the goal of a balanced Federal budget.

Earlier this year, as I have repeatedly in the past, I voted in support of a balanced budget amendment to the Constitution. I did so because I believe that our country's long-term economic health demands that the Federal Government's fiscal house be put in order.

While the balanced budget amendment was narrowly defeated in the Senate, the need for Congress to do the right thing, and enact legislation that brings the budget into balance, remains as strong today as it was then.

President Clinton's own budget plan, which was released only 4 months ago, projects $200 billion annual budget deficits as far into the future as the eye can see.

This, despite his own successful efforts in 1993 to enact a $500 billion deficit reduction package on top of the $500 billion deficit reduction package that President Bush negotiated in 1990.

An objective analysis of this situation can lead to only one conclusion: our current budget is fundamentally and completely out-of-whack.

Our interest payments on the public debt, currently exceed $200 billion a year, and are projected to increase to a mind-boggling $310 billion within the next 4 years.

If nothing is done, our country is headed for a fiscal disaster.

At the same time, in order to avoid this calamity, balancing the budget will require everyone in the United States to share some of the sacrifice associated with reducing the Federal Government's projected increases in spending by roughly $1 trillion over the next 7 years.

While I recognize that the opponents of House Concurrent Resolution 67 can point to this detail or that detail as unacceptable, but the fact remains that the Budget Committee's plan does not give anyone a "free ride" as we struggle toward a balanced budget.

The defense budget will have to take its fair share of the necessary spending reductions. No department can be exempt.

The domestic discretionary budget, which provides funds for most Federal education, housing, environmental, and health programs, will have to make do with $190 billion less over the next 7 years than originally anticipated.

The non-health care entitlement programs, such as Federal employees' pensions, crop subsidies, and welfare programs to name just a few, are facing $220 billion less in funding than originally assumed.

And Medicare and Medicaid, the Federal health care programs for the elderly and low-income respectively, will be asked to make do with $470 billion in less spending than current budget trends allow for.

Without question, this area of savings raises the most concern, and I must state my healthy skepticism about how much can, or should, be accomplished in the near-term.

Some of the recommendations that have been discussed in recent weeks will be subject to intense analysis by this Member of Congress as the House Ways and Means Committee wrestles with the reconciliation instructions it will receive from this document.

But, absent some significant reform what will happen to the Medicare and Medicaid Programs?

Well, for the second year in a row, the trustees for the Medicare Program have concluded that the program will go bankrupt in 7 years if nothing is changed.

Clearly, strong action and bold leadership is needed to ensure that our elderly will be able to receive necessary medical treatment through the Medicare Program, and that Medicare will be there for many hard-working families who will become eligible for Medicare in the next 10 or 20 years.

I, for one, support the establishment of a bi-partisan blue ribbon medicare commission—modeled after the very successful Greenspan Commission on Social Security in the mid-1980s—to make recommendations for preserving and protecting this vital program, which the Congress should enact confident that there is not any hidden political agenda to the recommendations.

All too often, members have implied that there can be short-term "quick fixes" to the program's current structure. There are no easy, quick fixes here.

In talking about preserving and protecting Medicare's long-term solvency, let us do it right with the least amount of partisan wrangling as possible.

While the Budget Committee's plan does call for some dramatic changes to these programs, we must keep in mind that the alternative is completely unacceptable: a bankrupted Medicare Program that does not help the elderly and is not there for anyone else either.

With respect to the ongoing efforts to provide middle class families with some tax relief, I supported H.R. 1215 earlier this year because it contained many elements, such as expanded individual retirement accounts, capital gains tax relief, expanded capital investment deductions for small businesses, of a "Save and Invest in America Agenda", which I have long advocated.

Indeed, I was one of a small group of Republicans that petitioned our leadership to defer any tax reductions until we had certified that the budget was, in fact, going to be balanced. Unfortunately, these preconditions are not included in the Budget Committee's plan.

It is for this reason that I strongly prefer the budget plan drafted by the Budget Committee chairman in the other body, Senator PETE DOMENICI.

However, we must be mindful that the House Budget Committee's changes in the Tax Code do result in lower Federal revenues in the short-term, which in turn requires that the Congress cut spending further in order to offset these losses.

Currently, the Budget Committee plan provides for $350 in additional spending cuts over 7 years to compensate for the tax relief package.

Perhaps when the conference committee meets to reconcile the House and Senate budget resolutions, they can reach a compromise that provides needed "Save and Invest in America" tax changes without requiring almost $400 billion in additional spending cuts to compensate for them.

Nevertheless, I will vote in support of House passage for this measure because it is important to keep this process moving forward, notwithstanding these concerns.

In conclusion, Mr. Chairman, approving the Budget Committee's proposal represents the first step in our annual budget process. The 13 regular appropriations bills, combined with an omnibus budget reconciliation package, will be where the nitty-gritty details of this budget plan are hashed-out.

That process will not be without difficulty, but as we prepare to enact legislation that balances the Federal budget we should not kid ourselves into thinking that it will be easy to do. At the same time, we should acknowledge the terrible cost to our Nation if we do nothing.

Balancing the Federal budget is essential to protect our Nation's long-term financial health, and to ensure that the country our children and grandchildren inherit is as great as the one our parents gave us.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. GALLEGLY].

Mr. GALLEGLY. Mr. Chairman, I stand in strong support of this budget.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. MENENDEZ].

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

Mr. Chairman, why are the Republicans proposing a cut of $282 billion to Medicare?

They tell us it is to save Medicare from bankruptcy. But nobody has asked why the plan to save Medicare is in the budget. Could we not save Medicare with another bill?

In fact, they tried it yesterday. Their solution was to vote on a bill that would ask the Medicare trustees to come up with a plan to save Medicare from bankruptcy. But if they are asking the trustees to come up with a plan, what is it that we are voting on today? Do they have a plan, or do they not?

It turns out that one of the trustees has already given an estimate of how much spending would have to be reduced in order to save Medicare from bankruptcy. Asked during testimony before the Senate Budget Committee how much it would take to make the fund solvent by 2002, public trustee Stanford G. Ross answered that it would take about $130 billion in cuts.

So again, why are the Republicans proposing a cut of $282 billion to Medicare?

What are their plans for the other $150 billion?

The answer is, they are giving it away through tax cuts to the wealthy.

Once again, they are cutting an extra $150 billion from Medicare to pay for tax cuts for the wealthy. This while some Republicans are busy telling seniors that Medicare isn't sacred, and that they should tighten their belts.

Mr. Chairman, my mother knows just what it means to have to tighten her belt. She has worked all her life, for years and years in a factory in New Jersey. Today, Medicare pays for her health care. What do such huge numbers in the Republican budget mean to her? Lower coverage, higher copayments, and higher out-of-pocket expenses overall. On average, over $1,000 a year more from her pocket.

My mother is lucky. If increased health care costs make it impossible to make ends meet, she has a family she can turn to for help.

But what happens to those seniors who do not? Do they just tighten their belts a little more?

Who are tightening their belts with this plan, Mr. Chairman? How does a capital gains tax cut tighten anyone's belt? The top 12 percent of earners in this country are going to share in over 75 percent of the benefits from that tax cut, thanks to the extra $150 billion seniors are forking over. That is what this budget is all about; seniors tightening their belts, while Wall Street wonders take their swollen checks to the bank.

Mr. Chairman, let me say to my Republican colleagues, they cannot tell my mother or any other senior citizen in New Jersey or in the Nation that this is not going to cost them one single dime more from their pocket. It is going to cost them very significantly, no matter what they read.

As it relates to the other thing they keep referring to, the 1993 deficit reduction vote, let me say that in my district, that meant over 50,000 families in my district got a tax cut, so they should keep reading their figures, but be honest to the seniors in this country. It is going to cost them more, and they are cutting in a manner that is disproportionate and unfair to people who have worked a lifetime. Vote against this budget.

Mr. KOLBE. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. SMITH], a distinguished member of the Committee on the Budget and chairman of one of our task forces.

Mr. SMITH of Texas. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I think it is relevant to note that my colleague who just spoke voted for the Clinton tax hike of 1993, and it cost his district $431 million. I think it is also regrettable he voted against the balanced budget amendment.

Mr. Chairman, on the Committee on the Budget's way to balancing the budget in 7 years, and increasing the amount that Medicare beneficiaries are going to receive by 33 percent, we have also made Congress and Government tighten its belt first. For example, we have eliminated 3 unnecessary Cabinet departments, we have stopped 284 big Government programs, we have eliminated 69 wasteful commissions, and eliminated 13 agencies, as well. We have also eliminated the favorable pension treatment Members of Congress and congressional staff used to receive. We make permanent the one-third cut in congressional committee staff. We kept our promise. We made permanent a 15-percent cut in White House staff. We helped the President keep his promise.

Mr. Chairman, we also discarded needless bureaucracy. For example, we ended 69 unnecessary big Government commissions, including the Fasteners Advisory Commission, the Dance Advisory Panel, and we also reduced all Government agency overhead and indirect cost.

Mr. Chairman, the House has a historic opportunity we have not had in a quarter century. For the first time in 25 years, we can give our children a better future, restore the American dream, and end the slide in living standards. Finally, after too many unkept promises, too many tax increases, too many false starts, and too

little will to do the right thing, Congress will keep its word. This week we have a real life proposal that restrains the growth in Government's budget to increase the size of the family's budget.

Since 1969, the last time our Federal budget was balanced, this Government has run up a $4.7 trillion debt. Our annual deficits of $176 billion plus raise interest rates by an average of 2 percent. That means our deficit costs the typical homeowner tens of thousands of dollars. It also slows growth, closes small businesses, and destroys jobs.

In 1950 the Government took $1 out of every $20 earned by the American family. Today it takes $1 out of every $4 our family has earned. The combination of local, State, and Federal taxes now consumes 40 percent of the typical family's income, an all-time record high. That is wrong. Remember, it is not the Government's money to take, it is the family's money to keep.

A lot of scare tactics and demagoguery are being used today. Some on the other side of the aisle have tried to frighten seniors, students, and others. These naysayers turn American against American, grandparent against grandchild, employer against employee, and retiree against worker, but the American people know better. The people who do the work, pay the taxes, raise the children, and care for the grandchildren will not be divided, one against another. It is not the worker versus the boss, or the young against the old, it is the working and earning class against the taxing and spending class.

This past November the working and earning class spoke loudly and clearly.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Massachusetts [Mr. OLVER], a member of the committee.

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

Mr. Chairman, Republicans are cutting Medicare for 35 million American elder citizens and giving tax breaks to the wealthiest Americans and the most privileged Americans. This budget resolution includes, on the one hand, $280 billion in cuts in Medicare for elders, and on the other hand, $340 billion in tax cuts, mostly going to the richest Americans.

The cold numbers are almost too large to understand, but I met with Ruth Jackson on Monday. She lives in Holyoke, MA. She is 77 years old. She has diabetes. Her eyesight is too poor to be able to give her own insulin shots.

She has arthritis. she moves around poorly, with a walker. She lives in the smallest public housing unit available, and this grandmother is the rock on which two of her grandchildren, a grandson in fifth grade and a granddaughter in fifth grade, depend in their broken family. One of them actually lives with her every day. She lives on Social Security and has nothing else. She has a visiting nurse who comes in and provides her 7 days a week for 15 minutes or half an hour an insulin shot. She has 2 to 4 hours a day of personal care.

Mr. Chairman, this Republican resolution increases her Medicare costs by about $4,000, and cuts her home health care. She cannot live independently. She cannot be the stable base for her grandchildren if she is forced into a nursing home. There are millions of Americans 72, 77, 85, mostly surviving women who are like Ruth Jackson, one way or the other. They lose their personal care, housing, home heating, drugs under this resolution.

Mr. Chairman, the Republicans promised to give big tax cuts for the wealthiest Americans and the most privileged Americans, so they are keeping a promise that every American working person knows, that the rich are going to get richer under this deal. In fact, we all, deep in our hearts, understand that these Republican policies do in fact make the rich richer.

However, are we Americans willing to take hundreds of billions of dollars from our elders on Medicare, our most vulnerable and poorest elder citizens, our unemployed and our very poorest, whose only medical care comes from Medicaid, so that those richest Americans can have a tax cut, and therefore be a great deal richer? I hope not. I hope we will vote against this resolution, and vote for the coalition resolution in its place.

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

Mr. KOLBE. I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I would like to point out to the gentleman that we are spending more money on Medicare. In Massachusetts, we will be spending 40 percent more in the next 7 years on Medicare. The amount per beneficiary is going to go up from $5,900 to $7,814. Only in Washington, only in Washington, when you spend more money, do people call it a cut. We are going to improve this system.

Mr. SABO. Mr. Chairman, I yield myself 3 minutes so I can ask the gentleman from Connecticut a question.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] is recognized for 3 minutes.

Mr. SABO. Mr. Chairman, I am just curious. Clearly these Medicare cuts, whatever they are, in the gentleman's resolution are going to pay for a substantial tax cut, but I am just curious, he has not given me my Minnesota number. Give me my Minnesota number. Then I would like to hear the Connecticut number.

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

Mr. SABO. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, let me just ask the gentleman, does he not understand when you are spending more money, you are spending more money?

Mr. SABO. I fully understand what the gentleman is saying.

Mr. SHAYS. I just need to know that that is the case.

Mr. SABO. I would just simply say to the gentleman, Mr. Chairman, I am amazed to hear how simple and easy it is going to be to modify the Medicare Program.

I am just curious, what is the number for Minnesota?

Mr. SHAYS. If the gentleman will continue to yield, in Minnesota the gentleman has an amount of money for Medicare now of $2 billion 429.

Mr. SABO. What is the per recipient number?

Mr. SHAYS. It will go up $3 billion 400. It will go up 40 percent.

Mr. SABO. Just so the gentleman knows my question, what is the per recipient number in Minnesota?

Mr. SHAYS. The per recipient number in Minnesota, given that they are getting 40 percent more in the next 7 years, it is presently $3,840. It goes up to $5,000 per beneficiary.

Mr. SABO. Mr. Chairman, I would ask the gentleman, what is the number in Connecticut?

Mr. SHAYS. If the gentleman will yield further, in Connecticut we are given from the Federal Government in Medicare $2.5 billion, and it goes up to $3.6 billion. That is a 40 percent increase. We are equal. Per beneficiary it is $5,135, and that will go up to $6,782 per beneficiary, per beneficiary.

Mr. SABO. Mr. Chairman, I am just curious how the gentleman from Connecticut is going to deal with this significant difference in cost between the State of Minnesota and the State of Connecticut. We provide good quality health care, substantially less, and what I hear is the recipients, the reimbursement in Connecticut is substantially higher than it is in Minnesota.

Mr. SHAYS. I want to make sure I understand the gentleman. The gentleman says in Minnesota he provides good health care. I think we do in Connecticut, as well. In both instances, we are getting 40 percent more in the next 7 years.

Mr. SABO. The gentleman from Connecticut is receiving, as I heard, over $1,000 more per recipient.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. REGULA], chairman of the Subcommittee on the Interior of the Committee on Appropriations.

Mr. REGULA. Mr. Chairman, let me preface my remarks by saying that I applaud the hard work that has gone into producing this budget resolution, a resolution that puts us on a path to a balanced budget. I want to particularly recognize my colleague from

Ohio, the chairman of the Budget Committee, Mr. KASICH, for his unwavering dedication to the balanced budget objective. He has never lost sight of the finish line and while I may not personally agree with all of the assumptions in this resolution I plan to support this budget because I too believe the goal of a balanced budget must be paramount. I would like to discuss one of the aspects of the proposed budget resolution that concerns me and that is the assumption that the functions of the Department of Energy should be phased out. Many of these functions are important to the future of this Nation. It is our responsibility to do these in the most cost-effective way possible.

The argument for phasing out the Department is based on the assumption that it was solely created to deal with an energy crisis the country experienced in the 1970's. The crisis no longer exists and therefore the rationale for the functions of the Department no longer exists.

It is unwise, for us as a nation, to be so complacent as to assume that another energy crisis is not only not a probability, but not even a possibility. Just 4 short years ago—in the action Desert Storm—we put over 400,000 American men and women into harms way to protect the availability of energy resources that we are once again taking for granted.

Much of the work the Department or its successor organizations is doing, in partnership with American industries, is the very reason we can hope to avoid a future energy crisis and, I would argue, that the money spent on those research, development, and demonstration projects is far more cost effective than putting American lives at risk to protect Persian Gulf oilfields.

A recent op-ed piece written by former President Reagan's Energy Secretary, Don Hodel, "Forebodings of Another Oil Shortage," put it starkly:

> America is sleepwalking into a disaster. Within the next two years, we will experience another oil shock.

According to the former secretary the threat of this crisis once again comes from the unstable Persian Gulf which currently supplies 44 percent of United States oil imports. The recent DOE annual energy outlook projects this figure rising to more than 65 percent by the year 2010. Saudi Arabia alone supplied almost 19 percent of the United States import market last year and provided over 25 percent as recently as 1992. The stability in that region is once again in question.

In February of this year the President concurred with the Department of Commerce's finding that the Nation's growing reliance on imports of crude oil and refined petroleum products threaten the Nation's security. In 1993 U.S. oil imports surpassed the 1977—a time of crisis—record level by 1.8 percent. The warning signs are clear and yet today we are sending signals that either we do not believe a crisis is a possibility or that energy is not a critical commodity.

My second point relates to the actual programs and mission of the Department or its successors and their impact on our international posture in terms of maintaining and improving our global competitiveness and our goal of continuing to grow the economy. To be truly strong, the American economy must be efficient, clean and fueled by stable and affordable supplies of energy. Assuring this supply and improving efficiencies and environmental performance of our energy resources is one of the important missions of our energy policy. Many of the energy programs are cost shared partnerships with U.S. industries that hold the key to achieving these goals.

Just last week I received a letter from one of the participants in just such a partnership. The company, a small one located in Cleveland, OH is attempting to develop and commercialize a process for the recovery of usable materials from salt cake, a waste produced by the aluminum industry. Commercialization of this technology would not only reduce the operating costs in the aluminum industry through reduced energy expenditures, but it would also eliminate the 550,000 tons of salt cake that are presently being landfilled in the U.S. each year. This small company is cost sharing in excess of 70 percent of the total project cost with the Department. As the President of this company concluded in his letter to me, this research is "critical to the development of new technologies by American companies such as ours."

Despite the fact that each of us is heavily reliant on energy in our daily lives, it is one of those luxuries that is easy to ignore as long as it is plentiful and reasonably priced. In the not too distant past, energy was an afterthought in economic planning. Today, energy is a principal factor in any business strategy and American businesses today are cognizant of the importance of energy in their bottom line and are constantly working to reduce energy costs to maintain or improve their competitiveness.

Transportation is one good example. It is a key industry and a key component in our overall energy equation, accounting for 27 percent of our total energy consumption and 66 percent of the total petroleum use. Moreover, 97 percent of the transportation sector's energy demands are satisfied by petroleum. Clearly to reduce our dependence on oil imports it is imperative that we change the transportation sector's energy demand patterns. The programs funded in my subcommittee's jurisdiction, in partnership with DOE are addressing that issue. These programs are projected to reduce oil imports by 2.3 million barrels a day by the year 2000 cresting a savings for drivers and a trade deficit reduction of $47 million per year.

Energy use is an environmental issue as well. The production and use of energy cause more environmental damage than any other human activity in the world today. Without significant changes in energy sources and consumption patterns, the problem will worsen. Without cleaner energy sources and technologies, worsening environmental problems can be expected to lead to regulatory actions that can severely hamper economic growth.

I have repeatedly said during my subcommittee's hearings that what the November election was about was not abolishing government, but making it work more efficiently and more effectively. I am persuaded that many Departments and Agencies a healthy dose of streamlining and downsizing and I am equally persuaded that they are getting the message. For example the Secretary or DOE recently announced a proposed $14 billion contribution to deficit reduction over the next 5 years. I applaud these initiatives and I am committed to working with the Agencies such as DOE or its successors to make those promised savings a reality.

I believe there are core, fundamental missions in the field of Energy. With respect to the programs I am most familiar with those missions involve promoting, in partnership with U.S. industries, fundamental science and technology advances which will help keep us competitive in a global economy and which provide the long-term basis for economic growth, job creation and improved quality of life; and enhancing our energy security by helping safeguard against energy supply disruptions and their associated threats to the United States.

These missions can be accomplished in streamlined Departments, and Agencies but may be lost in a costly realignment that could be necessitated by their complete dismantlement. Energy is the lifeblood of a strong expanding economy that is essential if we are to be successful in balancing the budget.

Public-private partnerships can do much to reduce the cost of government while maintaining our technological leadership and making our programs very cost effective.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas [Mr. BROWNBACK], a very hard-working member of the committee.

Mr. BROWNBACK. Mr. Chairman, I would just like to make a couple of quick comments and then talk briefly about the agency elimination that we have been talking about in the overall budget package.

Mr. Chairman, I hear a lot of comments about, well, we are cutting taxes

and that is wrong, we should not be cutting taxes, that the American people need to pay all this money into the Government.

I make the simple point, and I ask the American people that are watching and listening, do you know how long today you work to pay the taxes at all levels, Federal, State, local, all levels combined?

The answer is, you work until May 5. You just passed Tax Freedom Day that you work. I think if you get back a little bit of that, that is your money, and you are working hard enough and long enough for the Government.

The other thing I hear a lot is people saying, well, we are not spending enough on Government programs. Indeed, many of these programs are very good programs, very worthwhile programs. But I simply point out that around the turn of the century, the Federal Government as a percentage of this economy was roughly 3 percent of this economy. That is what it was. It was 3 percent. Now it is 23 percent of this overall economy.

Overall I would like to point out, we are eliminating in our budget package three Cabinet level agencies, or propose, Departments of Commerce, Energy, and Education. We are following a process and a procedure here.

This is not just a thing of, OK, we are going to go in and eliminate them completely and they are out of there, they are gone. We are thinking this through and asking the questions of how can we do this better? How can the American people get these services? We are going through a process of asking, can we localize these services, send it back to the State and local units of government?

Do we privatize? Are these services that can be done better in the private sector? Can we be more efficient by doing it there? Can we consolidate, within other Federal agencies and programs, services that are currently done somewhere else? We have 17 agencies doing trade promotion. Do we need that many of them? Can we consolidate?

What can we eliminate? What services and programs have done their job and it is time to move on, particularly at a time that we state clearly and unequivocally to the American people, we are broke.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. JOHNSTON].

Mr. JOHNSTON of Florida. Mr. Chairman, I would like to talk about Medicaid. I have a homemade chart up here dealing with where we are today, with where we will be in 7 years under the Republican program. I have entitled it "Unfunded Mandates."

The bottom line here is where the Republicans go today at $120 billion up to $150 billion. The next line, though, is growth plus inflation. We go up here, so we start out at 4 percent behind.

Let me draw another line here. This line here is Texas, New York, Florida, Arizona, and the growth States. The average growth State is between 10 and 13 percent. When you have block grants to these States to take care of Medicaid patients, this is a gross unfunded mandate. You are sticking the States worse than anything we have ever done.

Most people think Medicaid is for the indigent. Over half of the payments for Medicaid go to senior citizens for nursing homes, and when you are in these States in the South, this is an exploding figure.

The gentleman from Connecticut [Mr. SHAYS] can get up and give us any number he wants to, but that number will not anywhere match the figure that these growth States are going to have to pay from today until 2002. I think it is grossly unfair. I think it is a demagogical denial here of what you are doing to these States that have exploding populations, and they are going to go bankrupt before you ever talk about the Federal Government.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. MILLER], a distinguished member of the Committee on the Budget and the Committee on Appropriations.

Mr. MILLER of Florida. Mr. Chairman, we have heard nothing but distortions and scare tactics coming from the Democrats about Medicare, but I am not surprised. The sad fact is they have no ideas of their own and no plan to restore Medicare to solvency. They have nothing left to do but misrepresent Republican plans to save Medicare from bankruptcy. That is bad news for America's seniors.

According to today's Washington Post, the Clinton White House and the congressional Democrats have made a conscious political decision to defend the status quo, to delay change and distort the facts. Like Nero was watching Rome, the Democrats are fiddling, polling, and politicking while the Medicare trust fund burns. That is just sad and it is dead flat wrong.

Here is the bottom line. The Republican budget resolution restores Medicare, saving the trust fund from bankruptcy. In 2002, Medicare spending will be $1,600 higher for each beneficiary under the Republican plan. Under the Democratic budget, in 2002 the Medicare fund goes bankrupt, zero, it is broke.

Don't be confused by the Democrats' distortions. Restoring Medicare has nothing to do with the tax provisions in the contract. Yes, we return a small portion of each working American's hard-earned tax dollars to the family budget, but with or without the tax cuts, Medicare will go bankrupt if we follow the Democrats' status quo plan.

That is not DAN MILLER speaking or NEWT GINGRICH speaking, this is the public trustees of the Medicare Program, including members of the President's own Cabinet.

Here is what the trustees say: "The Medicare Program is clearly unsustainable in its present form. It is now clear that Medicare reform needs to be addressed urgently."

One more time: There are two choices. Under the Republican budget resolution, in 2002 the Medicare spending will be $1,600 higher for each beneficiary, restoring the Medicare trust fund to solvency. Under the Clinton Democrat budget, in 2002 the Medicare trust fund goes bankrupt.

Let's save Medicare. Support the Republican budget resolution.

Ms. SLAUGHTER. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, why are the Republicans proposing to slash Medicare and Medicaid to pay for tax cuts benefiting America's most privileged?

Throughout the afternoon, we have seen abject efforts of denial of the cuts by the gentleman from Connecticut [Mr. SHAYS], the task force Chair, jumping up and citing increased funding and saying only in Washington could this be determined a cut. I have never heard a more blatant distortion on the floor of this House.

The fact of the matter is that the funding does not keep up with the increasing costs in health care. Let me cite a figure that might be of interest to the gentleman from Connecticut himself, because under the cuts proposed, in Connecticut each senior citizen will pay more out of pocket, $3,885 cumulatively through 2002, under the plan advanced. That to the seniors of Connecticut I would suggest is a real, real cut, one that hits right in the pocketbook. The Medicaid figures are even worse.

In the Republican cuts for Medicaid in the out years, they allow a 4 percent adjustment in Medicaid funding. There will be a 3-percent growth in enrollment in Medicaid, which means they allow the cost of medicine to go up 1 percent per year.

What do we know about Medicaid and medical inflation? It is rising at an amount dramatically higher than that, and it is going to rip benefits away from the children and the disabled and the elderly that depend on Medicaid funding.

This chart reveals what a vicious hit it will be to kids. An additional 6.7 million kids will lose their coverage under the Medicaid proposals advanced in the Republican budget. That to the gentleman I would suggest is a very real, a very meaningful cut to children.

For senior citizens it is equally devastating. Seniors receiving long-term care in nursing homes across this country will find the costs of their care rising much faster than the Medicaid payments to fund them. In fact, if you

look over 5 years, an additional 1.7 million senior citizens requiring long-term care assistance will be deprived of Medicaid coverage under their plan. Those are real cuts.

You may in budget chicanery try to gloss over what you are doing to people, but let me tell you, you are taking coverage away from children and you are taking coverage away from senior citizens in nursing homes, and you are doing it primarily to pay for tax cuts for the rich.

Mr. Chairman, at this point in time I yield to the gentleman from Connecticut, if he would like to ask me any questions about North Dakota. Does the gentleman from Connecticut care to respond?

Mr. SHAYS. Mr. Chairman, I will be happy to use some of the gentleman's time to correct some of his comments.

Mr. POMEROY. If the gentleman does not have a question about North Dakota, I will reclaim my time.

The gentleman's own seniors in Connecticut will lose $3,800 under their proposal, a fact he ought to be aware of.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, this budget is not just about the Federal Government's fiscal strategy, the way we keep our books. It is about America's future. It is about creating job growth and opportunities for our kids and our grandkids, about making our communities a better place to live and work and raise our families. Certainly it is about our future prosperity and our future safety.

Mr. Chairman, 2 years ago in 1993, this House, this Chamber, passed a large tax increase, approximately $248 billion over the 5 years of the budget. The decision from our conference was, should we give some of that tax increase back, and should we do it in a way that is going to stimulate job growth? We did that. One of the elements was my neutral cost recovery bill, that allows businesses to deduct the cost of the tools and equipment they buy as a business expense.

Let me tell Members what economists say is going to result from that kind of Tax Code change. They say the GDP of this country will increase almost $3 trillion, it will increase 3 million jobs with an average salary increase of $3,540.

Mr. Chairman, as we look at how we are cutting this budget, everybody is going to realize some pain. I hear so much talk about criticizing the cuts. It is so much easier to tear down a house than it is to build a house. We are trying to build that house in a budget that is going to help future generations. I would hope all Members would contribute in a positive way to how they think we can improve this budget, not simply criticize every element of every cut, Mr. Chairman, as we look at transportation, as we look at the infrastructure we have built over the years.

Ms. SLAUGHTER. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, earlier this year, I visited school lunch programs in my district, and learned something which the authors of this budget obviously have not thought about. Because child after child said to me, "Congresswoman WOOLSEY, I can't concentrate when I'm hungry." "I can't learn when I'm hungry."

Obviously, first-and-second graders know better than the authors of this budget that, if you enter the classroom hungry, you will not be ready to learn.

During one of my visits, a teacher in Marin County—one of the most affluent counties in America—told me that, recently, she had a class lesson asking her 1st grade students what their top three wishes were, and why, the top wish of two-thirds of her students was for more food for their family, because they were hungry.

Well, get ready to have trouble concentrating and learning, and get ready to be hungry, because this budget cuts $19 billion form nutrition programs in order to pay for a tax break for wealthy special interests.

Members on the other side argue that taking $19 billion away from child nutrition programs is not a big deal, in fact, they claim they are not even cutting child nutrition programs, but simply reducing the rate of increase. We hear Republicans say over and over again that "only in Washington do people call a reduction in the rate of increase a cut."

Well, the children in Marin County, who wish for food for their families, would see it differently. They would say that only in Washington do people call "taking school lunches away from children a "reduction in the rate of increase."

I urge my colleagues to vote against this budget resolution.

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Mr. KASICH. Mr. Chairman, I yield 2½ minutes to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I thank the distinguished chairman for yielding me this time.

I have been sitting here now for a couple of hours and I was waiting and wondering when the school lunch debate was going to come up. And you are absolutely right that only in Washington would we describe a 4½-percent increase each year for the next 5 years as a cut. It is unbelievable. We are increasing funding for the school lunch programs and we are calling it a cut.

But I think it is important as we take a look at what we are actually doing here. We are doing something that is important for the future of our children. This House has used this card for the last 25 years to build up a $4.7 trillion deficit for each of our kids. That is totally inappropriate. We need to get spending under control, and we are doing it. We put together a plan to get a balanced budget within 7 years. It is the right thing to do; it is the thing that we have to do for our kids.

What we are tying to do in this plan is we want to get the Federal Government away from so many things that happen in the private sector. It is not important to have a Federal bureaucrat between a child and their school lunch. It is not important to have a Federal bureaucrat between a landlord and their tenant. It is not important to have a Federal bureaucrat between a customer and a vendor. That is not the right place for the Federal Government to be. Those things happen very effectively and efficiently in the private sector. We reach out and we help those that need help. but we do not need to have Federal bureaucrats in all of these places, it is not the right way to go, it is not the right direction.

What we are doing in many of these areas is we are fixing programs that are broke. Job training, we are going at an area where, yes, we have to educate and train people.

This Congress has put together 153 different training programs, 153 different Federal bureaucracies of Federal bureaucrats between an individual who needs skills and an education process. It is absolutely ludicrous to have 153 programs. We are going to put that into four block grants. It is going to be efficient and much more effective than the system that we have today.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, the proponents of this budget plan argue fervently that its end result—a balanced budget by the year 2002—will produce economic prosperity and better living standards for all Americans. It will not. What the plan will do is simply substitute for the budget deficit an investment deficit that will guarantee the long-term decay of our economy and our society.

I am most familiar with the impact of the Republican budget plan on the civilian research programs under the Science Committee's jurisdiction. The Republican plan would force those R&D programs to decline by almost $25 billion over the next 5 years. To put that number into perspective, public investment in civilian R&D programs in our committee's jurisdiction would fall 25 percent in absolute terms, or 35 percent in real dollars, in just a few years.

I have included along with my statement a budget table showing the effect of this budget plan on committee R&D programs.

The Budget Committee report accompanying this bill makes it very clear how these cuts should be absorbed. They would have us eliminate most civilian applied research and technology development and demonstration work at every Federal department and agency. Many worthwhile science programs would suffer huge cuts or be terminated and, inevitably, Federal research labs would also have to close.

The Republicans reason that massive public disinvestment in R&D is good for the country because the private sector will pick up the slack and make these investments on its own, provided they get the deregulation and the tax breaks the Republicans have promised. This reasoning is naive and foolish. Deregulation and tax relief have not succeeded in raising private R&D investment in the past, and there is no evidence that it will work in the future.

In fact, even with an R&D tax credit in place, the private sector has been reducing its long-term R&D investment over the last 10 years in response to global competition. A recent survey of corporate R&D investment conducted by the Industrial Research Institute shows that U.S. corporations have reduced their long-term R&D from 20 percent to 8 percent of their R&D spending in the last 10 years. The remaining 92 percent of their R&D spending goes to short-term applied research with immediate commercial application.

The private sector is reducing their long-term R&D investment. If the Government also withdraws support for long-term R&D, as this budget implies, the consequences will be devastating and irreversible. The R&D infrastructure of the United States will be devastated. The result will be fewer scientists and engineers, less innovation and declining competitiveness in world markets. I, for one, do not believe the American people want to throw away their future simply for shortsighted political considerations.

Mr. Chairman, time and again today, my colleagues have warned us that we must not pass on a legacy of debt to our children and grandchildren. I agree, but we are also obliged to undertake those essential investments in new knowledge and better educated human resources that will guarantee them a bright future. This budget fails to do that and breaks faith with future generations.

The chart referred to follows:

KASICH-WALKER BUDGET ASSUMPTIONS—CIVILIAN R&D PROGRAMS IN THE JURISDICTION OF THE HOUSE SCIENCE COMMITTEE

[Budget authority (BA) in millions of dollars]

| Budget Function | Subcmte | Agency | Budget Assumptions | FY96–00 Change in BA[1] |
|---|---|---|---|---|
| 250 | Space | NASA | Cut Human Space Flight | −3,064 |
| | | | Cut Science, Aeronautics, & Technology | −4,790 |
| | | | Increase Mission Support | 117 |
| | | | Increase Inspector General | 2 |
| 250 | Basic Research | NSF | Eliminate social R&D | −583 |
| | | | Cut academic infrastructure investment | −750 |
| | | | Cut major research equipment investment | −479 |
| | | | Cut S&E; Headquarters relocation | −75 |
| | | | Cut education and human resources | −30 |
| 250 | Energy & Envir | DOE | Prioritize General Science Activities | −270 |
| 270 | Energy & Envir | DOE | Reduce Energy Supply R&D | −4,745 |
| | | | Reduce Fossil Energy R&D | −1,595 |
| | | | Reduce Energy Conservation Research | −1,960 |
| | | | Eliminate clean coal technology program | −864 |
| 300 | Energy & Envir | NOAA | Reduce Ops, Res, & Facilities | −1,369 |
| 300 | Energy & Envir | EPA | Terminate environmental technology program | −325 |
| | | | Reduce Office of R&D budget | −100 |
| 370 | Technology | DOC | NIST—Increase intramural R&D | 149 |
| | | | NIST—Eliminate extramural R&D (ATP, MEP) | −2,625 |
| | | | NIST—Increase construction funding | 32 |
| | | | Eliminate Technology Administration | −47 |
| 400 | Technology | DOT | Eliminate Intelligent Vehicle R&D program | na |
| | | | Eliminate High Speed Rail R&D program | −100 |
| 400 | Space | DOT | Rescind funds for NASA Wind Tunnel | −400 |
| 800 | Basic Research | OTA | Eliminate OTA | −104 |
| Total, Science Committee | | | | −23,973 |

[1] FY1996 through FY2000 cumulative change in new BA relative to FY1995 budget freeze.

Source: House Budget Committee. Democratic staff of the House Science Committee.

COMMITTEE ON SCIENCE—SUBCOMMITTEE ALLOCATIONS

[Dollars in millions]

| Subcommittee | Actual FY 95 | Pres. FY 96 | Walker FY 96 | Walker FY 97 | Walker FY 98 | Walker FY 99 | Walker FY 00 |
|---|---|---|---|---|---|---|---|
| Space | $14,470 | $14,267 | $13,395 | $13,130 | $12,543 | $12,043 | $11,578 |
| Basic Research | $3,325 | $3,414 | [1] $180 | $3,199 | $3,232 | $3,270 | $3,331 |
| Technology | $1,421 | $1,717 | [2] $645 | $350 | $360 | $371 | $382 |
| Energy/Envir. | $8,018 | $8,579 | $6,200 | $5,841 | $5,645 | $5,464 | $5,312 |
| Totals | $27,233 | $27,977 | $23,620 | $22,520 | $21,780 | $21,148 | $20,603 |
| Walker vs. FY95 (percent) | | | −13.3 | −17.3 | −20.0 | −22.3 | −24.3 |
| Walker vs. Clinton FY96 (percent) | | | −15.6 | −19.5 | −22.2 | −24.4 | −26.4 |
| Walker vs. Baseline[3] (percent) | | | −15.8 | −22.1 | −26.8 | −31.0 | −34.7 |

[1] Includes $26 million in authorized FEMA earthquake programs.

[2] Includes $302 million in authorized FAA R&D.

[3] Baseline assumes 3 percent annual inflation from 1995–2000.

Source: Chairman, House Committee on Science.

Mr. SABO. Mr. Chairman, I yield 30 seconds to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Chairman, this budget recommends that we eliminate the Department of Commerce. It just does not make sense in that we need to develop jobs in this country. If we are ever going to get to the point where we can develop jobs, we need the Department of Commerce. During the last 2 years the Department helped Americans secure $24.6 billion of foreign contracts, and for every dollar spent on the entire budgets of the Department it has returned $6 to the American economy. That is developing jobs, Mr. Chairman.

Mr. KASICH. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, the reason why we are calling for the elimination of the Commerce Department is its functions are performed in 71 other entities of the Government, and we think it makes more sense to consolidate that, save the bureaucracy, and give taxpayers some of their money back.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER], the distinguished chairman of the Committee on Science.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me the time.

I was interested in the discussion we just had on the cuts in the science budgets, and I think it is very important to understand what has happened over the last few years in the name of science. Much of what we have had in the science research budgets of this country have been in a State where many of them have been nothing but corporate welfare, and what we have done is done things in the name of R&D, in the name of science, and then found out that where they were going to was to the richest corporations in the country.

What we have attempted to do is prioritize science in this budget. We have attempted to protect the basic fundamental research of this country, and we have done so in the budget. In fact, basic research actually has a nominal increase over the 7-year period from $7.092 billion this year to $7.101 billion in 1996. This includes places like the National Science Foundation and a lot of programs in NASA and the Department of Energy.

But where we have the direct industrial and commercial subsidies, we eliminate those. What we are saying is let us have real research and development in this country; let us not subsidize our biggest corporations and call it R&D. And the fact is if you take a look at the chart, the corporate welfare sections of the budget are where we take the biggest hit.

Out of the total budget over the next several years, we are going to spend over $111 billion in the science areas. Out of $111 billion we ought to be able to get some quality science. The problem is we have not been getting quality science in too many instances. What we have been getting is big companies coming in and ripping off taxpayers' money in the name of things they wanted to do anyway. We cut that out. We just say no more. We are going to eliminate corporate welfare and concentrate on those things that the Federal Government can do best for the economy, the basic science and fundamental research.

So if you take a look at that, what you find is over the next several years we will go from $26 billion we are spending each year on some of these programs down nominally to about $23.7 billion. Two-thirds of the cuts, that is about 9.1 percent, about two-thirds of that entire cut comes out of corporate welfare cuts.

If the country wants to have real science I think that is exactly right, but the country does not want to do research and development and then find out that they did not get real research and development, and this is the example of exactly where we think we should go. We have prioritized science toward basic fundamental science.

Sure, we are going to have some applied science; we are going to do some developmental work and demonstration work. There is actually a line on which we can do the kind of research that this country needs. But we ought not be funding things that companies otherwise would do on their own.

And so this budget I think is a lean budget, but it is one that makes sense for science. It prioritizes science toward those kinds of things that science ought to be doing.

The Government is best at doing basic research, and that is where this budget puts its emphasis.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to my good friend and colleague, the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in opposition to the Republican budget resolution.

Mr. Chairman, I rise in strong opposition to the Republican budget proposal we have before us today. This is a measure which seeks to pay for the Republicans' tax cuts for wealthy individuals on the backs of those in need, children and the elderly, and at the expense of sound education, health and welfare benefits. We need to be concerned about the deficits, both the fiscal and human deficits, not just the bottom line.

I am deeply concerned about our budget deficit and throughout my career I have supported numerous efforts aimed at streamlining the Federal Government, reducing spending, eliminating waste and responsibly increasing revenues in an equitable way. Over the past 2 years, we have made steady progress in cutting the deficit with nearly $600 billion in deficit reduction over a 5-year schedule beginning in 1993. We passed the deficit reduction bill last year without a single Republican vote.

While I support reducing the deficit through cuts in some programs, the Republican budget proposal centers on cutting off programs which invest in the American people, while providing tax benefits to corporations and wealthy individuals. In the framework of this resolution, in seven years an extra $300 billion is added to the deficit due to tax cuts. That is the GOP way to solve the deficit. They say first things first, wealthy Americans need a tax break. Their promises made and kept are the tax cuts, of which 75 percent of the benefits go to corporations and investors. Other promises and policies receive short shrift under the GOP plan.

One of the most important investments our country can make is in education. Every dollar for education is an investment in our people in the future of this country and our national economy. The Republican approach for the education of the people of our Nation is mind-boggling. Their blueprint for the future not only abolishes the Department of Education, which would leave the U.S. as one of the few industrialized countries in the world without a national department or ministry of education, but proposes to make atrocious cuts which counter any pretense of deliberate consideration of public policy. This budget proposal calls for the elimination of about 130 Education department programs, including Goals: 2000 school reform programs, Chapter 1 Compensatory Education Concentration grants—which provide funding for areas with high levels of low-achieving children—and bilingual and immigrant education programs.

The proposal will eliminate funds used to make schools across the country safer and drug free and will dramatically increase costs for working families by charging all students interest on their loans while they are in school. These actions are not just thoughtless, they are policies ignorant of the problems and needs of American people today and tomorrow. At a time when jobs demand more preparation, cutting education funding is indeed a losing proposition. We need to support education as a budget priority and this bill before the House has it backward. We need smart people and smart hardware to face the future needs of our Nation. That won't happen with a negative and indifferent national policy.

This proposed budget pulls the rug out from under state and local governments, shifting responsibility away from the Federal Government for welfare and child nutrition and advocating deep cuts in community development, notably the Community Development Block Grant. The Republican answer is that cost burdens should be shifted to State and local governments and the non-profit sector, which are already operating on overload today. In other words, a trickle-down tax increase pushed upon the States.

A provision of the budget resolution which deeply concerns me is the proposal to zero out the funding for the Low-Income Home Energy Assistance Program, otherwise known as LIHEAP. As a Member from Minnesota, a State that works and strives to meet people's needs with a warm heart. Minnesota is one of the coldest States in the Nation, I am alarmed by the potential impact of this ill-advised action. In 1994, approximately 6.1 million households received aid to help cover heating costs nationwide. Nearly half of these households contain elderly or handicapped persons—often on fixed incomes—and about 80 percent earn less than $10,000 a year. Where are these people to turn when they no longer can afford to heat their homes? This pattern is repeated because of the tenuous situation that many poor face today.

The Republicans are cutting funds for programs which provide basic housing for Americans in dire need of assistance. They will reduce housing assistance for the elderly, for persons with disabilities, and for other low and moderate income families. They would eliminate funding for most preservation activities, and reduce funding for the operations and modernization of public housing. All of these proposals mean it will be more difficult for people to find decent, safe and affordable housing, in this time when affordable housing is dwindling, and the demand is growing. These proposals serve notice that the unique programs that are designed to take the necessary step for our most vulnerable citizens and to help working people help themselves, today are serving as targets for political pot-shots.

On the environmental front, in addition to cutting funds for sewage treatment, safe drinking water facilities, soil and water conservation programs and hazardous waste cleanup, the

Republican budget blueprint advocates allowing oil and gas exploration and drilling on the Arctic National Wildlife Refuge as a way to increase revenues. The Arctic Refuge coastal plain is a priceless and irreplaceable treasure. The fate of the coastal plain and its value to present and future generations as an undisturbed, fully-functioning ecosystem have been the subject of a complex and highly contested debate for more than a decade. The resolution of this debate must not be obscurely foreordained through a backdoor effort in the Federal budget process. It deserves full consideration in the glaring light of public scrutiny.

One of the biggest ironies in the budget resolution is the treatment of Medicare. In the absence of any real health care reforms, Republicans suggest simply slashing Medicare by $288 billion over the next 7 years. This is a 27 percent cut. This will mean fewer benefits, higher out-of-pocket costs for seniors, and less choice of doctors. For my home State, Minnesota, it has been projected that the Republican budget proposal will cost each senior an additional $3,557 over the 7-year period from 1996 to 2002. Nearly 83 percent of Medicare benefits go to seniors with incomes of $25,000 or less, and the proposed reductions would have a devastating effect on these people. Likewise, Medicaid funding, the only major Federal source of funding for long-term care, is cut 30 percent by the year 2002. Together Medicare and Medicaid cuts account for nearly a third of all savings in the bill. The GOP puts this in place without a clue of how this cut will be attained. Health care/Medicare doesn't exist in a vacuum. The GOP was quick to demagogue health care reform in 1993–1994. Now they seek no reform, only a Medicare cut that will result in a second-rate health care program for older Americans.

In the last Congress, the Republicans refused to support meaningful comprehensive health care reform, saying there was no crisis in health care so why make changes? Today they have conveniently discovered the Medicare Trustees Annual Report and tell us there is a crisis. Actually the 1995 report suggests an improvement over 1994. The GOP Congress is going to solve this health care crisis by cutting benefits to seniors and reimbursements to health care providers while providing a generous tax cut to wealthy Americans and a funding increase for defense. This is not the approach that will protect Medicare and the elderly and help rationalize and regularize the health care system.

The Medicare cuts are supposed to save the program from a projected revenue shortfall in 2002. However, the cut they want to take from Medicare to offset the loss of revenue resulting from the Republicans' tax cuts for wealthier Americans, is $353 billion over the next 7 years. Despite the political rhetoric, the main beneficiaries of these tax changes are the wealthiest members of our society and corporate America, with the wealthiest 1.1 million Americans receiving a $20,000 tax break. Further, the budget proposal includes a tax increase which could total as much as $42 billion, including $17 billion in personal tax increases which result from the 0.6 percent adjustment in the Consumer Price Index. The indexing of income tax rates and brackets are reduced for middle income Americans, not mind you in the tax package but hidden in this budget package, and Social Security benefits are cut with the same COLA sleight of hand. In fact $24 billion in just 3 years is picked from the pockets of Social Security recipients.

Even as student loans, housing, and Medicare are being cut, the Republican budget would increase budget authority for defense to $288 billion and defense outlays to over $280 billion by 2002—billions more than President Clinton has requested. These large spending increases for the Pentagon are questionable not only because we no longer face the threat of the cold war, but also because the Pentagon has admitted its finances are in complete disarray. In fact, the annual financial statements of 28 of the Pentagon's 36 departments are so riddled with flaws and inaccuracies that the GAO has declared them completely worthless. The Pentagon's own Deputy Inspector General recently stated that the Department of Defense pays private contractors $500 million dollars it does not owe them every year, and DOD cannot account for $15 billion it has spent over the past decade. Republicans apparently have no qualms about pouring billions more taxpayer dollars into a black hole at the Pentagon, even as they cut funds for cost-effective social programs which result in economic benefits in the future. I fail to understand why in this time of fiscal stringency that the Pentagon receives $60–$70 billion more.

Mr. Chairman, forging our economic priorities into the next century has been a focal point of the ongoing debate. I have grave concerns about the direction that this budget is taking. We ought to be offering hope by acknowledging the reality that the Federal Government must remain a partner for supporting the basic needs of our citizens, not abandonment. However, what I am seeing is an erosion in support for working families and an eradication of support for those who cannot make ends meet in order to give folks making $200,000 or more a tax break. Republican priorities do not signify political courage, as they would have us believe, but political pandering. Republican priorities are focused on change at the bottom line, producing enough money for the Republican tax breaks for well off Americans, not empowering families. I urge my colleagues to oppose this distorted GOP resolution. When the political reality meets the public outrage the tax breaks will stand, the tax cuts and programs and actions will falter; the secret plan to cut Medicare, a better kept secret than the Dead Sea scrolls, will evaporate in the public outrage at denying much-needed justified programs and responsibilities.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I thank the distinguished gentleman from Minnesota for yielding time to me.

Mr. Chairman, I rise in strong opposition to the fiscal year 1996 Republican budget resolution. Before we vote today, I believe it is vitally important for the American people to understand just what this budget resolution really does, whose interests it really serves, and whose it abandons, whose taxes are cut on the one hand, and whose benefits are cut and eliminated on the other.

Simply stated, this resolution proposes a major reallocation of resources among the people of America. If you are a middle- or lower-income American, can lose big under this resolution. If you are a high-income American, you win big under this resolution.

First, the resolution would slash spending for discretionary programs by $635 billion over the next 7 years, cut Medicare by $288 billion, and reduce Medicaid by $187 billion. That takes money out of the pockets of average Americans.

And second, as if to add insult to injury, money taken out of the pockets of middle- and lower-income Americans is immediately used to pay for a tax cut for the wealthiest Americans.

□ 1845

Mr. Chairman, when put in this perspective, it should become clear that the proposal we are voting on today would literally take from the poor to give to the rich.

Let us talk about the spending cuts contained in the plan. The question is how seriously should they be taken? How seriously should we take those spending cuts? And the answer is very serious. Many vital programs will be eliminated if this budget resolution, the one we are voting on here today or tomorrow, is enacted, and many others will be cut as much as 40 and 50 percent.

Imagine the average American family for a moment, if you will, husband and wife, both working struggling to make ends meet, two or three children. How will they be affected by the cuts proposed in this resolution? Well, if the children in this family are receiving nutritional subsidies at school, they will see large cuts due to this resolution. For college-age children in the family, this resolution proposes to increase costs for a 4-year college loan by $5,000. If the father or mother relies on mass transit to get to and from work, this resolution will, at the least, cause the fare to go up, and in rural areas across America, certainly in my State and, I imagine, many others, may even eliminate mass transit service. If either parent should be laid off or lose his or her job, this resolution greatly reduces the resources available for additional job training, and if there is an elderly grandparent, this resolution will make cuts, real cuts, to programs which fund long-term care.

Believe me, Mr. Chairman, I could go on and on. And so while the Republican proposal may not impose a tax increase on middle-class America, it certainly eliminates many of the resources the average American family currently relies on and has available to it.

And where do those resources go? To pay for a tax cut for the wealthiest

Americans, Americans who do not need to take out loans to go to college, who do not depend on mass transit to go to work, who do not have children who rely on school lunches for their daily nutritional needs.

If fact, the tax cut which is proposed under this resolution will cost the American people close to $400 billion over 7 years, $700 billion over 10 years, and 51 percent of that tax cut goes to Americans making over $100,000 a year.

Mr. Chairman, where do those resources go? To pay for a tax cut for the wealthiest Americans. Americans who don't need to take out loans to go to college, who don't depend on mass transit to go to work, who don't have children who rely on school lunches for their daily nutritional needs.

In fact, the tax cut which is provided for under this resolution will cost the American people close to $400 billion over the next 7 years—$700 billion over the next 10 years. Fifty-one percent of the tax cuts in this Republican proposal will benefit those Americans making over $100,000 a year—with more than 20 percent going to the top 1 percent of families making over $350,000 a year.

Well, this completes the picture—a major shift in resources from the middle and lower income folks to wealthy America.

So each and every American must decide if this resolution—this Republican agenda—is in his/her own best interest. Someone will benefit from this proposal—it is just important to know who that someone is.

I urge my colleagues to vote "no" on this resolution.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado [Mr. ALLARD].

Mr. ALLARD. Mr. Chairman, as a member of the Budget Committee I can say we worked tirelessly to produce a budget that is fair and equitable.

The result is a balanced budget in 2002—just as we promised.

To those who oppose this plan I say, what is your alternative?

Contrary to what many opponents would like to have you believe, the Republican budget is a very Senior friendly budget.

First, as we promised, Social Security is off the table. No cuts at all to Social Security.

This is the only area of the budget we exempt from cuts.

And with Medicare, we simply slow the growth to 5 percent a year.

This means we will increase Medicare spending over 7 years, from $4,700 per beneficiary today to $6,300 per beneficiary in 2002. This preserves the solvency of Medicare.

Now lets look at the rest of the budget. We freeze defense, and make clear that defense spending will continue to undergo the kind of scrutiny of other aspects of the budget.

Third, we reduce all discretionary spending, including foreign aid.

We abolish three Cabinet agencies: Commerce, Energy, and Education.

This plan also eliminates 283 programs, 14 agencies, and 68 commissions.

Overall this budget simply slows the growth in spending to just over 2 percent a year. The difference is that under current forecasts we grow over 5 percent a year.

Now, what does all this mean to American families. It means a higher standard of living.

It means families will pay less for their home mortgage because of lower interest rates. It means more families will be able to afford college for their children.

This week's Time magazine has an excellent article on this topic.

It explains how balancing the budget can help revive the American Dream.

The article talks about how lower deficits mean lower interest rates, and therefore more job creation by U.S. business.

The article provides one very specific example of a young couple who are considering a new home.

Under a mortgage rate of 8 percent, they would pay $734 a month on a $100,000 mortgage. If interest rates are 1 percent lower, this payment is cut to $665.

This would save $28,000 over the life of the mortgage. This would be enough to put one of their future children through a year of college.

Similarly, I have been using the example of farmers, because there are reductions in agriculture subsidies in this budget.

However, it is estimated that a 1.5-percent reduction in interest rates would save the farm sector over $10 billion in interest payments on their debate over 5 years. This more than offsets the reduction.

These are examples of what it means to balance the budget. This is not just an exercise in accounting. It really matters. It will make a difference in the lives of every American.

It will particularly, make a difference in the lives of our children and grandchildren. I urge my colleagues to join me in supporting the first balanced budget in 33 years.

Mr. Chairman, recently, I received a letter from a young father in Denver. He wrote on behalf of his 1-week-old daughter and asked that I address my response to her. His letter spoke of the massive debt she is inheriting. He spoke of how our generation is spending now, and hoping that later she, and the rest of our children and grandchildren will pay the bills.

DEAR MR. ALLARD: Last week my daughter was born to my wife and I. As I understand it, she is now responsible for at least a $20,000 share of our national debt. As the recent commemoration of the fiftieth anniversary of D-Day demonstrates, our nation has long been mindful and thankful of the sacrifices born by past generations. Sacrifices which preserved and made possible the liberties and benefits of today. My daughter, in contrast, faces the opposite.

Instead she must sacrifice in the future, to pay for the liberties and benefits of the past generation. I ask you this question because she will look to me for the answer: Which benefits enjoyed by past generations should she keep in mind as she toils to pay their costs? What entitlements, what projects enjoyed by your generation will make her sacrifice noble and worth it all? What should I tell her? What would you tell her?

In 2002, this child will be 7 years old. I hope by then we can guarantee her a balanced budget and secure future. Tomorrow this House will decide the answer.

Mr. Chairman, I rise in strong support of this historic budget document.

Throughout the process I had the privilege of heading up the Natural Resources—Science Task Force. I was joined in this effort by SAM BROWNBACK, and BOB WALKER.

This task force included Agriculture, Interior, Energy, and science programs. Obviously, many of the issues impact the West, including my constituents in Colorado.

This is a good budget for the West. Sure, we make a contribution to the reductions, but that is fair. I meet with constituents almost every weekend. They want a balanced budget and they are willing to do their part.

This is a balanced budget. Urban and rural areas are both called on to contribute.

The payoff will be substantial.

This budget produces a balanced budget in 2002—just as we promised.

This will be the first balanced budget in 33 years. That's right, 1969 was the last year the Federal Government balanced its books.

Let me go over the highlights of our working group's proposals:

AGRICULTURE

We phase down farm subsidies, this is already a declining baseline.

To offset we reduce regulation, this will be done in the Farm bill and elsewhere, we are also reducing the tax burden on farmers with the capital gains tax cut and estate tax relief.

I think it is very important to note that farmers will benefit greatly from a decline in interest rates that will result from this balanced budget.

It is estimated that a 1.5-percent reduction in interest rates means that farmers will save over $10 billion in interest payments on their debt over the next 5 years. This more than offsets any reduction in subsidies.

ENERGY

Both the Energy Department and the Commerce Department are eliminated.

The power marketing Administrations are privatized, but they are sold only to the preference power customers, giving more power to our constituents and protecting against any rate increase.

The naval petroleum reserves at Elk Hills are also sold, this is the 10th largest oil field in the country and there is no reason for the Federal Government to own it.

Reseach functions are privatized, and all nuclear cleanup activities will continue at current levels.

INTERIOR

There will be a moratorium on new Federal land purchases. We own enough land already. In many States out West, more than one-third of the land is owned by the Federal Government.

This map shows why we don't need to have the Federal Government buying more land.

As you can see, vast portions of the West are already owned by the Federal Government. All of the area colored in is owned by the Government.

These are a few examples of the highlights of our budget.

Make no mistake, we call on every aspect of the Federal budget to contribute to the savings in this budget. The only exception is Social Security, which we do not touch at all.

I ask my colleagues to support this historic budget.

MAY 9, 1995.

Memo
To: Arnie Christenson
Re: the balanced budget amendment and interest savings to farmers.

Attached is a very rough estimate of the impact of 1.5 percent reduction in interest rates on farmers costs.

In 1993, Farmers had $141.9 Billion in Outstanding Debt.

If we assume interest rates of 8 and 7 percent for long term and short term respectively then:

Net Savings from a 1.5 percent reduction: $2.13 billion or a 5 year very conservative estimate of savings of $10.65.

It is interesting to note the Agriculture Committee is debating over whether to save $12 billion or $9 billion or $5 billion.

If we don't balance the Federal budget then:

Interest rates won't go down by 1.5 percent and farmers will spend an additional $10.65 in interest cost over 5 years.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from South Carolina [Mr. INGLIS], a member of the Committee on the Budget.

Mr. INGLIS of South Carolina. Mr. Chairman, I find it very interesting the gentleman from West Virginia just talked about how it is going to cost the American people to give a tax cut. I really do not understand that statement. I wonder if he would like to describe it for us.

It is going to cost the American people to give them a tax cut? He says it is going to cost some hundreds of billions of dollars, but actually it is the other way around.

When the gentleman from West Virginia voted for the Clinton tax increase in 1993, he increased taxes in the State of West Virginia by $356 million, $356 million in increased taxes the people of West Virginia will pay as a result of the gentleman's vote in favor of the Clinton tax increase. That costs the American people money. That is a tax increase.

Mr. MOLLOHAN. Mr. Chairman, would the gentleman yield?

Mr. INGLIS of South Carolina. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Does the gentleman agree or disagree that over 51 percent of the tax cut in the Republican proposal will benefit those Americans making over $100,000 a year?

Mr. INGLIS of South Carolina. No. I do not agree.

Mr. MOLLOHAN. You do not agree that 51 percent of the tax cuts in the budget proposal benefit those persons making over $100,000 a year?

Mr. INGLIS of South Carolina. No; no, I do not.

Mr. MOLLOHAN. You disagree with that? Do you agree that more than 20 percent is going to the top 1 percent of American families?

Mr. INGLIS of South Carolina. Reclaiming my time, let me answer the gentleman. I really cannot figure out how you refer to our tax cut as a cost to the American people. We are allowing the American people to keep their money.

Mr. KASICH. Mr. Chairman, regular order.

The CHAIRMAN. Regular order has been demanded.

The Chair recognizes the gentleman from South Carolina.

Mr. INGLIS of South Carolina. It is a very important point. It is a very important difference between the philosophies that are represented here. The gentleman from West Virginia just described a tax cut as costing the American people money. This is a unique concept. In other words, he assumes that 100 percent of the American paycheck belongs to him, and the people who used to run this place, they assumed that he owns the paychecks of the people in the fourth District. I assume quite the opposite.

I would point out to you that in quite contradistinction to your approach, we believe the American people own their paychecks. And we should own only such sums as we need to run the government.

Mr. KASICH. Mr. Chairman, I yield myself 15 seconds to just point out the chart in the front shows that those people below $75,000 get 74 percent of the family tax credit. The figures, frankly, speak for themselves.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, I submit my remarks at this point. I rise in strong support of reaching a balanced budget by the year 2002, under the solid work of the Committee on the Budget and the leadership of the gentleman from Ohio [Mr. KASICH].

Mr. Chairman, I rise to congratulate the Budget Committee for its fine work in putting together a budget resolution that for the first time in many years puts us on a path toward balancing the budget. I am pleased to support this resolution, because I believe it is imperative that Congress regain control over our spending practices and leave our children an economically strong America.

The process that we undertake today will not be easy. Indeed, the cuts that are going to be necessary to bring our budget into balance will be painful in some instances. And while I do not agree with every line item in the Budget Committee's resolution, and will fight hard in the weeks ahead to shape appropriations bills that meet our targets, I support it as a fair and honest document from which the House can start its deliberations on spending.

In 1993, gross interest payments equalled $293 billion, greater than the total outlays of the Federal Government in 1974. If we continue current policies into the next century, we will be forced to enact fully $500 billion in deficit reduction each year just to restrain the deficit to 3 percent of gross domestic product.

For too long, this Congress has chosen to continue the status quo, pushing this Nation further and further into debt and forcing the results of overspending today on the generations of tomorrow. The budget was last balanced in 1969, an entire generation ago. As representatives of the American people, we have no choice but to start on the course of fiscal responsibility. And that is what this budget resolution before us today sets out to do.

There are two areas on which I would like to focus my remarks today: Medicare and the Commerce Department.

I cannot stress how important it is to reform our Medicare system. This budget resolution addresses head-on the impending Medicare crisis facing senior constituents. We must take steps now to shore up Medicare financing and benefits to keep our Medicare promise to today's beneficiaries—seniors—who will need these health benefits 10 years from now.

Our friends on the other side of the aisle tell you that we are "cutting Medicare, slashing the benefits." This is simply not true. We will increase Medicare spending over the next 7 years by 45 percent. We will spend $1,500 more on each beneficiary 7 years from now. How can anyone call this a cut?

But keeping Medicare merely solvent is not all we must do. We will make Medicare work smarter, and serve seniors better, just as employers have been successful in bringing down costs and increasing quality and consumer satisfaction.

And we will let seniors choose how to use their Medicare dollars to join plans that cover prevention, that cover prescription drugs or home care, that provide benefits and individual senior desires.

This budget proposal for Medicare represents a tremendous challenge, but, it gives us a great opportunity as well.

Second, while I support the budget resolution's cuts in spending growth, I oppose eliminating support for U.S. exports, and the thousands of American jobs they create every year. Proposals in this budget to eliminate and cut trade and export enhancement programs, while well-intended, are shortsighted and ignore our dependence on U.S. exports as the fastest growing component of GDP, growing 2½ times faster than the overall economy. The continued globalization of business, and the global shift toward market-oriented economies will create substantial new opportunities for U.S. goods and services abroad. To access these markets, it is imperative that the United States maintain or create a Cabinet-level agency dedicated to coordinating these vital export and import finance and promotion programs. Eliminating the functions of the Commerce Department will certainly not enhance job growth in this fast-growing area of our economy, though many of the savings proposed in Commerce are thoughtful and meritorious.

Again, Mr. Chairman, I rise in support of House Congressional Resolution 67 and urge my colleagues to do the same.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Kentucky [Mr. BUNNING],

a member of both the Committee on the Budget and the Committee on Ways and Means.

Mr. BUNNING. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of the Republican budget resolution and urge my colleagues to support it as well.

We promised that we would produce a proposal that would lead to a balanced budget by the year 2002, and we did it. We promised the American people that we would produce a budget that provided them with much-needed tax relief, and we did it. And, finally, we promised that we would produce a budget that protects Social Security trust fund moneys and protects Social Security benefits, and we did it.

And as chairman of the Social Security Subcommittee, I am proud to say we are not going to touch those funds. Our budget fully preserves and protects Social Security.

Our budget assumes absolutely no changes, no changes of any kind in the Social Security program, no COLA cuts, no benefit cuts, no tax increases.

Unfortunately, there are those who prefer the status quo and who are willing to resort to all sorts of fear-mongering and false statements designed to frighten our senior citizens. They used these tactics to help kill, at least temporarily, the balanced budget amendment in the Senate. They suggest that a balanced budget amendment would result in cuts in the Social Security benefits.

Our budget resolution today proves them exactly wrong. We can, and we will, balance the budget without damaging Social Security.

In fact, the majority proposal today would actually strengthen Social Security. As it stands now, the greatest single threat to the long-term solvency of the Social Security system is the continued runaway Federal spending. A balanced budget is the greatest guarantee possible that the promise of Social Security will be kept.

A balanced budget is the best long-term protection that we can offer for the Social Security trust funds, and our budget will put us on a realistic path to a balanced budget.

If you want to vote to preserve and strengthen Social Security, you can vote for the majority budget and feel very comfortable that you are doing the right thing. So do the right thing and support the majority's budget proposal.

Mr. SABO. Mr. Chairman, I yield such time as the may consume to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I rise in opposition to the Republican resolution.

Mr. Chairman, the $1.4 trillion budget plan, which the Republicans claim will reduce the deficit, represents a major assault on American families. Under their plan, our colleagues on the other side of the aisle have demonstrated a callous disregard for the most vulnerable in our society. The Republicans have launched an attack on those in the dawn of life—our children; those in the twilight of life—the elderly; and those who are in the shadow of life—the sick, the needy, and the handicapped.

The Republican budget threatens the quality of life for the vast majority of Americans. My congressional district and similar communities across the Nation cannot absorb budget cuts that take meals from our children; and health care and heating assistance from our elderly. We cannot enact a budget that forces hard-working families to choose between paying a mortgage or purchasing health care coverage for their children.

Mr. Chairman, Americans are tuned in to this important budget debate. I have received letters from directors of hospitals, community health care centers, and others. They offer concrete evidence regarding the enormous toll the Republican budget would take on our communities.

Just recently, I heard from two organizations in my congressional district regarding the budget cuts. These institutions are highly respected and noted for their service to the community. Mr. Richard B. Hogg who serves as senior vice president for financial management at Mount Sinai Hospital, shared with me his concern that the hospital's ability to continue to provide essential services will be severely threatened. Mr. Hogg states in his letter, "* * * to drastically cut the social and health care needs to those most in need is unconscionable."

The director of nursing at Health Hill Hospital, Loretta C. Pierce, expressed her concern regarding cuts to the Medicaid Program, and, in particular, the damage it poses to children's health. She writes, "Medicaid is more than a health care program for poor people * * * it is insurance for children with very special health care needs * * * even if their families have low or moderate incomes."

I want to commend Mount Sinai and Health Hill Hospitals for taking a leadership role in addressing these important issues. As a strong health advocate, I share their concern that the Republican budget cuts pose a threat to the health of our Nation.

Mr. Chairman, I rise today in strong opposition to House Concurrent Resolution 67, the budget resolution for fiscal year 1996. The Republicans' budget plan as proposed is outrageous and extremely harmful to America's families and working citizens.

If enacted, the $1.4 trillion budget will drastically slash everything from child nutrition services to assisted housing, to health care, to education. No one is safe. Everyone will suffer under this budget proposal.

Those most in need would be hardest hit, including nearly cuts to assisted housing for homeless, poor, disabled, and elderly Americans. In addition to abolishing the Department of Education, the Republican budget would also eliminate funding for TRIO and Howard University, one of the Nation's leading institutions of higher education. Funding would be severely slashed for financial aid, programs for the disadvantaged, and other elementary and secondary education initiatives.

Mr. Chairman, our Nation's most vulnerable citizens must not be forced to carry the weight of the Republicans' $360 billion tax cut for the wealthy on their backs. There is no compassion in this budget measure, and in fact, the drastic cuts in quality of life programs defy common sense.

The bill would cut Medicare by $288 billion and Medicaid by $187 billion. The cuts in these two health care programs alone would account for about one-third of the total reduction in spending. If the Medicare cuts become law, seniors would see 40 to 50 percent of their cost-of-living adjustment consumed by increases in their health care costs.

Mr. Chairman, I know the people of my district cannot carry this burden. The Republican budget would weaken the foundation of our economy and place our children's future at risk. House Concurrent Resolution 67 is blatantly irresponsible. On behalf of our Nation's children, working families, and the elderly, this bill must be defeated. I ask my colleagues to join me in voting against House Concurrent Resolution 67.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I am happy to rise today in a moment that I did not think would ever come, that we would be debating not whether to balance the budget, but how to do it. I commend the chairman of the Committee on the Budget, the gentleman from Ohio [Mr. KASICH], my ex-chairman, the gentleman from Minnesota [Mr. SABO], and others who have demonstrated quite an amount of sincerity in their different approaches.

My chief regret today is that, I say to the gentleman from Ohio [Mr. KASICH], I have not been able to stand shoulder to shoulder with you in the argument today as we have in the past. But we have some sincere differences with the budget that you present today.

I sincerely believe that the cuts that you have proposed, cuts in the rate of increase that you have proposed in the Medicare and Medicaid area, are too severe for my rural district. I believe that sincerely. I believe that you believe that is not. But I think it is a big problem.

But that is not what I choose to talk about today. What I choose to talk about today is the misrepresentation that is occurring at home in my district, that is occurring by the so-called Americans for a Balanced Budget, who are circulating radio advertisements and other statements in which they say Congressmen who claim to support a balanced budget amendment and vote against the Kasich plan will lose all claim to the title of being pro-balanced budget, and also saying in this news release that the Democrats in Congress have not even offered a budget of their own.

Well, ladies and gentlemen, that is not a true statement. The Congressional Black Caucus has offered a budget, and the coalition has offered a

budget that the gentleman from Missouri [Mr. GEPHARDT] will be proposing tomorrow.

Misrepresentation is occurring on all sides, and that should not be happening.

I wonder why our coalition budget is not credible when we cut spending $18.2 billion more in the first 2 years, in which you have to vote those cuts before you run for reelection. Why are we not credible?

I wish that you in your budget had done more up front than what you have done. We do. We propose the spending cuts now, not later.

It was interesting, when we debated in the Committee on the Budget, we were saying early on 7-year budget, you said you could not do it. You had to do it in a 5-year budget. Now we are saying we are going to do it in a 7-year budget, but you take $18 billion more spending in the first 2 years when we can not assume it.

I really worry about this one: Having been here in 1981, when we voted tax cuts, promising spending cuts that we never got to, here we go again. We are doing two reconciliations. We are going to reconcile the tax cuts. We are going to have the first reconciliation with the tax cuts and the so-called easier spending cuts, which there is no such thing. We are going to do that one first. Then we are going to postpone the tough spending cuts for September. We have been down that road before.

And the budget that we propose that will be voted on tomorrow, I submit to you, is more credible in another way, because we will have at the end of our 7 years in the coalition budget $160 billion less debt for those children and grandchildren that we have been talking about. Why does that make us less credible than you?

Let us conduct the debate in such a manner in which we recognize there is a difference of priorities. We will argue ours tomorrow. We think we have a better set, and we believe the American people also agree that we should cut spending first and then cut taxes after we have shown that we have got 218 votes, 51 votes, in the House and Senate, to do that which we say we are going to do.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. WOLF], a member of the Committee on Appropriations.

Mr. WOLF. Mr. Chairman, I rise in strong support of the budget. I think it is fair.

Let me take my hat off and pay special commendation to the gentleman from Ohio [Mr. KASICH], to his staff, and to the members of the Committee on the Budget.

In the Book of Esther in the Old Testament, they said Esther was sent just for a time just like this. Perhaps JOHN and the others on the Committee on the Budget have been sent for a time like this.

I have given the speech over and over in the last several years about my five children and how important it was to balance the budget. I have heard Members on both sides give the same speech.

I believe that the Kasich budget is fair. Clearly, we have to remember the poor, and I believe that we will remember the poor. But, clearly, this is the time, and if we do not do it now, will it be any easier, as the gentleman from Texas [Mr. STENHOLM] talked, next year or the year after? Clearly, it will not be.

We can argue about where we cut within the parameters of the budget, but, frankly, we cannot argue should we balance the budget, because we clearly should.

□ 1900

In closing, one of the leading newspapers in my district, the 10th District of Virginia, the Winchester Star, recently editorialized on the balanced budget effort with these words:

And so at this time, perhaps it is best for us to draw upon the wisdom of pamphleteer Thomas Paine, who penned these immortal words in the darkest hours of the Revolution: "These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country; but he that stands it now, deserves the love and thanks of man and woman."

For the GOP, which has presented the first balanced budget plan in a quarter-century, this is definitely no time for "summer soldiers." For a monumental battle, with significant ramifications for the future, will soon be enjoined.

I strongly urge Members on both sides to put aside our differences and, whatever we do, to make sure when we leave tomorrow night we have passed the balanced budget, not only for our generation but, more important, for future generations.

Mr. Chairman, I rise in support of the fiscal year 1996 budget resolution. I first want to congratulate Budget Committee Chairman JOHN KASICH for his yeoman work to bring the House to this point in its history today. This is truly a historic day. The people's house is poised to secure the financial future of this Nation and I want to be on record in support of leading this Nation to a balanced budget by the year 2002.

I recognize that there are differences of opinion on the direction we should take and the budget numbers we should use in reaching the goal of a balanced budget. But there should be no difference of opinion on the need for this Nation's financial house to be solvent; on the need to secure a prosperous future for our children, their children, and generations of Americans to come.

I believe this blueprint for a balanced Federal budget by the year 2002 will help secure that future and in so doing protect elderly citizens, protect middle-class Americans, and protect future generations.

There are many politically expedient statements being made today on what this budget does and does not do and about whom this budget hurts and helps. We have heard the statements that this budget callously targets the vulnerable and less fortunate in our society, that this budget cuts programs that benefit the poor and elderly to pay for tax cuts for the rich. My colleagues, that broken record some in this House keep spinning is becoming tired and worn rhetoric. I certainly would not be supporting any effort to balance the budget on the backs of the most needy of our citizens. Indeed, none of us would.

The American people are tired of the carping and sniping and rhetoric. They want action. They want this House to work together in a bipartisan way to reduce the Federal deficit, stop the hemorrhaging national debt, and balance this Nation's budget.

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For the GOP, which has presented the first balanced budget plan in a quarter-century, this is definitely no time for 'summer soldiers.' For a monumental battle, with significant ramifications for the future, will soon be enjoined.

Mr. Chairman, I call on all our colleagues to not shrink from their responsibilities to the citizens of this Nation, to not be summer soldiers. I ask every member of this House to join in this historic opportunity to put this Nation on the right fiscal track and secure the financial future of America.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. LARGENT], a very distinguished freshman member of the Committee on the Budget.

Mr. LARGENT. Mr. Chairman, I would like to, first of all, commend the chairman of the Committee on the Budget. Some folks may not know that he has a reputation of throwing nickels around like manhole covers, and to the American taxpayers I say, "You should be pleased that a gentleman with such a reputation is the guardian of the Federal purse strings."

I also want to remind Members in this body and American taxpayers once again that over 300 Members in this Chamber voted for a balanced budget. 66 Senators voted for a balanced budget. 81 percent of all Americans believe that the Federal Government should balance their books.

Mr. Chairman, I think the attitude and the mood of the American citizens was best reflected by a farmer in central Oklahoma that I had a chance to visit with in January. When I asked him the question, "Should the Federal Government have to balance its books," he very pointedly and very briefly replied.

He said, "Well, I have to, and so should the Federal Government," and I could not agree any more.

I say to the gentleman from Ohio, Chairman KASICH, I would say to you that the greatest compliment that is paid to this budget document that you have laid down before us to bring us to a zero by the year 2002, an historic document, that the greatest compliment that has been paid to it has been the breath of rhetorical blabber about this particular budget because everybody is going to feel the pain. There is something there for everybody, and I think in that respect that it earns a great deal of credibility that we all have to earn.

As my dad told me, that it was belt-tightening time, believe me it is time to tighten the belt on the bloated belly of the Federal Government.

Finally, I just would like to quote a few statistics, and I am ever mindful of the fact that it was in Washington, DC, that the saying originated that figures lie and liars figure, and so I am careful when I throw around figures myself. But I would remind all of my colleagues that the tax cuts that are found within the Contract With America, that 70 percent of the taxpayers that will benefit from the capital gains tax cut are citizens who earned $50,000 or less, 70 percent of the people who benefit from capital gains earn less than $50,000, and families with children that earn $25,000 or less will totally wipe out any tax bill to the Federal Government.

Also, I would remind my colleagues that the chart that was up here earlier, that 74 percent of the beneficiaries of the family tax cut earn less, less than $75,000, and let me say to my colleagues, "You don't need a CPA to figure it out."

Mr. SABO. Mr. Chairman, I yield 2½ minutes to the distinguished gentlewoman from New York [Ms. SLAUGHTER], an active member of our Committee on the Budget.

Ms. SLAUGHTER. Mr. Chairman, this is Ruth Lowenguth. She lives in my district, is a constituent of mine. She is 83 years old.

Now, I know she does not like it, but we are hearty people in Rochester, and she is also testament to our extraordinary health care system there. But Ruth, like 80 percent of the Medicare home care health users, will be living on a fixed income of less than $15,000 a year. Three-quarters of the people in that category are over age 75, and two-thirds of them are elderly women.

Now, Mrs. Lowenguth has a small pension and a modest Social Security check, and she pays all health costs that are not covered by Medicare. That is only about half of the health care expenses. If she had to pay 20 percent more to get home health care, it would be an additional $1,200 a year for her. She cannot spend that money then on housing, or food, or prescription drugs, or other necessities. It is $1,200 that she and millions of other women on fixed incomes just cannot afford.

Why are they faced with this threat? Because Republicans want to cut Medicare to give a tax break to the very wealthy.

Another thing that is very concerning to me, Mr. Chairman, is the amount of money that I think we may be losing from women's health care, an initiative that is long overdue, and it is only 4 years old. We have been able to provide quite a bit of money that was never there before. Actually, it looks like quite a bit compared to zero for breast cancer research, and we have systematically tried to put more and more in. We cannot turn back on that commitment now because breast cancer kills one American woman every 12 minutes; more than 40,000 of them will die this year.

Mr. Chairman, all women are at risk of getting breast cancer. More than 70 percent have no known risk factor, and the incidence has doubled in the last 30 years, so much more research is needed. But it is not likely to happen. A 5-percent cut in funding for the National Institutes of Health would mean that research on breast cancer, ovarian cancer, cervical cancer, and a host of other diseases will be competing for scarce dollars, and we could lose ground on very important progress.

For the first time, mortality rates are declining among breast cancer. If this program stalls from lack of funding, what will my Republican colleagues say to the women who will be diagnosed during the 1990's?

Mr. Chairman, I urge all of my colleagues to think of the mothers, women, sisters, all their relatives back in their district, and think about this and vote "no."

Mr. KOLBE. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I point out to the gracious gentlewoman from New York [Ms. SLAUGHTER] that Medicare spending in the great State of New York is now $14 billion. It is going to rise to $19 billion in the next 7 years, a 36-percent increase. The per-beneficiary cost is going to go from $5,312 to over $7,000 per beneficiary.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds before yielding to the gentleman from New Hampshire.

Mr. Chairman, the gentlewoman just talked about the cuts in research in breast cancer and other kinds of NIH research. I think it is important to note that NIH has more than doubled in the last 10 years. The cut we are talking about is less than—only 5 percent, and it is impossible that every one of the programs she listed could be in jeopardy when we are talking about a 5-percent cut.

Mr. Chairman, we are making sure that the kind of research that we have been doing will be ongoing.

Mr. Chairman, I yield 2 minutes to the distinguished freshman gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Chairman, I rise in strong support of the Kasich budget.

Mr. Chairman, I have been sitting here for the last 4½ hours listening to this debate, and I took up my pen and pencil and calculated that we have run up an additional debt of $168.89 million since this debate began. That is debt that will be paid by every existing taxpayer and every taxpayer who will come ahead of us. This is unacceptable.

Mr. Chairman, on November 8, the American people said that they had had enough of a Congress that holds its head high in arrogance and tells the people of America what they need and what they want and steals money out of their pockets and the pockets of their children to pay for programs, and then today we sit here talking about not whether we have a balanced budget, but how to balance the budget, and we hear the old guard, the keepers of the bureaucracy, the protectors of the old order, talk about the programs that they want to preserve, the programs that they want to protect, the programs that they know have not worked, the programs that have built bureaucracies in this country year after year after year.

I am a new Member of Congress, and I have stood by for the last 4 or 5 years and watched these chronic deficits rise year after year. What business do we think we have as Congressmen running these deficits for no reason? There is no war. There is no economic emergency. Even in the 1970's we were given excuses by the President and the majority at that time. It is time, and the American people have told us, to balance this budget and do it now, and that is what the Kasich budget does.

My colleagues, let history judge this Congress and its achievements, not on the hard choices that we all have to make, but by what our actions do for our children and our children's children.

Mr. SABO. Mr. Chairman, I yield myself 15 seconds.

Simple fact:

Over 76 percent of the dollar benefit of the capital gains tax change in the Republican proposal goes to people with incomes over $100,000 a year.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, why have the Republicans cut Medicare as they are doing here in this budget? Of course, it is to finance a tax break for the privileged few.

Now, June Cox is a woman in any district. I met with her and about 200 older Austin citizens last Saturday. They are concerned about seeing the budget balanced as much as anybody in this room, but they do not think we have to balance it with a sick tax on

our seniors, and there is something else that I had hoped I would not have to show in the course of this debate. It is another picture, and I would like my colleagues to focus on it. This is it.

I say to my colleagues, If you'll look real closely at it, you will see through this time of the debate every single thing that our Republican colleagues have told us about, specifically what it is they're going to do in imposing new out-of-pocket costs on America's seniors. That is to say, if you look closely, you won't see the doubling of the deductible. That bothers Jean Cox, and, if you look closely, you won't see the new out-of-pocket expenses when Jean Cox's doctor tells her she has to go to the lab, and, if you look closely, you won't see the new out-of-pocket expenses that Jean Cox will have if she needs specialized nursing care. No, you won't even see the increase in the deductible, because only in Washington would someone have the audacity to come and tell the senior citizens of America that they're doing more, that they're spending trillions and millions and billions of dollars more to help them out. But they stop to think about it from the perspective of the senior citizen. Jean Cox doesn't have a lot of understanding about trillions and billions of dollars, but, you know, to her and those 200 people I talked to in Austin, $20 extra a month is a lot of money. Doubling the deductible is a lot of money, and that is why, when they go through their reams have charts and when they take all the luminaries and all the number-crunchers of the Republican Party and they put them altogether, they haven't come out with a chart that shows anything other than this.

Mr. Chairman, I challenge them. I say, come forward with your plan. Where is the plan. Where is the information for the American people as to what you're going to do to their out-of-pocket expenses in Texas, or Connecticut, or anyplace else, because we haven't heard one word. Ms. Cox and others who are watching, we haven't heard one word about what's going to happen to the out-of-pocket expenses of these seniors, and it's about time we hear something about it.

My colleagues, the basic difference, as we approach this debate, is that we Democrats believe that Medicare is reliant on a trust fund, not a slush fund, to pay for tax breaks for the rich.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would admonish Members to address their remarks to the Chair rather than to the TV audience or anyone else, as is required by the rules.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I was sitting in the Committee on the Budget when the gentleman from Texas spoke about a secret plan, and I began to look at this blank sheet, and I thought, well, this blank sheet is the President's balanced budget plan, and I thought, no, no, that is not what it is. It is his plan to save Medicare. It is blank. It goes bankrupt in 7 years. And we are going to save it, even if the gentleman from Texas does not want us to.

□ 1915

Now, the challenge that we have is that the gentleman makes up numbers. He says we are going to do all these things. What he does not realize is no, what we are going to do is allow beneficiaries choice, which they do not have now. We are going to allow the private sector to give them rebates, which they do not have now. Some beneficiaries will actually get money from Medicare because the private sector will be able to offer it to them.

We think it is incredible that we have allowed Medicare and Medicaid to rise at 10 percent when the private sector is rising at 4 percent. We would like to get Medicare and Medicaid into the 21st century and be able to provide choice. In Texas, Medicare is going to go up 50 percent. Only in Washington is an increase in spending called a cut.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. WALKER], vice chairman of the committee.

Mr. WALKER. Mr. Chairman, we have heard a lot of talk out here about tax cuts for the rich. Let us get the facts on the table. The fact is that 70 percent of all the taxpayers who are going to benefit from the capital gains tax cuts will have incomes of less than $50,000. Families with children earning less than $25,000 a year will have their entire Federal income tax liability eliminated by the $500 per child tax credit. Families of incomes of $30,000 will have 48 percent, or nearly half, of their Federal income tax liability ended. Seventy-four percent of the beneficiaries of the $500 per child tax credit will be families with incomes below $75,000.

There is a big difference between Republicans and Democrats. Democrats believe that if you make $25,000 a year, you are rich, and you ought to have your taxes increased. If you make $30,000 a year, you are rich, and you ought to have your taxes increased. That is what Democrats believe. When they talk about the rich here on the floor, they are talking about people making $25,000 and $30,000 a year, who they believe ought to be tax poor. We think they ought to have their taxes eliminated.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Guam [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Chairman, I rise in strong opposition to the budget resolution.

Mr. Chairman, I rise in opposition to H. Con. Res. 67, the budget resolution, not because deep budget cuts have to be made, but because these budget cuts are being used to finance tax cuts for the wealthy on the backs of school children and the elderly.

Of all things to use to balance the budget, gutting educational programs and elderly health care should be the last thing this Nation should do.

The reversal of the national effort to improve our schools through Goals 2000, Improving America's Schools, School-to-Work, and other Department of Education programs in this budget would have serious consequences in school districts all across America. And I know that it would adversely affect efforts on Guam to raise the standards of our own schools. What happened to all those politicians who used to complain that Johnny can't read? Under this budget, poor Johnny still can't read, Johnny can't get a decent school lunch, Johnny will not be prepared to get a job, and Johnny's mom won't be able to pay her medical bills.

And if your name is Juan, the cuts are particularly egregious. The elimination of all bilingual education programs is especially mean-spirited. I, for one, do not believe this to be a budget cut, it is social engineering at its worst—and this, from conservatives who would decry any social engineering at all. It is trying to legislate that all schoolchildren who need help in language skills would be denied help because they are different, and their families are different. It is legislating that all kids should have been born speaking English, and its just too bad if they were unfortunate enough to have been born into a family that has preserved its own cultural heritage.

I also oppose the efforts to cut Medicare benefits for the elderly in order to balance a budget based on tax cuts for the wealthy. All the denial cannot erase the basic fact that this is exactly what this budget does.

Mr. Chairman, we all realize that tough decisions must be made. We just do not agree that the toughest part of balancing the budget would fall to the most vulnerable Americans, the schoolchildren and the elderly of this country. The lawyers and the wealthy are over represented in this Congress, but who will stand up for the children and the elderly?

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. Mr. Chairman, I rise in opposition to the budget that my colleagues on the other side of the aisle, the Republican side, are offering.

Now, a few minutes ago, the gentleman from Oklahoma said that it is time for America to tighten its belt. Now, surely there are many Americans who can tighten their belt, but I am here to talk for a moment about my constituent, Mrs. Arlene Farwell, who if she is asked to tighten here belt any more is going to find it pretty tough to breathe.

She is a senior, she is retired, she is disabled. Because of a bureaucratic snafu, she is paying more than $80 a month for her Medicare part B. And if the deductibles and the copayments

and the premiums go up any more, she simply is going to have nowhere to turn. She put it really very well for me today when she said, "There is just too much month left at the end of the money."

So I say to my colleagues, Medicare badly needs reform, and all Members understand that. But there is a right way to do it and a wrong way to do it. And I would submit that cutting Medicare spending, as the Republican budget does, by 15 percent, without saying how you are going to do it and still protecting Mrs. Farwell, is the wrong way to go.

Now, many of my colleagues on the Republican side have some interesting theories about managed care. The irony is over a 20 year period, we have made many of those theories work. In Portland, OR, we have the highest percentage of managed care now in the country among seniors in our area. It is close to 50 percent. But you cannot turn the system around on a dime.

What is going to happen to the seniors of our country, and I have seen this again and again since my days as co-director of the Gray Panthers, when you theorize about Medicare, as the Republicans do, what happens in reality is the seniors get more copayments, more deductibles, more premiums, while everybody waits to see if the great theories are ever going to pan out.

So I offer to my colleagues on the other side of the aisle that if rescuing part A of the Medicare trust fund is really what you seek to do, let us honor the Speaker's pledge to deal with this outside the budget. If that is the principal concern of my colleagues on this side of the aisle, let us work together on a bipartisan basis to deal with this, as Speaker GINGRICH suggested, outside the budget.

I think there are many Members on both sides of the aisle who would like to take that route rather than the route my colleagues on the Republican side propose, which is to reduce Medicare spending 15 percent, try to turn this system around on a dime, and still protect seniors.

I would also offer to my colleagues, and we heard some testimony on this yesterday in the Subcommittee on Oversight and Investigation, that if you try to turn the system around on a dime and make the savings you are talking about overnight, what is going to happen is you are going to create juicy new opportunities for fraud and abuse.

If you do not believe that is going to happen, go talk to the people of south Florida, because when they tried to go to managed care overnight, when they tried some of the ideas that the Republicans are talking about advocating now, what happened was the sleazy rip-off artists, who are already exploiting the program, and we certainly agree on that, saw a great new opportunity, and instead of producing savings, we saw more waste, fraud and abuse. If you look at south Florida, you will see how it happened.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I want to respond to something the gentleman from Oregon said. The fact of the matter is that we tried to do exactly what the gentleman was talking about. We tried it on the floor yesterday, to get some recommendations to this body as to how we should solve the problem, and by a vote that unfortunately was a majority, but it was not enough to get the two-thirds on the suspension, this body rejected the idea we should ask the trustees who have the fiduciary responsibility for the trust fund to give us some recommendations about how we save it.

Mr. Chairman, I yield two minutes to the gentleman from California [Mr. RADANOVICH], a distinguished freshman member of the Committee on the Budget.

Mr. RADANOVICH. Mr. Chairman, in the election in 1994 the American public sent a strong message to Congress, and that was they wanted a smaller, less intrusive Federal Government.

Mr. Chairman, the 1996 budget resolution is a manifestation of that mandate. The Federal Government has gotten too large, and we have made it smaller and less intrusive by transferring power from Washington to the State and local level. We have also privatized many functions of Federal Government that frankly should never have been started here in the first place.

I believe the American people are willing and able to rise to this new level of expectation. The American public is not stupid. I think it is arrogant to assume that the people of this country are not capable of taking responsibility for themselves, for their families, and for their communities.

Mr. FAZIO of California. Mr. Chairman, I yield 3 minutes to the gentlewoman from Missouri [Ms. MCCARTHY].

Ms. MCCARTHY. Mr. Chairman, why are Republicans cutting Medicare to pay for tax breaks for the privileged few? That's the question my constituents like Joan and Dale Hunt are asking. Republicans started by taking school lunches from children, and now they are going after our senior's Medicare. I am committed to balancing our budget by downsizing government, and by streamlining and eliminating Federal programs which have outlived their usefulness. I have not committed to balancing the budget by slashing funding in Medicare by $283 billion and Medicaid by $184 billion. We have a moral obligation with our seniors. Seniors who have worked hard all their lives, and through their sacrifice and toil, have made this the greatest Nation in the world now are finding out to their amazement that Republican promises to protect their entitlement were empty promises—and simply a ploy to provide a $353 billion dollar giveaway to the wealthy.

For our seniors, medical care out-of-pocket expenditures have ballooned to 21 percent of their disposable income. These two constituents, Joan and Dale Hunt of Raytown, have visited with me and have expressed their concerns with the Republican's proposed cuts in Medicare. The Hunts, in their early 70's, remain active in their church and continue to volunteer to make our community better. Dale was a meat-cutter at our local Kroger grocery store for 45 years, and Joan worked at numerous jobs to raise their son and to make ends meet. Last year they had $4,300 in out-of-pocket medical expenses. These two seniors, who have worked hard all their lives and played by the rules are realizing that their very subsistence is at stake. They have a very limited discretionary income and have been unable to buy needed medical supplies. The Hunts live on a fixed income and have put off buying hearing aids and glasses for Dale and needed dental work for Joan. They have instead fixed their furnace. Now with the Republican budget proposals the Hunts will pay $3,500 more for out-of-pocket expenses over the next 7 years. $3,500 dollars may not seem like very much. For the Hunts, glasses, hearing aids and dental work will again have to be put off, their budget will be faced with additional cuts; will they be able to fix their furnace the next time it breaks, and will they be able to buy the necessary medicines, or the necessary food to keep them healthy?

I am committed to making the difficult choices necessary to balance the Federal budget, but I will not be party to a balanced budget formula which gives tax breaks to those most advantaged, while slashing the programs of our parents—the seniors. Take your tax breaks off the table and we will work together to leave a legacy to our children we can be proud of, and not a legacy which impoverishes the elderly. I will not forget the Hunts whose love has endured. Joan has given up the notion of replacing her lost wedding band, and the Hunts have given up traveling to be with their son and grandchildren—they are luxuries they can no longer afford. We must not give up on the Hunts, and 36 million seniors like the Hunts who live on a day by day basis to meet their basic needs of food, medicine, and shelter. Is this the American dream promised by the Republicans? If hope is a number in the GOP budget math, I must declare that in my district, reality springs eternal—we can't make it on hope alone. Keep your promise and give up your tax breaks for the wealthy.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I thank the gentleman. I, with all sincerity, thank the gentlewoman from Missouri. It is important we keep our promises. I am looking at quote after quote where she says we need to balance the Federal budget, and that is what we are doing. This is our opportunity.

In Missouri, we give $3.7 billion to Missouri in Medicare funding. It is going to go up to $5.2 billion. It is an increase of 39 percent. The per beneficiary of individuals in Missouri get $4,493. That is going to go up to nearly $6,000, an increase per beneficiary. Cutting school lunch, it is going to go up 4.5 percent. It is an increase.

Only in Washington will the gentlewoman say that an increase in spending in Medicare, an increase in spending in school lunch, is a cut. Only in Washington.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas [Mr. TIAHRT].

Mr. TIAHRT. Mr. Chairman, I did not realize this was poster day on the Potomac or I would have had these blown up. These are the most important constituents that one could have. These are my three children. This is Jessica and John and Luke, and it is their future that we are talking about today and the nurture of millions of other children and grandchildren in this country.

My daughter is 14. If we cannot balance the budget by 2002 and it takes us as long to get out of this debt as it did to get in it, she is going to be 53 years old. We have literally passed on the problems of this generation to the next.

Are we committed to balancing the budget? We are on this side of the aisle. We have a plan to eliminate the Department of Energy as a Cabinet-level position. This is a historical event because we have never eliminated a Cabinet-level department in the history of this country.

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But it is time to trade in this 1970's tax guzzler. And how did Secretary O'Leary and President Clinton respond? They said they are going to cut 14.1 billion over the next 5 years, but yet next year's budget has an increase of $337 million.

Even Vice President GORE, in his reinventing government group, has said that the largest part of the Department of Energy, the environmental management group, is missing 20 percent of their milestones. They are 40 percent inefficient. And he said that it is going to cost taxpayers $70 billion over the next 30 years if we do not do something about it.

Mr. Chairman, this must stop. We need to balance the budget. We need to honor our children's future. We need to turn the lights out at the Department of Energy.

Mr. FAZIO of California. Mr. Chairman, I yield 3½ minutes to the gentleman from Maine [Mr. BALDACCI].

Mr. BALDACCI. Mr. Chairman, I yield to the gentlewoman from Missouri [Ms. MCCARTHY].

Ms. MCCARTHY. Mr. Chairman, I would like to point out that in the figures on Missouri which were discussed just briefly, the loss to Missouri in revenue would be $5.2 billion. That averages out to $3,004 per senior on their Medicaid cuts, Medicare cuts.

Mr. Chairman, I thank the gentleman for yielding to me. I thought this document from the Committee on the Budget would be helpful in clarifying the loss to my State and the loss to individual seniors.

Mr. BALDACCI. Mr. Chairman, there are approximately 199,000 Medicare recipients in the State of Maine; 21,000 of those recipients in Maine are at or below the poverty level. The question is not to balance the budget. The question is to balance the budget and offer $300 billion in tax breaks.

When you stop and think of the lady in Old Town, ME, that confronted me and said she could not afford her prescription drugs and she was forced to cut the tablets in half because she could not afford it, asking her to double the out-of-pocket expenses to have a $300 billion tax cut; talking to the elderly couple in Lewiston, ME, who are getting divorced because they cannot afford their prescription drugs, so they qualify for the Medicaid Program, which is being cut; telling that to these people beyond the charts that are being offered, those are the real people who these figures are impacting.

And then talking to the elderly in my State who are in nursing homes who because of new cost-effective regulations are being analyzed and at the age of 92 being told to leave nursing homes and to go into group homes, that is really what is going on out there.

I think when people get to be the age of 65, that we want to be very careful with how we handle their health care. Those are the people that have the Contract With America. Sixty years ago when Franklin Delano Roosevelt established those contracts of Social Security and then Medicare and Medicaid later on, those are the compacts that have given our seniors a lift up out of poverty so that they can live their life in dignity. Those are the people who really society will be judged by.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

I would just like to point out to the gentleman from Maine that, when we talk about these cuts on senior citizens, he is right, of course, because the Republican budget proposal with all the tax cuts that we have provided will provide $154 million to the senior citizens only of the State of Maine in tax reductions. That is savings by changing the earnings test for senior citizens and of course the reduction in the income tax on Social Security benefits.

Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. METCALF].

Mr. METCALF. Mr. Chairman, we do have to balance the budget, and this plan that we have is a start toward balancing the budget by the year 2000 or 2002. Today, $1,000 per person, men, women, and children, $1,000 per person per year is spent in paying the interest on the debt. Imagine what your family would do with $1,000 per person.

In 1997, the interest on the debt will pass, it will pass defense. It will then be the largest single expenditure in the Federal budget. Paying perpetual interest on a permanent debt is an absolutely ridiculous way to use tax money.

I think that the way we should look at each expenditure is in this light: Is this expenditure important enough to borrow the money, because we do not have money anymore, we have debt; is it important enough to borrow the money and then force our children and grandchildren to reduce their standard of living enough to pay the interest on the debt for the rest of their natural lives? If it is that important, if each spending item is that important, then we should do it. And if it is not that important, we should have the courage and the ability to just say this is something we will not afford until after the budget is balanced.

Mr. FAZIO of California. Mr. Chairman, I yield 3½ minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I yield to the gentleman from Maine [Mr. BALDACCI].

Mr. BALDACCI. Mr. Chairman, as far as the tax cuts that are being provided, I was told by the majority staff on the Committee on Government Reform and Oversight that, if the unfunded mandate legislation was in fact effective, the tax cut would be the first issue that would go through that because in my State it is going to cost $370 million over that 10-year period in loss of revenues to my State, if the unfunded mandate legislation was in effect at the time that these tax cuts are being talked about.

Mrs. CLAYTON. Mr. Chairman, I also want to add that the billions that the majority wish to spend on the wealthy through a tax break is more than enough to spend for the Medicare Program. So indeed, if we had a problem, a part of that problem is being exacerbated by the additional cost that we have are having for the expense.

I want to bring to your attention people who do not understand big dollar tax breaks. There is a lady by the

name of Carlene Neese. She is in North Carolina. She is the wife of an Alzheimer's patient who knows what it means to have assistance in her care. In fact, what she has is the home health program which comes once a week and additional help with that particular patient. As her husband gets to the end of his dreaded disease, she knows that that pain will be greater because she will have to bear that. She herself has no income. And without increased income, she would be paying more for her health care.

However, I want you to know, Mrs. Neese is not alone. She is typical of many people in my State. She is alone in the suffering that she must share. In fact, I had a mother of a 75-year-old Alzheimer's patient to wrote to say, You should just imagine what it is to spoon feed my mother and have her to take at least 2 minutes to chew that food to understand what that pain means and to know what it means, that stress on my family, that many of my family needs are going unmet.

I had a 75-year-old widow of an Army person who has served this Nation well, 75 years old. She said, I thank God that I have the ability to work. In the job she is working in now, she has worked there for the last 15 years. Really what she says, I hope that when I retire I will have enough resources to take care of myself without being a burden to my family.

I tell you, the majority plan does not allow for her to have that assurance. In fact, she is working extra time.

In fact, the question has to be raised, why is the majority giving such a big tax break while making the poor suffer? If you are to give such a big tax break, why do you not make it even? We want a balanced budget, but we need to balance our priorities. There are thousands and thousands of people who will pay extra because of this plan.

In my rural county, there are 13 hospitals that if this plan goes up, they will be paying big bucks.

Mr. Chairman, this is the wrong way to go. Balancing the budget is one thing, but balancing our priorities is right.

Mr. Chairman, the billions the majority wants to spend on a tax cut for the wealthy could fully pay for the reductions they want to make in the Medicare Program.

Why is the majority willing to sacrifice senior citizens to satisfy affluent citizens?

More important, what will this policy of helping the rich and hurting the less well off really mean for America?

The answer is—we don't know, and they don't know. We don't know and they don't know because the majority is yet to tell us—in detail—how the $283 billion reduction in Medicare spending, over the next 7 years, will occur.

But, we can make some reasonable assumptions based upon prior action.

We know that the reductions the majority proposes in Medicare and Medicaid are bigger than reductions in these programs at any other time in history.

We know that every hospital in the United States that serve Medicare patients—including the 13 hospitals that serve 28 rural counties in my congressional district—will lose money; big time; up to $1,300 for every Medicare patient served, over 5 years.

We know that, under the plan of the majority budget, senior citizens will pay $1,060 more for their health care costs by the year 2002.

Most can barely afford health care now.

Many will have to choose between heat and health, a warm coat or a trip to the doctor—and some may even have to choose between eating and health.

More than 8 out of every 10 seniors who receive Medicare benefits have incomes of $25,000 or less.

Mr. Chairman, we know that Carlene Neese, a 77-year-old woman from North Carolina, is the primary caregiver for her husband, who has suffered from Alzheimer's disease since 1986. He also has a Foley catheter.

We know that the home care the Neese family gets once a week to change the catheter, and the aide who comes out three times a week, is threatened by the majority's budget plan.

As Mr. Neese enters the end stages of his dreaded illness, the strain on Mrs. Neese will be obvious and perhaps overwhelming.

Mrs. Neese's dilemma is repeated again and again, throughout my congressional district.

There is a 75-year-old mother, also suffering from Alzheimer's disease.

Her daughter writes to me in her effort to secure some help with the care of her mother, "Imagine me giving Mom a spoonful of food and having her take 15 minutes to swallow."

The daughter goes on, "Other family commitments are putting a great strain on my household. Hurried meals, neglected laundry and [ignored] housekeeping," are typical in this family.

And then there is Beulah McDonald of Kinston, NC.

She is 72 years old. Her husband served this Nation in the military for two decades.

Ms. McDonald told me, "I have to work."

She gets a little Social Security and a small stipend from her husband's military retirement.

Now that she is over 65, with the limited amount she now gets from Medicare, and the deduction from the private insurance she must pay for—this 72-year-old woman, who has worked in her present job for 15 years—told me, "When I retire, I don't know how I will make it."

Beulah McDonald, who has done everything right in her life said finally, "Thank God, I am healthy enough to work."

With this budget plan, the majority is sacrificing senior citizens to satisfy affluent citizens.

They go too far.

The billions they want to spend on the wealthy could more than pay for the cuts they want to make in Medicare.

Mr. Chairman, let's balance the budget, but, let's balance our priorities first.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. FOX], a freshman Member.

Mr. FOX of Pennsylvania. Mr. Chairman, I want to note for the RECORD that for the citizens of North Carolina who are senior citizens, $805 million of tax reductions will take place as a result of what this Congress has already instituted.

I think we should note now for those who are listening from their offices or here on the floor that we already have in the 104th Congress made great strides for our senior citizens. First, we have lowered the senior citizens tax burdens by repealing over a 5-year period the Clinton tax increase on Social Security retirees.

Second, we have eliminated the penalties for working seniors. We have raised the $11,280 Social Security earnings limit to $30,000 over 5 years. Beyond that, we have also ensured access to long-term health care insurance by easing the financial drain on seniors and their families by making private long-term care insurance more readily available and allowing accelerated death benefits to be paid tax free. In addition, we have caring for parents at home by providing $500 tax credit to families who care for a dependent elderly at home.

Social Security we know in this Congress is off the table. We have said that and that is the case. Medicare will go bankrupt by 2002, if we do nothing. Therefore, we feel that Medicare must be preserved, protected, and improved.

What you will hear from the other side of the aisle is some false charges. False charge No. 1, you are cutting Medicare to pay for tax cuts for the rich. Wrong. The facts are clear. The Medicare trust fund is going bankrupt. You can pull out all the tax cuts from the Republican budget and Medicare still goes bankrupt in 2002. The Medicare trust fund is financed by payroll taxes and the Clinton administration itself has said that the trust funds will go bankrupt. The Republican budget will save Medicare from bankruptcy.

False charge No. 2, your plan for Medicare for the seniors will pay much, much more for fewer and fewer services under our plan. Wrong. A 40-percent increase in Medicare spending is not a slash. The Republican plan allows for a $1,600 per recipient increase in spending.

Therefore, I say vote for the budget.

Mr. FAZIO of California. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Arkansas [Mrs. LINCOLN].

Mrs. LINCOLN. Mr. Chairman, I yield to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I would like to make a correction and insert, according to the figures that we have on the budget side of the minority, the average senior citizen's income and cost of care over a 7-year period would be $3,000 and my State would have to pay an additional $6 billion over that same period of time. So your

figures are certainly in contrast to mine, I want to add for the RECORD, so we have a balance of what the truth is here.

Mrs. LINCOLN. Mr. Chairman, I rise today to express my strong support for the Stenholm-Orton substitute to the budget resolution for fiscal year 1996 and I applaud our colleagues for their hard work. I am a strong supporter of a balanced budget and I applaud the progress that we make today toward eliminating the deficit. However, we must ensure fairness and equity in achieving a balanced budget. The American public is ready to tighten its belt as long as we all shoulder part of the load fairly. The coalition alternative budget is based on equity.

Our budget substitute would ease the burden on rural Americans. Our proposal restores $114 billion in Medicare spending, as well as $50 billion in Medicaid spending. Farmers would receive $12.9 billion more over the next 7 years under the Stenholm-Orton budget. We maintain our commitment to our country's future by restoring $35 billion in funding to education and training programs, and $18.7 billion in guaranteed student loans. We ease the burden on rural economic development. We also include the alternative welfare reform plan offered earlier this year by myself and others. And, most importantly, we would still achieve a balanced budget in 7 years with lower interest payments than under the leadership proposal.

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The Republican leadership's bill reserves the greatest amount of spending cuts for the last 2 years, that is what we leave for our children and our children's children, while the Stenholm-Orton substitute spreads out those cuts more evenly over the entire 7 years. This means lower national debt, and therefore less burden, on the future of America.

We also avoid the risk that future Congresses might not be willing to make the tough cuts. I am a strong supporter of tax relief, but in order to achieve it, the committee bill has come down too hard on agriculture, education, job training, and Medicare, among other things. We first need to ensure the future of our children and then give tax relief to ourselves.

Mr. Chairman, I urge my colleagues to support the Stenholm-Orton substitute, because it provides the most fair and equitable solution to achieve a balanced budget.

Mr. KOLBE. Mr. Chairman, I yield myself 1 minute, just to respond to the comments that were just made.

First, Mr. Chairman, we are hearing from one side that we do not have any plan at all. A blank piece of paper was held up. We do not have any plan, we cannot see what the Republicans are talking about on Medicare. Now we hear the specific figures of what the Medicare cuts are going to mean in terms of additional costs.

Which way is it? Do we know the specific dollars or do we not? Which way is it? I would point out the gentlewoman from Arkansas has been talking about the alternative budget proposal that they are going to have, but it does not include any of the tax relief for senior citizens; and for the State of Arkansas, our tax cuts would mean $257 million less taxes for senior citizens in the State of Arkansas.

Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON of Pennsylvania. Mr. Chairman, we have heard some case studies of families. I have one family we have not heard about yet that I would like to discuss. I would like to talk about Rosie Watson of Lake Providence, LA.

Rosie is a 45-year-old mother, common-law mother of seven kids. She has been able to get her doctor to declare that she is too stressed out to work, so she receives $343 a month in income from the taxpayers. Her husband, who weighs over 300 pounds, has been able to get his doctor to declare that he is unable to work, so he gets $343 a month.

They have seven kids. Rosie spent 17 years in getting all of her kids qualified as not working up to their age level in school. Guess what? The taxpayers are footing a check each month for all seven kids in an amount over $400.

Mr. Chairman, this one family gets $46,716 a year under their system, a system they do not want to change, that we are going to reform. Why have we not heard about that family, or the tens of thousands of families all across America who are abusing the taxpayers in this country?

Rosie was interviewed by the Baltimore Sun, who did this exposé. The reporter said "What do you do with the money?" She said, "I can tell you, each month I take $120 and give it to four of my kids," and her quote is "Being the age they is, and being out with their little girlfriends, they need that money to spend on them."

I do not have constituents in my district who can give their teenage kids $30 a month, let alone from the taxpayers. The Members want to keep the system intact? Our budget changes Supplemental Security Income and stop this abuse. Where are the examples on the other side, of the families who are ripping off the taxpayers? Where are the examples of what they have done to try to change the system for the past 40 years?

I can tell the Members, as the youngest of nine kids with an 84-year-old mother on Social Security and Medicare, I do not want to hurt her one bit. As a 7-year public school teacher who spent more time overseeing school lunches than anybody on the other side, I do not want the School Lunch Program cut, but stop the rhetoric when we are trying to solve the problem and be fair with the way we deal with people.

Once again, I ask my colleagues on the other side, where are the tens of thousands of stories about the Rosie Watsons ripping off $47,000 a year in taxpayers' money, who the Baltimore Sun has said will never get off the system? That is what we are trying to change, and we are going to do it, with or without your cooperation.

Mr. Chairman, I include for the RECORD the article from the Tampa Tribune to which I referred earlier:

[From the Tampa Tribune, Feb. 13, 1995]

HERE'S A GRAND LITTLE STORY TO STIR YOUR BLOOD ON A MONDAY MORNING

How does an unemployed family in Lake Providence, LA, qualify for $46,716 a year in tax-free cash from the federal government?

The Baltimore Sun, in a special report, details one woman's crusade to win disability benefits and gives a rare insight into a welfare system infuriatingly out of control.

Rosie Watson, the Sun reports, gets $343.50 a month in disability payments because a judge found her too stressed-out to work. Her common-law husband, at 386 pounds, was ruled too fat to work, so he gets $343.50 a month too.

Their seven children ages 13 to 22, have all failed to demonstrate "age-appropriate behavior," so each of them qualifies for payments of $458 a month. What the welfare world calls "crazy checks."

The Sun's description of Watson's persistent efforts over many years to convince social workers and judges that various members of her family are incapable of supporting themselves reveals serious flaws in the welfare system, flaws that account for the nation's increasingly hostile opinion of it.

"I got nothing to hide," the woman told the Sun, and allowed reporters to visit her in her modest home, even opened her Social Security records to them. The inescapable conclusion is that the problems lie with the system, not with people like Watson who, like good attorneys, endeavor to make their best case.

Watson's quest began in 1975 when she tried and failed to convince Social Security officials she couldn't work.

In 1978 she told officials that her second child, at age 4, was a threat to other children and should receive financial aid. They didn't buy it, but she kept up, applying again and again until, in 1984, Social Security officials agreed that he had behavior problems. A few years later she received a $10,000 check after it was decided he should have been declared disabled four years earlier.

In all, the family has received $37,000 in retroactive payments, part of $1.4 billion in retroactive checks mailed after the Supreme Court in 1990 gave children increased rights to disability payments.

After 15 years of relentless applications, Rosie Watson has had all her children put on disability payments. The youngest child, now 13, attends elementary school, where the principal complains that the quest for "crazy checks" is undermining academic standards. The children don't want to fail but perform poorly to please their parents, he says.

Not true, says Watson.

"I ain't never told any of them to act crazy and get some money," she said. "Social Security will send you to their own doctor. They're not fooled because those doctors read your mind. They know what you can do and not do."

The Sun discovered that one doctor found a Watson boy had "strong anti-social features in his personality and is volatile and explosive." And, "he said he does not want work."

Apparently, unless government rules are changed, he will never have to get a job.

Here is the Sun's description of what Mother Watson does with the $3,893 worth of monthly checks:

"As soon as she extracts the nine checks from the [post office] box, she cashes them. She gives the full amount to Sam, 21, and Cary, 22, the father of two children who have moved out of the house since being awarded benefits. The remainder is used for the other children and household expenses.

"Most of the money goes for the children to 'see that they have what's needed,' the woman says. "With what's left, I pay bills and buy food."

"One need is $120 allowances for George, David, 17, Willie, 18, and Danny, 19.

"Being the age they is and being out there with their little girlfriends, they need the money," she says.

The checks are sent because of a disability but there is no requirement that the money be spent to try to overcome that disability, the Sun reports. The family's medical needs are taken care of through Medicaid, the value of which the newspaper did not attempt to calculate.

The reporters had a little trouble determining exactly what Rosie Watson's disability is.

In 1974 she said she couldn't work because of high blood pressure, heart trouble and bad nerves, and was rejected. In 1975 she reported it was anemia, dizziness, nerves and bad kidneys, and was rejected. In 1976 she blamed low blood pressure and heart problems, was rejected and gave up for a while.

In 1984 she applied again complaining of stomach problems, epilepsy and sinus trouble. In 1985 the list included "female problems," and an examining doctor concluded: "This is a 34-year-old black female who had seven children under 12 years of age, and alcoholic husband and no money, who complains of insomnia, crying spells, depression."

She appealed that rejection to a judge who determined her unable to cope with the "stresses of any type of competitive employment," and the checks began to flow. Two years later, a judge ruled her husband disabled because he was obese.

The newspaper concludes that the Watson family likely will remain on welfare permanently, with the children moving directly onto the adult rolls.

What did Congress intend when it created such a program that rewards failure more richly than the competitive market can reward hard work?

What it got was places like Lake Providence, where "crazy checks" have become important parts of the town's culture and economy.

Mr. FAZIO of California. Mr. Chairman, I yield 3½ minutes to the gentleman from Michigan [Mr. LEVIN].

Mrs. LINCOLN. Mr. Chairman, will the gentleman yield?

Mr. LEVIN. I am glad to yield to the gentlewoman from Arkansas.

Mrs. LINCOLN. Mr. Chairman, to my friend on the other side, I think it is important to point out, especially for those watching, the tax break goes to the 13 percent of the top bracket of those in Arkansas. Most notably in my district, with an average income of less than $12,000, roughly, it is not quite a lot. Basically the gentleman is taking from those middle income and lower incomes in the Medicare divisions, where I have above 10 percent of the national average in the elderly.

I thank the gentleman.

Mr. LEVIN. Mr. Chairman, I would say to the gentleman from Pennsylvania, he should read the bill that the Democrats put together on welfare reform. We address the problems in SSI directly. We believe in reform. The issue is whether we want to be blind about it, and strike out wildly, or know what we are doing.

The problem with the Republican budget is this. I think for legislators there is a responsibility. If you propose, you should disclose, and you do not. You have this figure for Medicare, and do not tell the public what will be the consequences. In that sense, it is deceitful. Being bold and not abiding by the facts is foolishness, and it sells short America.

Mr. Chairman, in terms of Medicare, if we assume beneficiaries will pay 50 percent of these cuts, we end up with a cut or a cost for every senior of over $2,500 in Michigan. In Connecticut, it is $3,800. In Arizona, it is $3,300 is the average out of-pocket impact. If we say that there is not going to be any impact on beneficiaries, read the communication of the gentleman from Connecticut [Mr. SHAYS] which lays out the options. It is not in the budget resolution. It talks about the impact on seniors, and what kind of impact there might be in terms of deductibles, and in terms of copay.

Mr. Chairman, I want to go beyond, for a moment, the impact on seniors, and talk about the impact on health care generally, because again, you propose but you do not disclose. The letter of the gentleman from Connecticut [Mr. SHAYS] says one of the ways to make up this huge, huge cut in Medicare is to cut direct and indirect medical education in disproportionate share.

These are not only urban hospitals, these are suburban hospitals. The proposal here is to cut, or at least this is the suggestion, one of the 3 options, $6 billion in direct costs, $21 billion in indirect costs, and $28 billion in disproportionate share.

For the hospitals in the area I represent, the district and beyond it, for the University of Michigan, it is a major cut. For the Detroit Medical Center it is a major cut. For the suburban Beaumont Hospital, it is a major cut. This will affect health care across the board.

Be honest, tell people that it is not just a large number, but health care is going to be impacted for seniors, and also for the hospitals for whom Medicare has been a proxy in terms of residency programs and disproportionate shares.

There has been a lot of talk about the boldness, but boldness without honesty is recklessness. That is the trouble with this budget, it does not tell the public what is likely to happen. That is why I oppose the Republican majority proposal.

Mr. Chairman, we can do better. We must reform Medicare. We must make some changes, but we have to, as we leap, let America look into what will be the meaning of it. I therefore oppose the majority proposal.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. The mystery is over. Finally we have someone explaining how they made up their numbers. I am happy to know how the gentleman made up his numbers. He basically said if spending is going to decrease from 10 percent to an increase of 5 percent, he said beneficiaries are going to pay half of it, and providers are going to pay the other half.

The gentleman makes one astonishing assumption: his astonishing assumption is that the increase in spending for Medicare patients and Medicaid patients has to be 10 percent. Why does the gentleman make that assumption? Why do we make the assumption that Medicare and Medicaid can continue to go at 10 percent, when the private sector is going at 4 percent? We make it a very real assumption.

We are going to give beneficiaries new services. We are going to allow the private sector to offer a whole host of them. Beneficiaries are going to see their costs not increase to 10 percent. They will not have to pay these absurd increases that this side of the aisle has suggested.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. MARTINI], a freshman Member.

Mr. MARTINI. Mr. Chairman, over the last several days, and in anticipation of this historic vote, I have asked myself repeatedly, after all the debate is said and done, and I am sure those listening to this debate will ask the same thing, what is it that we are trying to do here in the House?

The answer, quite simply, is in voting for a balanced budget, we are bringing some discipline to a body which for too long has ignored the fundamental principle of fiscal responsibility. We are trying to bring accountability to a budget process run amok with neglect and abuse.

After years of overspending and piling up debt on the backs of our children, the budget we will vote on tomorrow will finally put us on a track toward erasing the Federal deficit and

preserving the American dream for future generations.

Mr. Chairman, recently an auto mechanic in my district came up to me and reminded me of a television commercial of years ago, a very effective and albeit a very applicable commercial to this situation that we are debating here today. He recalled the image of the mechanic standing in the garage in his greasy coveralls, holding an oil filter, and warning all of us that we can take some remedial measures now at a very small cost, or pay him a much larger sum later at a far greater sacrifice.

Millions of Americans learned that simple lesson and the importance of that lesson early on when it comes to caring for their car engines. Similarly, the engine of government cannot long sustain years of neglect and abuse without, like the engine of your car, coming to a grinding halt.

Mr. Chairman, if we do as prior congresses have done all too long and avoid these much needed remedial steps, we will shortly be faced with a fiscal crisis of unsolvable proportions, with all the grave consequences related thereto.

Congress, I say, can no longer avoid its responsibilities. Our Nation faces a challenge, and this body has been elected to meet that challenge. We must, I say, vote for a balanced budget tomorrow.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from California [Mr. KIM].

Mr. KIM. Mr. Chairman, I have been listening to my colleagues on the other side of the aisle talk about how this budget proposal will hurt our children. They want us to believe that Government subsidies are the only way our children will succeed in life.

Let me share with the Members a little bit about my story. When I came to this country, I was dirt poor. I did not know about the Government subsidy programs, welfare, student loans, AFDC. Instead, I did it on my own. I worked full-time, and I went to college, with three children. It was not easy. It took hard work and sacrifice, but it can be done. I repeat, in America, it can be done without Government subsidy. You can get a decent education without the Government subsidy, I can tell you that.

Let us be realistic. Limiting the growth of Federal spending to 3 percent a year is not the end of the world. We are not eliminating all subsidy programs, for heaven's sakes. All we are doing is slowing down the growth of the out of control Government spending. In fact, Federal spending will still grow by $400 billion over 7 years under our plan anyway.

□ 2020

Let us end this overblown rhetoric on this issue. Yes, we will be asking a few individuals to rely on themselves instead of the Government, but overall, most worthwhile Federal programs will continue to grow under the Republican budget plan.

And in the process, maybe we can restore the tradition of self-reliance in this country.

Mr. SABO. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from California [Mr. FAZIO].

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

Mr. FAZIO of California. I am delighted to yield to my friend, the gentleman from Michigan.

Mr. LEVIN. Mr. Chairman, I want to say to my good friend from Connecticut [Mr. SHAYS], I think there is an understanding that there has to be consideration of where Medicare is going, but what bothers me is your message is, and I have heard the Speaker say it to seniors, you are going to get more by our providing less money, and it is not true.

The document that the gentleman from Ohio [Mr. KASICH] put together, and you do not find in the budget resolution, provides for expanded Medicare coinsurance. It would cost seniors $44 billion over 7 years. And the direct medical and indirect medical education costs, this is what it would mean, and I will just take a second for hospitals in Michigan in my area, for Beaumont it would mean three-fifths would be cut per year, for the Detroit Medical Center about the same, $17 million, and there would be a like cut for the Ann Arbor Medical Center.

So tell the facts, tell the truth to the American public.

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

Mr. FAZIO of California. I am more than happy to yield to my friend, the gentleman from Connecticut, if he wishes to engage in debate.

Mr. SHAYS. Mr. Chairman, let me just say to the gentleman from Michigan I have tremendous respect for him and I know his question is very sincere. It is really an issue of whether you believe Medicare and Medicaid spending should and will continue to grow at 10 percent.

No, we do not think that we are going to improve service by providing less. We believe we can provide less by improving service.

Mr. LEVIN. Let me just respond.

Mr. FAZIO of California. I am happy to yield to the gentleman from Michigan.

Mr. LEVIN. If I may respond, do not just talk about 10 percent. Tell people what it means if you go less. Acknowledge in your letter that there would be cuts in indirect, direct medical education, a disproportionate share that comes to $50 billion or more for hospitals in suburban and urban areas, and tell the seniors that there may well be an increase in their coinsurance of $44 billion over 7 years. Do not just say you are cutting from 10 to 7. Tell people what it means to them, to them.

Mr. FAZIO of California. Billions, and trillions, and we talk about words that are jargon in the medical-industrial complex.

What I would really like to do is talk about the Hopkins family in my district. Mrs. Hopkins is 69 years old. She and her husband have been married for 40 years. He works part time at a McDonald's in order to make their Social Security payment go a little further. He has been doing that now for 5 years.

He worked for a small business that does not provide him any pension. He is now solely dependent on his work in his later years and his Social Security. That is all that they have to live on.

The good news is at the moment they do not have any copayments under Medicare, and they certainly could not afford them. They have a rental cost in the amount of $490 a month. They can barely pay that as it is. If they were to have to pay another $2,000, $1,000 for each of them on their Medicare, it would put them not in a precarious economic state, it would ruin them.

These are people who have worked all of their lives and do not deserve that kind of treatment. Mrs. Hopkins has a heart condition. She has asthma. She has arthritis. She has to pay for her own medicine. That is about $200 a month. She and her husband can barely afford that as it is, but they do not have a choice. Nobody else is going to pick up their prescription costs; they have to have their medication.

Mrs. Hopkins was telling me the other day she was required to go to the hospital. She is pleased that the ambulance and the hospital were paid for, but she said they asked me to pick up another $130 for 20 pills, and she does not know where she is going to come up with that money. Does she cut the food? She cannot cut her rent; she has to pay her electric bill. They have not bought clothing in a long time. There is not a place to go for extra money.

She said yesterday to me, "Leave our Medicare alone. We could not make it without Medicare. My last trip to the hospital just about broke us."

So Mr. Chairman, I have to ask how can we in good conscience lower the standard of living for people who are already struggling at the same time providing tax breaks which go, in my opinion, largely to people in our society who have had the best of the last 15 years, the top 20 percent who are doing well?

The gentleman from Oklahoma said do not worry America, we are spreading the pain. Well, I understand that there is a lot of pain being spread around. What I am frustrated about is the fact that there is not much spreading around of the gain.

This is all part of a totality here. As the gentlewoman from North Carolina

said, if we did not have the tax cuts in this budget resolution, we would not need to be cutting the Hopkins' Medicare benefits. We can reform Medicare, we can take a comprehensive approach and help everyone whose costs have been going up in the health care field, but we are taking I think an approach which is unfair, which gives new meaning to the word mean-spirited. We had a gentleman from California send us a note on the Internet. He said the Republicans are giving new meaning to the word mean-spirited and they are doing it in the old-fashioned way, they are earning it.

Well, ladies and gentlemen, I hope people will think twice before they decide to vote for this budget resolution, because, in fact, it is the least fair I have seen in 16 years in this Congress.

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

Let us spend just a second here talking about what we are trying to do with Medicare, and as I explained earlier to the people in the Chamber, we are going to go from $924 billion in spending over the last 7 years to almost $1.6 trillion. Now some people in the Congress would like us to spend $1.8 trillion. If we do that of course the system goes bankrupt and there will not be benefits for anybody.

In the private sector they were growing at enormous rates and guess what happened, guess what was happening to American businesses? They were going bankrupt, they were becoming less competitive. So guess what they did. They decided to use innovations, they decided to use creativity. And what were they able to achieve? They were able to achieve an increase in medical costs, yes, costs were still going up, but from double digits down to single digits, and what did they do in the process, they kept their companies from going bankrupt, they improved the quality of medical care for their employees, and they have high customer satisfaction. That is what happened.

Now where are we? We are growing at 10½ percent in Medicare. The program is going bankrupt. So what do we choose to do? We choose to go from $924 billion to almost $1.6 trillion in Medicare funding. And how are we going to have a Medicare Program at $1.6 trillion over the next 7 years? Well, we are going to study the private sector that has guaranteed choice, high quality, and high customer satisfaction. And guess what, we will keep the program from going bankrupt. And under our plan, of course, we will go from $4,800 behind each Medicare recipient to $6,400 behind each Medicare recipient, and guess what? We will maintain choice, we will have high quality, and we will save the system from going bankrupt.

Now those people that want to run around and talk about bankrupting the system, they are not just going to bankrupt the system of Medicare, they are going to bankrupt America.

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

Mr. KASICH. I yield to the gentleman from Connecticut.

Mr. SHAYS. I would like to ask the gentleman, when it goes bankrupt, how are you able to pay the beneficiaries?

Mr. KASICH. Well, you cannot pay the beneficiaries anything, but if you want to scare people, you go out and throw all of these numbers around.

I am going to tell you the facts. If we do not get the program under control, it goes bankrupt. Not only does that program go bankrupt, but so does it threaten the long-term financial stability of this Nation. We have no right, we have no right to pile debt, red ink on the backs of our children. That is why we are going to do the responsible thing.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. I just wanted to ask the chairman of the committee, the Hippocratic Oath says when you are providing health care, do no harm first. Can the gentleman tell me why we decided to give the 13 percent of our elderly who are at the top of the income strata a tax break earlier this year, and encompass that in this budget by directly undermining the Medicare trust fund before we even began to talk about the crisis that seems to be suddenly consuming the majority?

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

Mr. FAZIO of California. I yield to the gentleman from Ohio.

Mr. KASICH. The gentleman was so quick to punish people when he raised taxes on them. What we are attempting to do is to cancel out the huge tax increases and the big Government programs that you had.

And let me say to the gentleman we have a number of provisions in here that are designed to give people a better life, families a better life, Social Security recipients more earning power.

Mr. FAZIO of California. The gentleman has not really responded to my point. The point is you are undermining the Medicare trust fund and you are doing it in a way that advantages the very wealthiest seniors and asking all of the rest to pay another $1,000 a year.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, let me simply say there are four reasons to vote against this bill.

The first is that it simply is not going to balance the budget. I have been here before. I remember in 1981 when we had a wizard by the name of Stockman. Now we have a different wizard, but the results are going to be the same.

Mr. Stockman told the Congress just follow Reagan's lead, you can have it all, baby, you can cut the taxes, you can double military spending, and you will still balance the budget in 4 years, and you know what, they only missed by a couple hundred billion dollars.

So then we had Gramm-Rudman No. 1, Gramm-Rudman No. 2, Gramm-Rudman No. 3, all multiyear promises, going to balance the budget, baby. And guess what happened? They missed three more times.

Now we are in here with the fifth multiyear promise. And do not take my word for it, read the Wall Street Journal, that well-known left-wing newspaper. And what do they talk about? They talk about the fact that this package is back-loaded, small tax cuts to begin, huge tax cuts in the out years. I guarantee you, you are not going to see a balanced budget if we swallow this prescription. You are going to see mountains of debt.

The second reason to vote against it, you have savage cuts to domestic programs. Do you really know what is going to happen to the National Institutes of Health and the people who rely on it for medical research when you cut it by 5 percent and then freeze it for 5 years? You erode the purchasing power of medical research by 25 percent.

What good is that going to do folks on Medicare and Medicaid, or any other citizen in this country who is looking to try to escape some of the most devastating illnesses in the world?

The third reason to vote against this is simply because you do have these devastating cuts in Medicare and Medicaid. Do you really believe the American public wants to see you make these kind of reductions so you can give big, fat tax cuts for people making between $75,000 and $200,000 a year? I do not think so.

I would simply say this to the gentleman from Ohio, yes, you have to repair the Medicare trust fund. And yes, in the context of health care reform you can talk about reductions that go at waste and fraud, but I tell you, if anybody thinks you can cut this much out of Medicare and Medicaid without seriously damaging seniors, you are smoking something that ain't legal. You just cannot do it.

The fourth point I would simply make is that all of these budget changes are going to make this country worse in terms of the equitable distribution of income growth. This chart shows that from 1950 to 1978 income growth in this country was shared across the income spectrum. Whether you were in the poorest fifth or richest fifth, you did pretty well.

□ 2015

Everybody's income went up. Here is what has happened since then. Unless you belong in the top 20 percent of this society, you have barely kept up, and if you are in the middle and below, you have lost ground dramatically.

These budget cuts, these cuts in Medicare, these cuts in Medicaid, these tax cuts that give two-thirds of the tax benefits to people making more than $70,000, and 1 percent of the benefits to people making less than $20,000, will make that gap worse. That is typical Republican prescription in this country. People have come to expect the republican Party to support prescriptions that largely benefit the wealthy.

I hope that the Democratic Party will not follow suit, and I hope that well-meaning people on the Republican side will join us as well in opposing a plan which makes this situation much worse.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, as a small business owner and a father of nine children, I am concerned about the future of this Nation. For too long, Washington has mortgaged the dreams of our future generations.

For example, a child born today already owes $187,000 in interest payments on the $4.8 trillion national debt.

However, Mr. Chairman, today is the dawn of a new day in Washington. This is truly a historic occasion. For the first time in 26 years, this Congress is on the verge of enacting a plan to balance the Federal budget.

Mr. Chairman, this budget is about beginning to pay off our debts and restoring the American dream. It is about renewing hope for the next generation and about restoring prosperity to our communities and the economy.

Mr. Chairman, last fall we made a promise to the American people to bring the budget to balance. In this budget, we keep that promise.

Mr. Chairman, unlike my Democrat colleagues on the other side of the aisle, this is not an arcane meat ax budget. Last November, the American people asked us to streamline government and make it more efficient, and that is exactly what we are doing. Where we can, we send programs back to the States and local governments. We also attempt to eliminate redundant programs.

Under this budget, spending continues to grow, only it will grow at a slower rate. For example, over the next 7 years this budget pledges to spend an additional $1.2 trillion.

I urge my colleagues to vote "yes" on this budget.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE].

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

During the course of the debate this evening, we have heard from several speakers who talked about how we are going to make it impossible for people to go to school because we are going to cut off the in-school interest subsidy. That has been raised on several occasions.

Well, I think it is just worth noting here what we are talking about in terms of both the additional cost that a student will incur as a result of this interest subsidy not being given to them during the time they are in school versus how much that individual can expect to earn as a result of getting a college education.

Now, the chart that you have here shows these two figures. This is on average the amount, total amount, that a student will pay in addition, because we are simply saying you are not going to pay the interest while you are in school, we are just going to add it on and you will pay it when you graduate from school, and that will add a total, over the course of paying off that loan, on average $2,562. Some will pay more, some will pay less, but that is the average figure that they will pay. Over the course of a loan, it works out to somewhere around $35 to $40 a month, maybe a Big Mac a day or something like that, during the course of the month, not even that much, actually, on a Big Mac.

Here is what the student is going to earn as a result, additional; this is the added earnings that a college student can expect in the course of their lifetime by having a college degree, a 4-year, a bachelors degree, $525,000.

Do I think that it is unfair to ask the college student that is going to earn $525,000 to pay when they graduate that $2,562 additional interest rather than saying to the person who is out there, the young mother or the single parent who is working, scraping to keep her kids, take care of clothes, feed her kids, to the individual, is it fair to say that the student should be subsidized and that it should be paid for by the mother who is out there working, by the factory worker who is out there trying to keep his family together, by the senior citizen who is out there scraping to pay their taxes so that this individual who is not going to pay this while they are in school but is going to pay it out of their future earnings, do we think it is unfair that they should pay that amount against the $525,000 additional earnings that they are going to have because they have a college degree? I do not think so. And I do not think the American people think that.

It is curious the people over on the other side on the one hand want to give them a subsidy while they are in school so they can make lots of money, and then they want to tax them to death as soon as they finish college so they can be taxed to death, get them into those higher brackets and make them pay more.

Well, it is fair they should pay this subsidy after they graduate, because they are going to have higher earnings.

Mr. SABO. Mr. Chairman, I yield myself 30 seconds.

I would only suggest to my friend, the gentleman from Arizona, that when that person graduates from college and begins a teaching job, the salary is not very high, or if they are a social worker or if they are a preacher going to a rural community in this country, endless college graduates, they do not have that big chart of yours when they finish college. Eventually, we may deal with that income differential through progressive income tax, but when they leave college, that person is not having that.

Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Chairman, Medicare is a lifeline for 37 million Americans, providing them the health care they need that enables them to live longer without bankrupting them.

Prior to its enactment, seniors often went without help, causing medical complications that could have been prevented and additional costs that could have been avoided.

Now, the medical care 37 million Americans depend upon is in jeopardy due to the Republican budget plan that cut billions in Medicare to pay for tax cuts for millionaires. This Republican budget would fulfill a contract with the wealthy, but at the expense of breaking a contract with the elderly. This Republican budget plan would end seniors' choice in selecting their own hospitals and their own doctors.

This Republican plan would hurt working families who will have to cover the costs that their parents cannot for their medical bills. This Republican budget plan threatens to close more hospitals, particularly in rural and small towns across the country.

America is the world's richest country. We can afford to take care of health care for those who have made this country great.

I urge my colleagues to vote against the Republican budget plan.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

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

My friend from Illinois may not realize that under the Republican plan, Illinois will get $2.7 billion of additional dollars in the next 7 years. Their per beneficiary for Medicare is now $4,500. It will go to $6,000 per beneficiary, per beneficiary.

We are not cutting choice for seniors. We are going to change the system, allow them to keep what they have, if they want, but we really believe they are going to choose to be in programs that will provide them rebates and give them other opportunities, and in our

plan we hope that we can allow seniors to police their bills and get 10 percent of whatever they find is a mistake.

We are going to open the options. We are not going to cut. Only in Washington, only in Washington is an increase in spending a cut.

Mr. KASICK. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. NUSSLE].

Mr. NUSSLE. Mr. Chairman, well, I thank my good friend, the chairman of the Committee on the Budget, for yielding.

You know, folks, we have had about 4 hours of debate now, and we need a little bit of a break. We need to take a break from all the rhetoric and have a little bit of fun.

The folks listening and the folks here in the Chamber, we are going to have a little budget quiz at about halftime. I have got some questions for you for the 1996 budget debate quiz.

Question No. 1, here we go, let us start. You do not need a No. 2 pencil, just follow along, listen carefully, and then mark your answers.

The 1996 budget quiz: I will present a 5-year plan to balance the budget. Who said that? Is it A, Representative MARK NEUMANN, the budget we will be debating tomorrow, is it B, Senator PHIL GRAMM, candidate for President, fine Senator from Texas? No. It was, C, President Bill Clinton said, "I will present a 5-year plan to balance the budget." Anybody get that one right? It is a trick question, a trick question.

Here is question No. 2. Mark your answers. We think the task of balancing the budget is one that we have to actually take responsibility for ourselves and just do it. Who said that? Was it our fine chairman, JOHN KASICH from Ohio? It sounds like him, does it not? Is it B, Senator PETE DOMENICI, from the Senate Budget Committee? Maybe. No, wrong again. It was C, Vice President AL GORE said, "We think it is our responsibility to balance the budget." Have they taken responsibility? Does not sound like it to me.

Go on to the third one. Question No. 3, when we have a Medicare Program that will grow at 11 percent and a Medicaid Program that will grow at 16 percent next year, when neither the population nor the morbidity statistics affecting those population groups are growing anywhere like that, we know we can get savings. Who thought that we could get savings from the Medicare and Medicaid Programs? Was it the AARP? Probably not. Was it the American Hospital Association? That sounds like them. No, it was C, the First Lady, Hillary Rodham Clinton, as she testified before the Senate Committee on Finance. You did not get that one either? I can tell.

Well, we will go on to the final question. This is a tough one. Listen carefully to this. Today, Medicaid and Medicare are growing up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicaid or Medicare cut. So when you hear all of this business about cuts, let me caution you that that is not what is going on.

Well, you probably heard a little bit about that today in the debate. So who do you think said that? Was it JOHN KASICH? Sounds like KASICH. Sounds a lot like KASICH. I have heard you say that, JOHN.

Is it B, Senator PETE DOMENICI? No, it was again, C, our President, Bill Clinton, who knew full well that allowing it to grow at a slower rate than what it currently is growing now is not a cut.

So as you listen to the rest of the debate, keep in mind our little 1996 budget debate quiz.

Mr. SABO. Mr. Chairman, I yield myself 1 minute simply to respond to the latest gentleman and his quiz.

The fact is the Republican proposal cuts Medicaid expenditures by substantially more than caseload and inflation. The cut is substantially deeper.

The same is true of Medicare. It is down less than 4 percent, 1 year, with over a 1 percent caseload, a much deeper cut than the President was suggesting in his answer to that question in the little game by the gentleman from Iowa [Mr. NUSSLE].

Mr. Chairman, I yield 2½ minutes to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, I would like to thank the ranking Member.

As for me, the only thing I can say about that little quiz was tricks are for kids.

□ 2030

First, Mr. Chairman, I would like to reiterate the burning question in today's debate. Why are the Republicans cutting Medicare to give a tax break to the wealthy? First, my colleagues, let us be honest. This debate is not about whether we need a balanced budget to protect our children's future. The Black Caucus can offer a balanced budget from the progressive point of view by closing tax loopholes. On the conservative side, the Democratic Coalition offered frontloaded budget cuts to also get to a balanced budget. What they have in common, however, is that neither of these Democratic approaches gut Medicare to give a tax break to the wealthy.

Here are the facts. There are 37 million Medicare recipients 65 years or older. Their average income is $20,000 a year. The Republican plan cuts $283 billion from Medicare and will cost each Medicare recipient an additional $1,000 by the year 2002. This means larger copayments, higher deductibles, and the loss of choice of doctors. Meanwhile, on their side of the ledger in the Republican plan, 1.1 million Americans, wealthy Americans, will get over $20,000 in tax cuts. These people make over $200,000 a year. They will get a tax cut totaling $3.345 billion.

When we talk about Medicare cuts, the Republicans are quick to say, "Wait a minute. This isn't a cut. Seniors will actually get more money in the year 2002." Yes, but the problem is that more people will be eligible for Medicare, and the increased costs of services will mean that what they are providing is not enough to solve the problem. It is like throwing a 20-foot rope to a man who is drowning 30 feet from shore. It is not good enough to say, well the rope is longer than the 15-foot rope we threw to that other guy who was drowning.

It is also not good enough to say, well, somehow services will be cheaper, and people will be able to get them and have better choices because they never explain any of that. They just come before us with these miraculous cures.

Finally, Mr. Chairman, the Republicans tell us we have to do all this because the Medicare system is going to be insolvent. Well, last year we said, "If you want to reform Medicare, you need a comprehensive approach." They were not interested. Today we could go a long way toward solving the Medicare problem if we did not have to give a tax break for the wealthy.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Arizona [Mr. SHADEGG], a member of the committee.

Mr. SHADEGG. Mr. Chairman, I think the debate today has been fascinating. It illustrates just how far out of touch all of this has become. The American people are screaming for change. They are fed up with a Federal Government that is too fat, and too bloated, and too out of control, and what we hear on the other side of the aisle is a litany of defense of the status quo: This program cannot be cut, that program cannot be cut, no change. They like things just as they are. Well, that is not what the American people asked for in the election on November 8, and that is not what we came here to deliver.

I just listened to my distinguished colleague from the other side who said that the Medicare Program in our plan cuts further than it ought to. Well, I would like to ask the question:

"Precisely what are the proposed changes in the Medicare plan under your balanced budget proposal?"

"Oh, you don't have a balanced budget proposal. I see; you have the Clinton proposal, which is grow. You have a proposal which says, 'Although the Medicare system will be bankrupt in less than 6 years, what we are going to do about it is play Chicken Little, or something of that sort, and bury our head in the sand and do nothing'."

Mr. Chairman, the American people deserve better than that. We have a Federal Government which is totally out of touch with the people it governs.

Let me cite some statistics for what we did and why we did it. The 1963 to 1993 comparison is what I would like to talk about. Since 1963, Mr. Chairman, the average weekly wages of a blue collar worker in America are up 398 percent. Average wages, blue collar worker, up 398 percent. The Consumer Price Index is up 458 percent. Let me contrast those numbers with the Federal Government. Federal Government receipts are up 1,024 percent. Federal Government expenditures are up 1,241 percent. The deficit, the problem that they would just as soon ignore, the deficit since 1963 is up a staggering, and listen to this number, 6,102 percent. I got to ask what would the deficit have had to increase for our friends on the other side to say we need to make some change? I don't know what it is; I am still waiting for their balanced budget plan.

Mr. Chairman, when the average worker's wages are up about 400 percent, but Government is up in its receipts 1,000 percent, its expenditures 1,200 percent, and its deficit 6,000 percent, it is time to act. It is time to act responsibly. It is time to bring the Government's budget into balance, and that is what this Republican budget does.

When I was in Prescott, AZ, at the field hearing and in Billings, MT, the American people said they were willing to participate as long as it was fair. This measure is fair. I urge its support.

Mr. SABO. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Pennsylvania [Mr. FATTAH].

Mr. FATTAH. Mr. Chairman, I think the real issue here is not the concern, as the gentleman from Ohio [Mr. KASICH] suggested, of fiscal bankruptcy, but moral bankruptcy. The ranking member comes from an area of the country in which Hubert Humphrey came from, and he said that the test of a civilized society is how we treated those who are young and those who are old. I cannot understand all of this applause and, rah-rah. We cut education and Medicare programs.

The gentleman from Virginia [Mr. WOLF] quoted a little scripture. I guess one could say, "We'll forgive you because you know not what you do," but I think the gentleman does understand exactly what he is doing because with this same blade that he is cutting Medicare he is cutting taxes for the rich, and so I think that that would probably not be appropriate.

I serve on the board of Penn State University on the Subcommittee for the Hershey Medical School. I spent 10 years on the board of Temple, in our hospital in Philadelphia. Millions and millions of dollars of unreimbursed care, disproportionate share issues.

Mr. Chairman, I would invite Americans: "Don't listen to the rhetoric on the Republican side or the Democratic side. Call your neighborhood hospital. Call your doctor. You'll find out. Ask them what these cuts are really going to mean because, when you see somebody jump up and down, make all of these comments—KASICH, who says he is for a 6-year, 6-term, limit, is here in his 7 term, is telling us this is not going to hurt. I think the truth is clear, and people need to just reach out and touch, call their hospital, call their doctor, and ask them whether this is really going because it is."

In the final analysis, Mr. Chairman, the real concern for all of America has to be whether we are going to bankrupt ourselves as a country morally, if we are just going to allow seniors to fall by the wayside and not have the kind of care they are going to need.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, we are coming toward the close of this debate on general debate on the budget tonight, and I think it is time for us to just bring it back and do a little bit of focusing. We have had a lot of things said about various things. But I think a very clear, fundamental, philosophical difference has been demonstrated here tonight, and what I hear over and over again is from the Democratic side of the aisle, that the tax dollars the people pay belong to the Government. They are the Government's. They are this Congress' to use, to decide how they should be dispensed, about how they should be disbursed, about how people should use, what services people get.

I think Republicans have a different philosophy. The tax dollars belong to the people.

I am reminded again of what I said earlier this evening, that guy down at the UPS office, at their distribution center, who said, "Please go back there and tell them it's my money they're spending," and I think that is something we need to keep in mind.

Mr. Chairman, we believe that the taxes belong to the people and that we should take only what is essential, only what is essential for the services that people must have, and we should leave the rest with Americans. Most of all, Mr. Chairman, we should leave them with a balanced budget because what we have been doing for a generation and more, for my generation and more, is we have been borrowing from our children and from our grandchildren. We have been borrowing from the future to pay for the kind of spending, the spending desires, that we have, but we are not willing to pay for today.

So, Mr. Chairman, we say, "Don't take the taxes of people, and don't spend from the next generation. Balance the budget." That, my colleagues, is what we have here tonight. At the end of 7 years we have a budget that will be zero in deficit, and we have not seen that for a long time, since 1969. That is a long time since we have had a balanced budget, and I think it is high time that this Congress got its act together and balanced that budget, not for us, but for the future generations, for the future generations who will have to bear this increasingly heavy burden because we cannot control our appetite for spending.

Yes, the principles of this budget are relatively simple, the details are very difficult, and I will acknowledge that, and I will acknowledge that we will have differences over where that ought to be, but we ought to be willing to agree that we should get to a balanced budget, and what we do not have here tonight is any proposal coming from the Democratic leadership that gets us to a balanced budget. We do not have any proposal from the President of the United States to get us to a balanced budget. Much as that quiz said, and he said at the beginning of his term of office that he would do, that he would have a plan for a 5-year balanced budget; we do not see it.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. WARD].

Mr. WARD. Mr. Chairman, I rise in opposition to the budget resolution.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, just before the gentleman from Iowa [Mr. NUSSLE] spoke, and in 1991 he came here to the floor of the House with a bag on his head, and now he has showed he is a very good stand-up comic, but unfortunately the Republican plan is not very comical. In fact it is downright tragic, and the fact of the matter is that Medicare and Medicaid cuts count for nearly one-third of the savings in this bill. The bottom line is not how much money each State gets and the fact they might be an increase or a decrease. The bottom line is by the year 2002, Mr. Chairman, seniors in the United States will be getting less health care coverage and will be paying more in 2002. That is a fact. The fact of the matter is that any kind of increase does not make up for the fact that there will be more seniors in the program and does not make up for the rate of inflation.

So who is kidding who? A 25-percent cut in the Medicare Program by the year 2002 means to the seniors in America fewer benefits, much higher out-of-pocket costs for seniors and less choice of doctors, forcing seniors into HMO's.

Mr. Chairman, my mother who lives in south Florida is a good case in point, is petrified about having to be forced into an HMO. She lives off meager Social Security. There has been no pension since my dad died, and there have been millions and millions of senior citizens just like her, people who spent $300 and more a month on prescription

drugs and get no help from the Medicare Program. What are these people supposed to do by the year 2002? Choose between food or choose between staying alive with medication?

The fact of the matter is that we are reducing this program, and seniors will have worse health care in this country.

And Social Security? The Republicans are cutting Social Security by $24 billion between 1999 and 2002 due to the cost of living changes.

So this is not very funny. This is life and death to most people.

□ 2045

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I almost feel like I need to apologize to my colleagues for being so emotional when I spoke earlier in the day, but I speak from the heart because I think this is very much about my children and children across my community and across America. I want Members to take a look, both Republicans and Democrats, at two of my children, Molly and Kelsey, one 3 and one is almost 2.

I know many Members on both sides of the aisle have children and grandchildren and may differ on the ultimate issue. But I so believe in this budget, this mission of getting to a balanced budget, that I reluctantly invoke their name and introduce them to you. They are probably asleep right now while we are arguing about their future, but that is exactly what is at stake, whether we are going to make the tough calls to protect them and others across America like them.

I would like to quote Alan Greenspan, who has been appointed by both Republicans and Democrats and is respected by both sides of the aisle. The Federal Reserve Chairman said in testimony:

> I think that under a balanced budget, productivity would accelerate, the inflation rate would be subdued, the general state of financial markets would be far more solid, and the underlying outlook would be generally improved for long-term economic growth. Real incomes would significantly improve, long-term interest rates would fall significantly, and most Americans would look forward to their children doing better than they.

What better moral message do we have for America than that we are going to give our kids the opportunity to do better than we are doing today.

Mr. Chairman, I yield back the balance of my time.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, there are no fun and games in this budget for my constituents.

There is one sure way to understand the foolish, heartless, meat-ax document that passes for a budget resolution before us today. Folks who would begin by cutting their grandmothers' Medicare to fund tax cuts for the rich, would cut anyone, anytime, and anywhere.

Well, almost anyone. The Republicans have spared the rich, and they have spared defense. But they have sent a search and destroy mission out to get literally everyone else—especially the elderly and the poor—but also, most assuredly working people, middle-income families, students, kids, and Federal employees.

The Republican budget resolution reads like a Who's Who of the Most Needy and the Most Deserving. Take your pick. Does it make any sense in today's world to wipe out educational programs and summer jobs for disadvantaged children? How should African-Americans regard zeroing out Howard University, the flagship university of Black America? How can working Americans accept as champions Republicans who propose to completely eliminate additional unemployment benefits and training assistance to workers who lose their jobs—including the hundreds of thousands of NAFTA job-losers. And here's another of the many zeros in this budget—a zero for operating assistance for mass transit—hit the cities, suburbs and the environment at the same time.

Tell me what sense it makes to throw people off of welfare and at the same time cut $21 billion from Earned Income Tax Credit for working poor families? Who gains by freezing Head Start, making for a 26 percent loss? How many needy students will forego college because they have to pay $5,000 in interest on their loans while still in school?

This sampling, courtesy of the GOP, is not a cruel joke. Nobody laughed on Monday at my Seniors' Legislative Day. The figures told the story. Hurt everybody, but hurt seniors the most. Intentionally? Not exactly. Just go where the money is.

There are only hard ways out of our untenable deficit. You can't fix Medicare and Medicaid simply by cutting them. You can fix them only by fixing the sick system of which they are a part. Otherwise the system will simply shift the costs to other Americans.

The shift that is going to hurt Americans most is the earthquake shift of necessary costs from the Federal Government to States and localities. Much that the budget resolution eliminates still has to be done. The Federal Government with the broadest tax base may still find relief. But, watch for inevitable sales and property tax increases for States and localities.

Call it what you want. A cut by any other name is still a cut. When you fund Medicare and school lunches at less than the cost of inflation, that is a cut. When you fund foster care and housing for the elderly at less than the rapidly growing number of eligibles, that is a cut.

The Republicans are in a runaway truck with a driver drunk on cuts at the wheel. We must do something before this budget crashes, leaving human debris in its wake.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, we can be proud of this balanced budget effort. It takes us in the right direction. Last year the American people told us that the government is too big and it spends too much, and we have responded to that in this balanced budget document. Today, as we brought it forward, we heard a lot about tax cuts for the rich. The fact is that our capital gains tax cuts will give 70 percent of the benefits to families who make under $50,000. The fact is our child tax credit will totally eliminate taxes for people who make $25,000, and will cut by 48 percent the taxes that are paid by people making $30,000. Those are the rich that we hear about from the other side. It is $25,000 and $30,000 a year families who they regard as rich. Our Medicare program actually increases every year under our plan.

But the real choice is this: If you are a 65 year old person that is retiring this year and you expect to live 10 more years, and you can certainly expect to do that, in the last 3 years under their plan you will have no Medicare, because it will be bankrupt. Under our plan it will continue to increase every year.

The great British statesman Benjamin Disraeli one time said that men and nations move from bondage to faith, from faith to courage, from courage to freedom, from freedom to abundance, from abundance to complacency, from complacency to dependency, and from dependency back to bondage.

Our opponents today advocated the status quo. Theirs is a prescription for complacency and dependency. Our prescription begins with faith, hope if you will, but it is plan that leads us to freedom and abundance. The question before the House tonight and the question before the House tomorrow is whether we will have the courage to go the route of faith, courage, freedom, and abundance, for the sake of this generation, and all future generations.

Mr. SABO. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Chairman, I support a balanced budget, and I support balancing the budget by the year 2002. The deficit has sapped this Nation's productive capacity, hindered job growth, and mortgaged our future.

The Republican resolution gets us to a balanced budget by 2002, but it takes

a sharp detour on the long and difficult road to get there. That detour comes in the form of a 7-year $285 billion tax cut.

It is a tax cut that most Americans don't want, and that most economists don't think we need. It must be financed by deep spending reduction in programs that promote growth and serve the most vulnerable citizens among us.

Fortunately, we will have a choice tomorrow. A budget put forth by the Democratic Coalition, which I support, is direct. There are no detours and no backloaded spending cuts. It is a budget that contains plenty of tough choices and deep reductions in spending.

But it does not provide for any ill-conceived tax cuts. And because it doesn't, it is vastly different from the Republican budget.

Because there are no tax cuts, the Coalition's budget spends $112 billion more for Medicare than does the Republican budget; $6 billion more for Head Start, job training, and other education programs' $6 billion more for Community Development Block Grants, the Economic Development Administration, and other programs that promote economic growth and good jobs in our rural communities; and $11 billion more for child health care and immunization, rural health care, and research funding at NIH.

The Coalition's budget also preserves the Guaranteed Student Loan Program in its present form, which assures that thousands of young Americans will realize the dream of a college education.

And because the Coalition's budget doesn't take us down the road of immediate tax cuts, it not only balances the budget, but it also projects a total national debt that is $160 billion lower than under the Republican budget in the year 2002.

The choice is clear. For a budget that is balanced more fairly, with greater investment in education and good jobs for a better future for this country, I urge my colleagues—Democratic and Republicans—to vote for the Coalition Substitute and against the Republican budget.

The CHAIRMAN. The time remaining is 3¼ minutes for the gentleman from Minnesota [Mr. SABO], and 6½ minutes for the gentleman from Ohio [Mr. KASICH]. The gentleman from Ohio [Mr. KASICH] has the right to close the general debate.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, this is not fun and games, this is very serious business, and for any of us. on both sides of the aisle, we know that and do not need to be reminded of it. We are talking about saving this country, and we have different alternatives for doing that.

Mr. Chairman, I just hope we do not waste this opportunity. As I said in the beginning, I have waited 20 years for the opportunity to help this country get its financial house in order. This is our moment, and this is the moment we have to seize. We need to get our financial house in order for our children and our children's children. We need to slow the growth in spending.

Now, when we talk about Medicare, because it has come up continually and we continually hear Members talk about cuts in Medicare, the previous Member who spoke, the gentlewoman from the District of Columbia, talked about cuts in Medicare. And yet in our plan it goes up 45 percent in the next 7 years.

The gentleman before that from New York talked about cuts in Medicare, and yet it goes up 35 percent. The per beneficiary costs are going to go from $5,312 to $7,000. We are taking into consideration the increase in beneficiaries and we are providing more money.

In general, our plan goes from $178 to $259 billion. I keep saying it, because anywhere else this is an increase, but in Washington, among some on that side, it is a cut.

When we talk about what we are spending in Medicare, in the last 7 years we spent $925 billion. In the next 7 years we are going to spend $1.6 trillion on Medicare. In this city an increase in spending is called a cut. Only here.

The per beneficiary expenditure for all beneficiaries is going to go up from $48,000 to $63,000 per beneficiary. We are taking into consideration beneficiaries. Yes, it is not going to go up 10 percent, it is going to go up 5 percent. The reason it is going to go up 5 percent is the fund is projected to be exhausted in the year 2001 if it goes up 10 percent. If it goes up at 10 percent, it is exhausted, and if it is exhausted, we run out of money. If we run out of money, we cannot pay beneficiaries. In our plan CBO points out in the year 2002, 2003, and 2004, we provide more money for beneficiaries in Medicare than letting the plan go bankrupt. That is obvious, if it goes bankrupt. We want to change that.

The bottom line to this debate is we believe that Medicare recipients deserve choice. We believe they deserve the opportunity to have the same kind of plans their children and their children's children have. We believe if they want to join a plan that gives them a $1,000 rebate, who should they not be able to join that kind of plan? If they are given a plan that allows them to be part of an HMO and save money, why should they not be allowed? Under our present system, we do not allow it. If we think spending is going to go up at 10 percent, then you can say it is a cut. We know it is going to go up 5.

Mr. SABO. Mr. Chairman, I yield 1¾ minutes to the distinguished gentleman from California [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, the House Republican budget promises to balance the Federal budget by the year 2002. They say that this is the will of the American people. But at what cost must we do this and on whose backs? Mr. Chairman, I ask, is the Republican approach consistent with the will of the American people?

The House Republican budget promises to cut Medicare funding by $283 billion, education funding by $18.7 billion, and reduce the Social Security COLA in 1999 by 0.6 percent, so that they can balance the Federal budget and provide a huge tax cut to the rich. The Republicans' logic, they say, is that a huge tax break for the wealthiest Americans will be good for the country and allow savings to invariably trickle down to the rest of the Americans who live in the real world.

Now, where have we heard that one before? That is what got us into this budgetary imbalance in the first place. Well, thank God for the common sense of the American people. Thank God that they are not penny-wise and pound-foolish.

The Washington Post this week reported that 60 percent of the American people find that the Republican budget is objectionable, and 85 percent of Americans find that they are opposed to cuts in Medicare.

Mr. Chairman, I must say that the Republicans on November 8 thought that they had a mandate, but the American people have clarified that mandate. Hands off Medicare, Social Security, and education. Balance the budget, yes; but not on the backs of the least among us. I urge my colleagues to respond to the will of the American people and vote "no" on this budgetary boondoggle.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. SABO] for the balance of his time, 1½ minutes.

Mr. SABO. Let me thank the Chair for his excellent job in presiding today.

Mr. Chairman, I yield 1½ minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the ranking member of the Committee on the Budget for yielding and for his leadership in representing the values of our great country on the Committee on the Budget.

Mr. Chairman, why are we cutting Medicare benefits in order to give a tax break to corporations and to the wealthiest Americans? Three and a half million senior citizens on Medicare in California want to know. One of them is Enola Maxwell, my constituent. Enola Maxwell is 75 years old. She has worked for 20 years as the executive director of the Potrero Hill Neighborhood House, serving the needs of senior citizens, inner-city youth, and providing job training for adults.

Enola wants to know, because recently she had a heart attack, and she

said when you get older and this horrible thing happens to you, like a heart attack, you realize what a wonderful benefit Medicare is.

□ 2100

Medicare paid for Enola's convalescent care. Enola asks, why do the Republicans want to break their promise to millions of seniors like her. Why indeed? They have to do that, they have to do that in order to make the $300 billion off of seniors in order to pay for their $300 billion tax break for the wealthiest Americans; 37 million senior citizens will lose $900 a year in order to provide a $20,000 tax break for Americans in the highest bracket.

This simply is not fair. The winners in this deal are the corporations and the wealthiest Americans. The losers are the senior citizens. Vote no on the Republican budget.

Mr. KASICH. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] is recognized for 3½ minutes.

Mr. KASICH. Mr. Chairman, I yield to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I know the gracious gentlewoman from California talked about cutting spending in California. I would just like to point out to her, they get $21 billion now and they will get $31 billion under the Republican plan in the next seven years. That is a 46 percent increase in Medicare. The per beneficiary goes up from $5,800 to $7,688. Only in Washington is an increase like this called a cut.

Mr. KASICH. Mr. Chairman, we come to the end of the debate tonight. I have to tell Members that we have been receiving phone calls from people trying to tell us how we can argue against those that have argued for the status quo. We hear you, America. We know you want us to do it.

The Committee on the Budget traveled across this great country. And do you know what people said? "Just do it." Just like that athletic commercial, just do it. And if you will do it, we will reward you.

I know it has been said that as we traveled around the country that people said, well, we do not need the tax cuts; we need to balance the budget first. A lot of people in the press say, We gotcha, that is what they told you.

No, that is not what they told us. What they told us was, we want to put America first. And if we have to give something up, including some tax relief from this big Government of ours, we are willing to do it. But the great news is, America, we can do both. Just like we told you we would, we can do both.

We can preserve, we can protect, we can improve, we can save Medicare from bankruptcy. We can slow the growth of entitlement programs and design much better programs for trillions of dollars of increase. We are going to get rid of needless bureaucracy.

I want to tell you why I keep going back to this lady in Chicago that I saw one day. I bought a hot dog, and they have got great hot dogs in Chicago. I am watching this lady clean the tables. And I bet she got up very, very early to go to work to make a little extra money for her family. And when we take money from that lady, when we take money from any of the working people of this country, it better be for the real thing. And what we are about doing is reinventing Government, downsizing the Federal Government, giving control and power and influence back to people where they live because they feel now and they know now they can do better than turning to the bureaucrat in Washington to solve their problems.

So tonight we are going to go home. We are going to think about this debate, the majority, the minority. We have had on our side two tremendous speakers from the Democrat party, the gentleman from Mississippi, Mr. PARKER, and the gentleman from Texas, Mr. PETE GEREN. Mr. PETE GEREN was as animated as I have ever seen him about the joy that he is experiencing about the fact that we are about to change history.

Tonight when we go to bed, forget about being Republicans and Democrats, think about making history, think about saving the future, think about the next generation and we will do the right thing.

Mr. BEREUTER. Mr. Chairman, this Member would like to express his support for the House Budget Committee-approved budget proposal. Congress must act now to adopt a plan to balance our Federal budget. If a balanced budget is not adopted, and current policy is maintained, our Nation's children will be left with a country that is fiscally bankrupt. A balanced budget will ensure that the next generation will inherit a future that is full of opportunity.

This Member shares the goals of the budget committee to eliminate the budget deficit by the year 2002. The budget proposal offers a road map to achieve this goal by providing illustrative savings recommendations to the Appropriations Committee and the various authorizing committees, demonstrating that the budget can be balanced. While this Member notes that these recommendations included in the budget proposal are nonbinding, the overall spending allocations are in fact real funding levels which must be adhered to by the Appropriations Committee.

This budget proposal offers a common sense approach that allows spending to continue to grow, yet at a slower rate. In fact, Federal spending grows about 3 percent annually under this budget proposal, rising from $1.588 trillion in fiscal year 1996 to $1.817 trillion in fiscal year 2002.

In addition, this Member would like to commend the House Budget Committee for recommending the termination of many wasteful Federal programs. However, this Member would like to state his concern regarding several of the programs suggested for termination or reduction. These suggestions should be reconsidered during the deliberations that will take place between now and the start of the new fiscal year. This Member's concerns with the recommendation of the House Budget Committee are as follows:

Sharp reductions in agricultural commodity support programs;

Sharp reductions in export promotion, credit and insurance programs. During the GATT subsidy phase-down period, this amounts to something close to a unilateral disarmament for our export base;

Elimination of such programs as the community development block grant, HOME, and the Indian Housing Loan Guarantee Program;

The elimination of several rural health programs;

Deep reductions in vocational education programs;

Termination of State student incentive grants;

Sale of the Western Area Power Administration;

Elimination of section 2 and section 3(b) impact aid programs;

Complete phase-out of Corporation for Public Broadcasting;

Total phasing out of the entire Amtrak operating budget.

In linking these concerns I would emphasis that alternative reductions in other programs and agencies would be supported by this Member to meet the budget targets. Having listed these objectives or concerns to the illustrative or suggested House Budget Committee recommendations, this Member is pleased to note that the rule contains clarifying language regarding reductions in agriculture programs. Included is a commitment to reexamine agricultural policy in 1999 and 2000 if there are certain negative consequences as a result of these reductions.

Mr. Chairman, the House Budget Committee proposal departs from the failed status quo: It offers bold leadership for a balanced budget by the year 2002. This proposal is an important step in the effort to secure a bright and prosperous future for our Nation's children.

Mr. SERRANO. Mr. Chairman, I rise in strong opposition to House Concurrent Resolution 67, the Republican leadership budget resolution for fiscal year 1996.

I believe the Members of this House are unanimous in agreeing that we must bring the Federal deficit under control. While there are differences over whether the budget must be in absolute balance or whether deficits, and surpluses, have a role in stabilizing the economy, getting the deficit down is a universal goal. We must reduce the amount of debt we leave to our children.

But there are legitimate questions about how fast to go, how steep a glideslope is fair or wise. The Rules Committee's requirement that all amendments produce a balanced budget by fiscal year 2002 limits the proposals this House may consider to those that slam the brakes on Federal spending. The result will be economic whiplash. The Republicans' budget, which must cut Federal spending

deeply enough to finance tax cuts for corporations and the wealthy, would aggravate the whiplash; balancing the budget in 5 years as in the Solomon-Neumann substitute, would break the neck.

The most basic function of a compassionate society—of all its institutions, from its churches and charities to its national government—is to protect and nurture the most vulnerable of its people. It is unconscionable to force a balanced budget when it causes so much pain to so many in our population.

The only alternative to the Republicans' budget that is the slightest bit compassionate is the budget for the caring majority, to be offered by Mr. PAYNE and Mr. OWENS, but even that had to be developed within the artificial restraint of balancing the budget by fiscal year 2002.

Mr. Chairman, the priorities in the Republicans' budget are as wrong headed as the rest of their program this year.

We have talked about many of their misplaced priorities during House consideration of the Contract With America, when the House passed their bills to slash the social safety net, especially for our children, to disarm our crime fighters, to turn environmental policy over to the polluters, and to give tax cuts to corporations and the wealthy, among other things.

Then came the House-passed rescissions bill, cutting funds for training and employment, especially summer jobs for youth; for home energy assistance for the elderly and the poor; for disease prevention; for a whole range of education programs; and for basic housing assistance.

The Republicans' budget assumes all these cuts and changes and goes after the elderly as well. There would be cuts in Medicare spending that will require higher deductibles and copayments, less care, less choice of doctors. Medicaid would be a non-entitlement block grant, threatening both the programs that help keep the elderly and disabled in their own homes and the support that provides for their long-term care without impoverishing their entire families. And in a few years, the Republicans assume the Consumer Price Index will be adjusted, which will cut Social Security COLA's and increase indexed taxes.

There is a basic disconnect in the thinking behind the Republicans' budget. We must, they say, balance the budget to ensure our children's future. But what sort of future will they have if we cut spending for maternal and child health; freeze Head Start; cut day care; kill reforms and withdraw resources from elementary and secondary education—especially from disadvantaged and immigrant children; end Federal funding of libraries—the most basic unit of do-it-yourself, by-your-bootstraps self-improvement; make higher education more expensive if not put it entirely out of reach; shrink job-training programs? What kind of a future is this for our children?

Mr. Chairman, we have had hours of debate on this budget resolution and I think the issues are clear. I wish the arguments from our side would lead the Republicans to support a more compassionate Federal budget, but I know the votes aren't with us. But I urge my colleagues to think very hard about what this budget means. I will certainly oppose it and hope many of my colleagues will do the same.

Mr. PORTER. Mr. Chairman, today we are voting on one thing, a number that represents total outlays for fiscal year 1996. While the budget resolution in front of us is 79 pages long and charts a fiscal course for 7 years, the only binding element is the 602(a) number for next fiscal year.

The time for action on reducing our nation's deficit is now, and I commend our Budget Chairman and my friend, JOHN KASICH, for his leadership in producing a budget resolution that sets us on a glide path to a balanced budget by 2002. Without question, the deficit problem has reached crisis stage, and I believe that overall, Mr. KASICH's number is a realistic one which will impose the painful but not unbearable fiscal restraint we need if we are ever to regain a measure of control over our economic destiny.

However, there is a good deal behind the number that I do not agree with or support.

I do not agree with the tax cut passed by the House and assumed in this budget resolution. This tax cut will make it $354 billion harder to reach our goal of balancing the budget and simply comes at the wrong time. While I agree with some carefully targeted tax relief for business which will help the economy grow and provide necessary jobs such as reductions in capital gains, enacting a sweeping package of tax cuts such as this has the potential of overstimulating the economy and risking even higher interest rates. The Dominici budget resolution shows us how much more difficult the tax cuts make balancing the budget. Senator DOMINICI's plan, which does not assume tax cuts, not only balances the budget in 7 years but saves $200 billion in outlays which could be put toward a tax cut after the budget is balanced.

I believe that biomedical research must be one of Congress's highest priorities in allocating scarce federal funding. Federally supported biomedical research creates high-skill jobs, helps retain our country's worldwide leadership in biomedical research, and supports the biotechnology industry which generates economic growth and a positive balance of trade for our country.

In this respect, it is an investment that is quintessentially, Republican.

Research provides great hope for effectively treating, curing and eventually preventing disease and thereby saving our country billions of dollars in annual health care costs. The development of the polio vaccine alone, one of thousands of discoveries supported by NIH funding—in terms of health care savings—has more than paid for our country's five decades of investment in Federal biomedical research. For these reasons, the cuts for NIH designated in the budget package are, to me, extremely ill-advised.

Defense spending, in my opinion, is not sufficiently sharing in the burden of reducing our Federal deficit. While I believe that providing for our national defense and strengthening our troop readiness is essential, increasing the budget authority by $120 billion and the budget outlays by $75 billion cannot be justified in these times of fiscal restraint. We need to rid our defense budget of cold war relics which are no longer militarily relevant, such as the *Seawolf* submarine, and focus on meritorious defense initiatives that will provide for troop readiness and add to the quality of life for our military.

In addition, America's ability to influence the world and provide necessary leadership is at its zenith, and further cutting foreign assistance at this stage is the wrong answer. We have already reduced foreign assistance by one-third over the last 5 years. Further reductions in this area, which is less than 1 percent of our total budget, will undermine our leadership for American values of democracy, human rights and free market economies at the exact time when their advancement is most possible.

I think it would be particularly shortsighted for Congress to eliminate the Board for International Broadcasting and the Voice of America. These two agencies are among the best vehicles for enhancing our values worldwide. Radio Free Asia, a part of the BIB, sends a message of freedom and truth to people in repressive societies and helps these nations transition into free market democracies.

Finally, I support the elimination of departments' agencies, and programs that will assist the Government in becoming more efficient, however, I do not want to do so simply as a symbol. There should be real savings and efficiencies generated in this process.

While my differences with the resolution details are substantial, I think that JOHN KASICH and the Budget Committee deserve credit for having the courage to put us on track to getting our economic house in order.

Mr. KANJORSKI. Mr. Chairman, I rise today to express my strong opposition to the budget resolution before the Congress today. This is no time to be providing tax cuts to wealthy individuals and corporations while hurting the elderly, the children, and the working families of America.

We have heard for so long now the rhetoric of the Republican majority promote the false notion that their mission to dismantle the Federal Government is based on a mandate of the American people. My constituents, however, do not want to dismantle the Federal Government—they want smaller government that works better and is more efficient. The American people want wasteful functions and programs eliminated, they want programs that work to be left alone, and they want fairness and equity in the allocation of limited Federal resources.

The former Democratic majority had been working to meet this mandate for at least the 4 years prior to last November's elections. It passed historic deficit reduction legislation in 1990 and 1993 that set a course for a stable budget and massive deficit reduction. In 1990, the Democratic majority broke the partisan logjam that prevented unified deficit reduction action on the part of a Democratic Congress and Republican President. In 1993, despite not one Republican vote, the Democratic majority passed legislation that has brought our deficit down to its lowest level as a percent of the economy since 1979.

These successes, however, were understandably not enough for a public weary of politicians and the status quo. The American people said in last year's elections they want change faster than Democrats provided. It is my belief, therefore, that the new Republican majority had a tremendous opportunity to help enact much important and needed change.

Mr. Chairman, it now appears that such an opportunity is lost. It is lost because the Republican Majority not only targeted the wrong people and programs in their budget, but because the party is mired in an ideology that promotes getting rid of critical Federal programs and which demands tax cuts for the wealthy. This ideology is driving the Republican budget decisions to cut Medicare and Medicaid for the elderly, cut education for our children, cut job training for our workers, cut economic development for needy communities, and provide new tax loopholes to multinational corporations and individual millionaires and billionaires.

In this budget resolution, Republicans have chosen to target middle-class America without at least also targeting the hundreds of billions of dollars lost to this country from corporate welfare and tax loopholes which benefit the wealthy. Both liberal and conservative interest groups have recently put forth detailed and comprehensive studies of corporate welfare that should be eliminated. But most proposals have been completely ignored by this budget resolution.

Tax loopholes and corporate welfare are not the only things left untouched. The resolution also leaves in plae wasteful defense spending and international programs like the National Endowment for Democracy that have clearly outlived their usefulness in the post-cold war era.

The Republican majority is saying in this budget it wants a balanced budget by the year 2002 and provide tax cuts to the wealthy, to fulfill a campaign promise no matter what the cost. Republicans claim that they are not cutting Medicare and Medicaid, but they are saving a total of $475 billion in the two programs over 7 years. That amount of money can be saved only through program cuts. It is just that kind of doublespeak that has fostered the high level of cynicism and distrust of our Government.

The cost of this budget resolution is certainly tremendous. Cuts in Medicare and Medicaid could increase out-of-pocket costs to the elderly by as much as $1,000 per year. Business would be forced to cut health insurance to workers because of higher premiums from cost-shifting by medical care providers. More working families will be forced to drop health insurance altogether.

For hospitals who have a disproportionate amount of Medicare and Medicaid patients, many will be forced to close. In my district, there are a number of hospitals where the percentage of patients served by Medicare and Medicaid exceeds 60 percent. A full 61 percent of Palmerton Hospital patients, 69 percent of patients at Mercy Hospital in Nanticoke, and a staggering 84 percent of Shamokin Area Community Hospital patients are served by these programs. I do not think it is realistic to believe we can impose a 25 percent cut on these hospitals and have them still remain viable.

Many hospitals will be forced to shift costs to persons who have insurance because of these cuts. As a result, more small businesses will be forced to cut, or eliminate insurance altogether for employees. More and more working families will be forced to chose between buying insurance and paying rent. I already have more than 53,000 persons in my district without health insurance coverage. How many more of my constituents will lose health care coverage because of short-sighted Federal policies and inaction on health care reform?

Sadly, even with the largest budget cuts coming in the Medicare Program under the Republican plan we do not even know in what direction they want to take the program. Under normal budget processes, it would be the job of the Committee on Ways and Means to decide precisely how to make the necessary changes to the program to achieve savings. Yet the Republican leadership is trying to pass legislation that would require someone else to do their dirty work. They are trying to pass the buck to a group of unelected Medicare Trustees who never, until this Republican Congress, was thought to have the responsibility to make decisions on preserving the solvency of the Medicare trust fund.

In another critically important budget area, Republicans are proposing to eliminate most of the meager amounts this country spends directly on economic development. The budget proposes to eliminate two agencies that play a critical role in economic development—the Economic Development Administration [EDA] and the Appalachian Regional Commission [ARC]. We spend less on these two agencies combined than we do on one B–2 bomber.

What have these two agencies done recently for northeastern Pennsylvania? The EDA has provided money to help build new buildings in Nanticoke, Wilkes-Barre, and Hazleton, that serve as essential anchors for economic development and revival in these struggling towns. Substantial EDA assistance is in the pipeline for expansion of an industrial park in Luzerne County.

The EDA and the ARC help northeastern Pennsylvania and other regions of the country that are struggling to attract scarce private economic development assistance. Without this type of public assistance, smaller areas will either have to raise money themselves, which many cannot, or seek assistance from States, where budgets are already stretched thin. If we eliminate the EDA and the ARC, along with cutting community development block grants and local housing assistance, small economic markets will be at an even greater disadvantage tomorrow than they are today.

Instead of saving economic development funds from cuts, Republicans provide more tax cuts and loopholes to the wealthy. Billions of dollars in new tax writeoffs are being offered to rich corporations. People making more than $100,000 a year are being provided the opportunity to invest in tax-free retirement accounts and receive massive tax reductions on capital gains from the sale of stocks and bonds. In all, the wealthiest Americans will receive a tax break of $20,000 under the Republican tax proposals, while the average tax break for middle-income families will be only $555.

Mr. Chairman, that meager $555 will be offset by higher health insurance premiums resulting from Medicare cuts, higher nursing home costs resulting from Medicaid cuts, and higher property taxes resulting from cuts in education and economic development. Middle-income families are going to be net losers under this Republican budget resolution.

Mr. Chairman, this budget resolution is bad, plain and simple. I would urge the Republican majority to go back to the drawing board, forget campaign promises and tax cuts for the wealthy, and try and work with the President and Democratic minority to fashion a good deficit reduction budget resolution. I am confident that working together we can accomplish much more than we can working apart. We must forget partisan politics and get down to the business of doing what is best for our country.

Mr. COYNE. Mr. Chairman, I rise today in strong opposition to the House Republican Budget proposal that will cut Medicare by $288 billion over 7 years while giving $353 billion in tax breaks to America's wealthy.

The Republican proposed Medicare cuts will cost the average senior citizen in Pennsylvania $1034 in higher out-of-pocket costs when these cuts are fully implemented. The total cost to Pennsylvania seniors will be $3,570 over the next seven years. Low-income seniors struggling to pay the rent and put food on the table will be devastated by these increased costs.

Hitting seniors in Pennsylvania and across America with these huge increases in Medicare out-of-pocket expenses is simply mean-spirited. House Republicans are proposing Medicare cuts that are three times the size of any Medicare spending reduction ever before approved by Congress. These unjustified Medicare cuts far exceed what is needed to ensure the solvency of the Medicare hospital trust fund. Instead, House Republicans are driven to slash Medicare spending so that they can pay for $353 billion in tax cuts.

Millions of seniors will pay over $1000 in new out-of-pocket Medicare expenses while 1.1 million of America's wealthiest individuals will receive a $20,000 tax break. The average income of a senior receiving Medicare is roughly $17,000. By contrast, upper income Americans receiving this $20,000 tax break have an average income of $350,000. Republicans may cry that Democrats are engaging in class warfare by pointing out these facts but Americans need to know the truth about the Republican's misplaced priorities. It is the House Republicans in their budget plan that have chosen to wage warfare on America's seniors.

Raiding Medicare to pay for the Republican's Contract with America tax cut is an outrage. These unprecedented cuts in Medicare will threaten the quality of health care received by both seniors and working families as hospitals are forced to layoff health care providers and close facilities. These Medicare cuts will fall especially hard on the hospitals in the Pittsburgh area since this region ranks behind only Miami in having the largest percentage of seniors compared to the general population. Pittsburgh-area hospitals depended on Medicare to pay the medical bills for over 37 percent receiving in-patient care.

Mr. Chairman, America's contract to provide Social Security and Medicare to seniors and future retirees is far more important than any political contract used by Republicans during the last election. This is not what Americans voted for last November. Medicare was established by Democrats in the 1960's as a trust fund and not a slush fund. The House must

reject this mean-spirited attack on the health benefits of America's seniors.

Mr. DIAZ-BALART. Mr. Chairman, I rise in support of the Kasich budget resolution and would like to applaud Chairman KASICH for his tremendous efforts and the work of his committee in developing the Republican budget resolution for fiscal year 1996. I applaud the chairman for his efforts in the arduous task of balancing the Federal budget by 2002. We all have a difficult road ahead of us in attacking the enormous Federal deficit, and although I have some differences in how I would achieve this deficit reduction, I certainly agree that we need to be fiscally responsible.

For the RECORD, I would like to submit the attached editorial which appeared in the Tuesday, May 16 Miami Herald. I call your attention to the lessons learned in Latin America, where inflation tamers in countries such as Argentina, Brazil, and Peru continue to win election or reelection. These leaders took steps to avoid impending national bankruptcy. A steadily increasing Federal debt in the United States would not only be destructive, the destruction that it would cause would be our responsibility if we do not act now. The sacrifice that will be required now is minimal when we compare it with what would be required later if we do not act.

We are not talking about the actual cutbacks in the size of the public sector and the recessionary increases in taxes that Latin American-style shock therapies after meltdowns have entailed.

If we act now, we need only reduce the rate of growth of the Federal Government. We are at a fork in the road of our national destiny. If we embark upon the road sought by those who want to maintain the status quo, if we adopt the position of the ostrich and continue to hide our head in the sand, as the administration has done by not submitting a budget that is balanced at any time in the future, we will be doing an extraordinary disservice to our children and to their children.

Again, thank you, Mr. Chairman, and I urge a "yea" vote on the Kasich budget resolution.

[From the Miami Hearld, May 16, 1995]

INFLATION-BUSTER WINS AGAIN

It used to be said of French voters that they kept their hearts on the left and their wallets on the right. The seesawing between heart and wallet tended to have a predictable outcome at election time: enough change to keep the romantic passion alive, but with the bottom line always firmly in control.

Argentine President Carlos Saul Menem's solid victory in Sunday's presidential elections confirms a significant Latin American variation on the French theme: Argentines' fearsome memories of inflation overrode their other concerns, including some traditional emotional hot-buttons. A late surge by challenger Jose Octavio Bordon not only failed to force a runoff, but actually shriveled as the election hour neared.

Throughout the hemisphere, it seems, inflation tamers keep winning elections and re-elections. It's a remarkable departure from common wisdom, which until recently maintained that the extreme fiscal severity of anti-inflation "shock therapy" would induce a backlash of desperate social protest.

That assumption was wrong. Once severe fiscal measure are implemented, Latin Americans have endured their high, recessionary price-tag with remarkable fortitude.

Nowhere was this clearer than in Brazil's presidential election last year, where former finance minister Fernando Henrique Cardoso saw his poll ratings soar in proportion to the success of his anti-inflation *Plan Real*. His charismatic leftist rival could only watch in impotence as a once-handsome lead slipped away.

Inflation-taming has been so strongly endorsed by Latin American voters that it has even conferred a thick Teflon coating on the neo-liberals of the hard-money school. Both Peru's Alberto Fujimori and Mr. Menem have emerged relatively unscathed from embarrassing political accusations, largely because of their economic successes.

But post-inflation presidents are sure to face tougher terms. Having rewarded stability and fiscal discipline for a long, difficult spell, Latin American voters will soon take up once again their long-deferred hopes of growth, better income distribution, and honest government. The inflation-fighters' success thus far makes those hopes seem more realistic than before. Before long, though, it will become clear that politicians can keep voters hearts only by thickening their wallets.

The CHAIRMAN. All time for general debate has expired.

Mr. KOLBE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOX of Pennsylvania), having assumed the chair, Mr. SENSENBRENNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, had come to no resolution thereon.

(Mr. SABO asked and was given permission to proceed out of order for 1 minute.)

LEGISLATIVE PROGRAM

Mr. SABO. Mr. Speaker, I have asked unanimous consent to proceed out of order for a minute so I might inquire about plans for tomorrow.

I yield to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I would say to the gentleman from Minnesota, I have been here for 13 years. I have always wanted to stand here and explain what the next day's schedule is, but I do not quite know what it is. We come in at 9 a.m.

Mr. SABO. Mr. Speaker, I yield to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, it is the first time that the chairman of the Committee on the Budget has not had an answer.

I believe we come in at 9 a.m. We do recess immediately after morning business there for the former Members. And then we will resume, I presume, around 10 a.m. And we will go immediately to the three amendments, the Gephardt amendment is first, followed by the Neumann-Solomon amendment, the Black Caucus amendment. And if, of course, the President's budget with a zero deficit is printed in the CONGRESSIONAL RECORD, it would be made in order as a fourth amendment.

Mr. SABO. So the Black Caucus is the last amendment; Solomon is second?

Mr. KOLBE. Mr. Speaker, if the gentleman will continue to yield, that is correct. And we do expect a journal vote tomorrow.

Mr. SABO. At 9 a.m.

Mr. KOLBE. At 9 a.m., 10 a.m. The journal vote at around 10 a.m.

Mr. SABO. As it relates to the Solomon amendment, do I get the half hour in opposition to the Solomon amendment?

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

Mr. SABO. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, someone does.

Mr. SABO. Someone does.

Mr. SOLOMON. It probably will be the gentleman, Mr. Speaker.

## GENERAL LEAVE

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the concurrent budget resolution for fiscal year 1996, and to insert extraneous material thereon.

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

There was no objection.

## REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1158, EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR DISASTER ASSISTANCE AND RESCISSIONS, FISCAL YEAR 1995

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104–126) on the resolution (H. Res. 151) waiving points of order against the conference report to accompany the bill (H.R. 1158) making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes, which was referred to the House Calendar and ordered to be printed.

## SPECIAL ORDERS

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

## CRIME AND PROPOSED BUDGET CUTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. STUPAK] is recognized for 5 minutes.

Mr. STUPAK. Mr. Speaker, when U.S. Marshal Robert Forsyth of Augusta, GA was shot and killed in January 1794 while trying to serve court papers, he became the first peace officer in the United States to die in the line of duty. Since then about 13,500 police officers from all types of law enforcement fields have fallen in the line of duty.

My district in northern Michigan has been hard hit by the all-too-common tragedy of police officer slaying. In the Upper Peninsula, which has about 3 percent of Michigan's population, 18 police officers have died since the 1920's. In 1962, President Kennedy proclaimed that for 1 week in the month of May Americans would commemorate National Police Week. National Police Week honors the service related deaths of law enforcement officers.

As a former state trooper, as an Escanaba City police officer, this week has special meaning for me. And as a former police officer and now as a legislator, I am particularly concerned about recent Republican efforts to weaken legislation designed to reduce crime in America.

In 1994, Congress passed the toughest crime bill in this Nation's history. The President's crime bill has several very important elements designed to fight crime on our streets. Most importantly, the crime bill directs that additional police officers be put on the streets to fight crime, because there is no better crime fighting tool than police officers proactively patrolling our neighborhoods.

The President's plan to put 100,000 more police on America's streets represents the Federal Government's largest commitment ever to local law enforcement.

The President's COPS program is already working. Half of the Nation's law enforcement agencies from jurisdictions of all sizes throughout this country have already received grants to add 17,000 additional police officers. Unfortunately, the new Republican majority wants to turn back the clock by gutting the most effective element of last year's crime bill, the COPS program.

Not only do they want to scrap the President's plan to put 100,000 more police officers on the street, but they also intend to delete every single prevention program.

Additionally, the Republican budget measure that we debated here today proposes a $5 billion cut in the crime trust fund over the next 6 years. The measure directs that the justice assistance grant programs would be consolidated into a single block grant program. This plan will only serve to weaken our crimefighting ability by taking money away from law enforcement officers.

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Certainly there is much more Congress can and must do to reduce crime and violence in this country. Crime continues to be the number one concern for millions of working families. That is why it is imperative that Congress not gut the crime bill as a means of playing partisan politics.

Therefore, I say to my friends on this side of the aisle, I say to the Republicans, stop playing politics with the crime bill. Respect the men and women in law enforcement. Instead of providing them with a few encouraging words during National Police Week, give law enforcement the financial assistance they need to keep them secure in their jobs and to keep us all secure in our neighborhoods.

## MISSISSIPPI AIR NATIONAL GUARD'S 186TH REFUELING GROUP RECEIVES HIGHEST INSPECTION RATING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I want to share with my colleagues the news that the Air National Guard's 186th Air Refueling Group in Meridian, MS, received an "outstanding" rating after completing an operational readiness inspection conducted by the Air Mobility Command [AMC].

This is the first time in the history of the Air Mobility Command that any unit has been given an "outstanding" rating, which was announced on May 11 by Lt. Gen. Malcolm Armstrong, commander of AMC's 21st Air Force.

The unit was required to deploy more than half of its 900 members for the week-long inspection At Fort Hood, Texas, along with nine KC–135 tanker aircraft. They lived and worked in a wartime scenario during the inspection. While deployed, the unit was subject to simulated conventional and chemical attack, terrorist activity and hostile threats while continuing to perform its mission of air-to-air refueling of military aircraft. The AMC inspection team, composed of active duty members based at Air Mobility Command headquarters, Scott Air Force Base, Illinois, tested the unit's capability under the same criteria used for inspecting active Air Force units. the exercises ran 24 hours a day while the unit was deployed.

Col. Frederick Feinstein, air commander of the 186th, said, "This was undoubtedly the finest display of professionalism and dedication that I have seen from any unit in almost 40 years of military service. Every Member of the unit had a job to do in this effort and each of them performed flawlessly."

I agree with Colonel Feinstein. This rating means the 186th was exceptional in all areas of inspection. That is almost unprecedented for any unit, active duty, National Guard or Reserve. It is a credit to the men and women who make up this unit. Their training and teamwork came together to put the 186th at the top of the class.

## WE MUST PASS OUR BUDGET TOMORROW, TO SAVE AMERICA FROM A MASSIVE DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. BRYANT] is recognized for 5 minutes.

Mr. BRYANT of Tennessee. Mr. Speaker, I come here on this historic night of American history as someone who is concerned about a sound and stable future for this great country.

The massive overspending this Federal Government has done for the past few decades has finally caught up with us, and it's time we take action to stop this dangerous spending.

These deficits will cripple our future generations with a mountain of debt which they will be forced to pay if we do nothing to stop this out of control spending.

Now that Congress has finally realized this problem, it's time to commit ourselves to solving it.

We must eliminate these deficits and balance the budget in order to preserve a sound, financial future for ourselves, our children, and many generations to come.

The Kasich plan we will be voting on tomorrow to balance the budget is a realistic blueprint for a balanced budget.

If we care about the future of this country, we must begin to lay the foundation for a solid economy with this blueprint and use this map on the road to a balanced budget.

Recently, Mr. Speaker, I have heard many false and unfounded attacks coming from those who are apparently opposed to balancing the budget.

We heard these same attacks from the same people who fought H.R. 1215 and killed the balanced-budget amendment in the Senate.

Now, once again, they are saying we are going to balance the budget on the backs of senior citizens by cutting Medicare and Social Security.

And so I would like to set the record straight on exactly what we are going to do about Medicare and Social Security.

First, we're not touching Social Security to balance the budget. Period. That charge is simply untrue.

In fact, the only "cut" that Social Security will experience is a cut in the current administration's tax hike on Social Security benefits.

So I'm having a hard time comprehending the accusation that we're "cutting" Social Security when all we're really doing is providing tax relief for Social Security benefits.

Second, as everyone in this Chamber is well aware, Medicare is going to be bankrupt in 7 years.

I know everyone has heard this statement time and again recently, but it's certainly worth repeating.

For the second year in a row, the president's Medicare board of trustees has stated that under current spending projections, Medicare will be bankrupt in 7 short years.

There is no disputing this inescapable fact, and we are taking the lead to prevent that from happening with our budget.

We have committed ourselves to preventing that from happening by slowing down the rate of growth in Medicare, not by cutting it.

Medicare spending is actually going to increase by over $740 billion over the next 7 years.

Only in Washington, DC, can an increase in spending for a program still be considered a cut.

The dilemma this Congress faces tomorrow will set the tone for the future of this great Nation for many, many years to come.

We have arrived at a crossroads, and we must rise to this historical occasion armed with a vision for the well-being of our future generations whose hopes to realize the American dream are in the balance.

A vote against the majority's budget tomorrow will signify failure to uphold our responsibility to the millions of Americans who sent us here to get Washington out of their wallets.

Many millions of Americans are depending on us tomorrow to do the right thing to prevent their future from heading down the wrong road of massive debt.

We must not fail to deliver the American people a sound future.

We must pass our budget tomorrow.

## EFFECTS OF THE PROPOSED BUDGET ON TAXES AND MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 60 minutes as the designee of the majority leader.

Mr. GUTKNECHT. Mr. Chairman, I have listened and I assume most of the Members have listened today to the debate. I have found it particularly interesting, and I would like to share some of my time with the gentleman from Michigan [Mr. HOEKSTRA] tonight.

I would like to also share with the Members and those who may be watching at home, and I hope this is not an ethical violation because I get no residuals from this book, but this is a book that I read during the district work period that was written by my predecessor, Tim Penny. I commend it to all of the Members, and other people who are interested in the budget debate that is going on, because I think it is very instructive. He has an awful lot to say. I would like to share some of those things with the body tonight.

First of all, Mr. Speaker, after listening to some of the debate earlier today, I just wanted to talk a little bit, too, about one of the things we have heard so much about in the last 2 or 3 days, and that is the tax cuts for the wealthy.

I'm not particularly good in math, and I do not serve on the Committee on Ways and Means. I did serve on the Committee on Ways and Means when I was in the State legislature back in Minnesota, so I have a little bit of understanding.

However, based on what I do understand about the tax cuts that we passed earlier this year, about 75 percent, about three-quarters of the benefits of the family tax credit, will go to families earning $75,000 a year or less. Perhaps in some places of this great Nation people earning $75,000 are considered rich, but I do not think in most places families earning $75,000 and less are necessarily considered rich.

Another part of that tax cut proposal that I think is important that will ultimately lead to economic growth is the cut in the capital gains tax rate. Representing an awful lot of farmers and small businesses in my district, I think I do understand something about capital gains taxes. As a matter of fact, one of the things I really understand is that 44 percent of the people who get stuck with a capital gains tax are rich for one day during their life, the day they sell their farm or sell their business.

I do not think, back where I come from in Minnesota, when a farmer who has worked hard all of his life and sells his farm, does he really consider himself rich? Obviously, in economic terms, in real dollar terms, many people would say that when you sell a farm for half a million dollars or whatever the particular price of that farm, you would say that they are rich, but these are people who have worked hard, who have lived poor all of their lives, who have made their payments, who have paid their taxes, and all of a sudden, because on one particular day they sell an asset, they get stuck with a capital gains tax.

I think if people will think about that in those kinds of terms, I think they will look at this whole thing and say "Wait a second, we are not talking about tax cuts for the rich."

Second, I wanted to talk a little bit about Medicare tonight, because I think there has also been a good deal of misunderstanding and disinformation spread about what we are doing with Medicare. It has been alluded to earlier today, but I would call attention to the Members and folks around the country to an article that appeared, I believe, in today's Investors' Business Daily. In that, there is a quotation that just literally jumps off the page.

It says:

> Today, Medicaid and Medicare are going up at 3 times the rate of inflation. We propose to let it go up at 2 times the rate of inflation. That is not a Medicare or Medicaid cut. So when you hear all this business about cuts, let me caution you that this is not what is going on. We are going to have to increase Medicare and Medicaid at a reduced rate of growth.

Now, I did not say that, NEWT GINGRICH did not say that. That came from Bill Clinton. I think that is what we are doing. We are not talking about cutting Medicare, we are talking about reducing the rate of growth.

Mr. Speaker, I also served back in Minnesota on the Health and Human Services Committee in the State legislature. I remember just 2 years ago when we were talking about health care and how much health care costs were going up, everyone predicted that we were going to see double-digit increases in the cost of health care for the next 5 or 6 years.

In the private sector, and I visited during the district work period with a number of health care providers, with representatives of some of the biggest insurance companies and HMO's in the State of Minnesota, they assured me that what is happening in the private sector, because of some of the changes and reforms that are going on with more managed care and preferred provider networks, we are seeing health care costs virtually at or below the inflation rate. We are seeing health care costs going up at less than 3 percent in the State of Minnesota.

Using the mathematics that we have heard about today and the last several days, we could assume that some of the health care providers in the State of Minnesota could be saying "Compared to what we thought health care was going to go up, we are seeing a 7 to 8 percent cut, because we thought health care costs were going to go up by 10 percent, but because of market-based reforms that are happening without the Clinton health care reform plan, without a whole lot of Government intervention, we are seeing health care inflation rates going down by about one-third or less of what they were expected to be." So using the arithmetic and some of the rhetoric we have heard today, I think we could say that we have seen dramatic cuts in health care in Minnesota.

Somehow, providers, hospitals and others, are adjusting to this new system. My sense is that if we allow some real reform in health care, in the Medicare system, that we can easily live within the guidelines that have been proposed by the House Committee on the Budget.

I just want to say that by just assuming that this is going to go up by 10½ percent per year, if we assumed it was going to go up 16 percent per year, then obviously you could say that this is a 12-percent cut, or some other number. However, the truth of the matter is that we know that health care costs can be controlled by the private sector, because it is happening.

With that, Mr. Speaker, I will yield to the gentleman from Michigan [Mr. HOEKSTRA], who has some remarks perhaps to share with us.

Mr. HOEKSTRA. Perhaps we can get into a little bit of a dialog, because I think it is very instructive to understand what we are talking about with Medicare, Mr. Speaker, and also when we take a look at what we do with the rest of the budget. If we take a look at and listen to much of the rhetoric that has gone on during this 6 to 7 hours of debate that we had today, you would think that we were dramatically cutting the budget.

In reality, the standard that we are setting for the Federal Government to get to a balanced budget, you know, I came out of the private sector, and this is my third year here. The aggressive posture that we are going to take to get to a balanced budget is something that the private sector would look at and they would basically laugh at. They would say "This is an aggressive plan to get to a balanced budget under the dire circumstances that you are under right now? You have a $4.7 trillion debt. A child born this year, in their lifetime, if we do not change how we spend and tax, would have to pay what, $187,000 as their share of interest in the debt, and you are going to slow the growth of Federal Government to 3 percent per year?"

During the break I had an opportunity to go to a number of companies in my district. I listened to what they had done. You gave some examples about what they had done to control health care costs. I looked, and they explained to me what they had done to control product costs. There was a company in my district that, through participative management, employee involvement, creative thinking, new technology, new thinking about new ways to do things, for 12 years they have not had a price increase on their product, so they now are exporting around the world, because they have been able to control costs, not at a rate equal to inflation, but at a rate 3 or 4 percent below inflation, reducing costs every year, reducing actual costs.

There was another company in my district that made an electronic component. In the early 80's they were making it for $44. The Japanese came in and said "We have taken a look at this part and we can build it for $13." The company got together, they got together with the management and the employees, and today they are building it for less than what the Japanese quoted to them in the early 1980's, so they took a $44 part and they are now building it for less than $12.

Here we are in Washington, the only thing, the thing we are going to do is slow the growth to 3 percent. I really believe that much of what has been applied in the private sector can and should be applied to Washington, and that what we are looking at doing to balance the budget is not that unreasonable and is very, very doable.

I think we can do it like we did it with the Contract With America. The Contract With America said "We are going to do this within 100 days," and we did it within 93. I think if we energize Federal employees, build a partnership with State and local governments, build a partnership with people at the local level, and come together on this budget issue, we can improve performance, we can deliver a better solution to the American people, and we can balance the budget, and we can balance it quicker than 7 years if we focus and recognize that it has to be done.

□ 2130

Mr. GUTKNECHT. The private sector is a great example, and I have had the same story told to me around the district where people found themselves under competitive pressure. They have found a way to increase productivity or do something to reduce their costs. It has happened in big business and small business.

I have one particularly fairly large business in my district that was facing very competitive measures and in a difficult situation, and they went in and it was not easy but they found ways to produce their products at a much lower cost today than they had 3 or 4 years ago.

Incidentally, that same company has found ways to cut their health care costs. Now that has meant that, you know, perhaps there are fewer visits to the doctor, it may means some other things, it may mean managed care in some respects. I am not sure what all they have done, but the point is necessity is the mother of invention. That is the way the free enterprise system worked.

The problem in Washington is the solution to every problem seems to be more money, and the only way we can get control of the problem is with more money. But the truth of the matter is I think the American people are saying if we are talking about this program or that or another program that enough is enough; you have enough tax revenue, you are going to have to figure out how to make this thing work. And I think if we work together I think we can.

Mr. HOEKSTRA. If the gentleman will yield, we are really talking about the future of America. We are talking about security for seniors and we are talking about opportunities for our kids.

You know Alan Greenspan came in and said here was his vision of the benefits of balancing the budget: Children will have a higher standard of living than their parents, part of the American dream; there will be improvements in the purchasing power of everybody's incomes; there will be a rise in productivity, a reduction in inflation, strengthening of financial markets, acceleration of long-term economic growth, and a significant drop in long-term interest rates. This is going to benefit everybody in this country, just getting back to a basis where we have fiscal soundness, good fiscal policy, get to a balanced budget, and I think one of the goals and objectives which we had, which we put into the budget resolution during the debate in the Budget Committee is saying as we move to a balanced budget we cannot forget the fact that when we get to a balanced budget we need to develop a surplus, because balancing the budget is not good enough. We need to make the next step, which is developing a surplus and putting a plan in place to actually pay down the debt. The old American saying is what, we used to pay off the mortgage and give our children the farm. If Congress keeps going the way that it had been going, what we were going to do was sell the farm and give our kids the mortgage.

We are now, tomorrow, we are going to start that historic process that we are going to go through the next 6 months. We are going to put in a balanced budget plan for 7 years which is going to guide the authorizing and the appropriations committees so that by the end of this year we will have put a plan in place in May, and for the next 6 months we will manage our fiscal resources to hit that plan.

Mr. GUTKNECHT. The interesting thing to me, and you alluded to it, I was home this weekend and talked to some constituents and tried to explain essentially what the outline of the budget plan was going to be, and the people that I talked to said, you mean that is all there is. As a matter of fact, a few of them said we expected real cuts. We expected you to really cut programs and what you are talking about does not sound like the kind of cuts that we were expecting. As a matter of fact, I think my own sense is that the American people, at least out there in the great Midwest, are fully prepared for more, to shoulder more of the responsibility in terms of some of these reductions in spending than I think this budget is proposing. As a matter of fact, some I think may actually see this budget resolution as a bit too timid.

Mr. HOEKSTRA. Maybe too timid, but I think they will look at the policies in place and ask how are we changing decisionmaking here in Washington, moving more decisionmaking back to empowering the individuals. What is the $500-per-child tax credit? It is just a basic recognition that a family and parents are a better place to make decisions on how to spend that $500 than sending that money to Washington.

We are returning power and control to the States and localities, bringing decisionmaking back close to the problems, fine tuning the solutions for the

specific problems within the graphic area.

My district is nine counties, it is a medium-sized district, but the problems in the southern part of the district or characteristics of the southern part of the district are very, very different than the northern part of the district. But what we are finding today is the decisions are all made here in Washington for a number of programs, whether it is school lunch, whether it is public housing, the decisions are made here in Washington. What we are trying to do is move decisions locally. We want to move a Federal bureaucrat from being between a child and a school lunch, let that decision be made at the local or State level. We want to move the Federal bureaucrat in Washington away from being the connecting point between a tenant and a landlord. Why is a Federal bureaucrat trying to make those arrangements? Same thing, we are proposing eliminating the Commerce Department. Why do we need a Federal bureaucrat in Washington being between a customer and a potential vendor? It does not make any sense. That is not a good use of our resource, so we are moving power back to States and localities. We are at the same time discarding needless bureaucracies, eliminating duplication and waste.

One area where we really are cutting, where the number is actually going to be less, it is a true cut, it is a cut as defined in the rest of America, and here in Washington now it also means a cut, is the foreign aid. That will be I think an absolute reduction of somewhere in the neighborhood of 30 or 35 percent.

We are reducing corporate subsidies. We are going after just about every area of the budget, except Social Security. We are promoting personal responsibility. The end result is we are all coming together in a plan to save the future and save the future for our kids.

Mr. GUTKNECHT. I went through a sales training program many years ago. I did not sell insurance, but it was actually designed for insurance salesmen, and I never forget the story they used to use, some of the salesmen used to use where they would bring with them a marble, it was a marble, a Ping-Pong ball, a baseball, and a bowling ball and they would tell potential customers, you know, if you buy your insurance now it will be like carrying around this marble. You can put it in your pocket and you will barely know it is there. But if you wait another 10 years and buy that insurance, it is going to be like carrying that ping-pong ball, and if you wait 10 years after that it is going to be more like carrying that baseball, and it gets real difficult to carry it around in your pocket. But if you wait until you are about ready for retirement, its going to be like carrying around that bowling ball. That is what we are talking in the Federal budget. The sooner we get started in solving the problem, the less pain in terms of solution. If we wait another 5 years, I think everybody knows, the American people know if we wait another 5 years, whether we are talking about Medicare or impending bankruptcy or whether we are talking about the growing national debt, if we wait another 5 years the problem is going to be just that much more difficult to solve, and so rather than having to carry around a ping-pong ball in your pockets we are going to have a bowling ball, and the weight of that ball is going to be hung around the necks of our children.

Mr. HOEKSTRA. We know what the statistics are. We know within 7 years Medicare will be bankrupt. We know if we do not change our spending priorities that by the year 2012 all the revenues we collect in taxes will be used to pay for two things: entitlements, and that thing that returns so much value to the country, interest on the debt. I mean that is just money that is gone away. You know, in 2012 we could be talking about student loans; there will not be any money for them. We can talk about building highways; there will not be any money. We talk about national defense; there will not be any money, unless, what? We ask the American people to share more of their income with us. What is it, the generational accounting which came out in the President's budget a year ago said if we continue at taxing and spending or spending at this rate, the next generation could see an effective tax rate of 84 percent. Which means that for young people going out and working, for anybody going out and working, 84 cents would come to Washington or, yes, and you would get to keep 16 cents of it for yourself, which means Tax Freedom Day would move to somewhere in November.

Mr. GUTKNECHT. Thanksgiving.

Mr. HOEKSTRA. At least we would have something else to be very thankful for, that we only had to work until Thanksgiving to pay the Government their share to keep the Government running and we could then work from Thanksgiving to the first of the year.

We need to be moving in the other direction of getting to the balanced budgets and paying the debt down.

Mr. GUTKNECHT. I was going to share one of the stories I tell a lot of folks. When I graduated, most people do not remember who the speaker was at their commencement address when they graduated from college, I do not remember his name, but I remember who it was and what he talked about that day. It was the director of the United States Census, and I graduated from college, I was 22 years old, graduated in 1973. I was born in 1951. And he said something interesting talking about demographics, and I think it is very important, I think the American people need to understand this. I was born in 1951, and he told us that day at our graduation that there were more kids born in 1951 than any other single year. He said, "You are the peak of the baby boomers, and that is going to be important as you go through your life, whether people are selling insurance or encyclopedias or automobiles," and you can see that reflected in the advertising. But I think we need to think about this as well. Those baby boomers are going to start retiring at about the year 2011 or 2012, and I think the American people need to be reminded that if we have a problem now with Medicare, if Medicare is on the verge of bankruptcy now, and will be insolvent by the year 2002, imagine, the people we are dealing with here are people who were born essentially during World War II, and the birth rate during World War II was incredibly low. Imagine what is going to happen to us when the baby boomers start to retire in the year 2010 and 2011, and that is why it is critical in my opinion we have real Medicare reform and begin the process this year. I think if we do we can guarantee Medicare will be there for baby boomers and beyond. If we do not, I think it is pretty certain it will not be. I think there is growing concern among people my age that the sins of our fathers are now being visited upon us and will ultimately be visited upon our children.

Mr. HOEKSTRA. The demographics do not work in your favor, but I think as we talk about reforming Medicare we are talking about putting in place a number of policies and practices that have already worked and are working in the private sector.

Medicare basically has not been reformed or enhanced or modified or had any creative thinking applied to it for the last the 20 to 25 years, and we are still allowing spending per beneficiary, spending per person receiving Medicare is going to increase by somewhere between 33 to 40 percent depending upon what State you are in, but on average we are spending $4,800 per person in 1995. We are allowing within this budget to be spending up to $6,400 on average per person by the year 2002. That gives us a lot of leeway to examine what is going on in the private sector, to reform and enhance Medicare to take a look at the discrepancies by State.

I think one of the speakers today made the comparison about what you spend per person on Medicare in Minnesota, which has a fabulous health care system, and compare it I think it was somewhere in the neighborhood of $3,000, going up to something like $5,000 compared to the expenditures in Connecticut, which was like $5,000 going up to somewhere near $6,000 to $7,000, and saying you know we can take a look and what we need to be doing is taking

a look at the different programs in different States and say what are the dynamics in this State that are driving costs to this level and to be very efficient and effective, and there are some things in these areas that we can learn and transfer to the high-cost States because like I said, Minnesota, my area, I think we are at about two-thirds of the national average for many of the health care costs.

Ms. DELAURO. Mr. Speaker, will the gentleman yield?

Mr. HOEKSTRA. I yield to the gentlewoman from Connecticut.

Ms. DELAURO. Mr. Speaker, representing Connecticut, I just wanted to correct the numbers that you just talked about with regard to Connecticut. There are over 503,906 Medicare enrollees in Connecticut, and in fact what would be the case is that they would pay $1,167 more in the year 2002 alone, and $3,885 more over the next 7 years. Overall, just so that the record will show, the State of Connecticut would lose $1.2 billion in Medicare funding in 2002 alone and $4.1 billion over 7 years.

So I just wanted to present that in terms of the record on this issue. I thank the gentleman.

Mr. GUTKNECHT. Reclaiming my time, and I think the gentleman over here said at the end of 7 years the program goes bankrupt, then we will not pay any benefits at all if we do not make any changes. I think that is the issue we are talking about, and all of this is built on assumptions. If you assume there can be no changes in all of this, this assumes there can be no changes in the way the Medicare system is managed.

Ms. DELAURO. You know, there is.

Mr. GUTKNECHT. Reclaiming my time, we assumed in the State of Minnesota a couple years ago that health care costs were going to continue to go up at double-digit inflation rates. Without any significant reform in the Federal level we have demonstrated that that was not necessarily the case.

□ 2145

That is the issue. The system can be reformed. Medicare, in my opinion, is the worst of all worlds. What you have is a fee-for-service system that cranks down fees. We have cost controls in a fee-for-service system. That is a prescription for disaster. That is why you see the Medicare system going up as fast as it is going without any changes.

I yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. The fallacy of everything they are talking about is the fact they go out to the year 2002. Where they have all the figures they run up. The whole system collapses, and people end up with nothing, or, and this is what we suspect is really the agenda of the other side, they come back to the employers and the employees, and they say the whole system is collapsing, we now have to ante up. That is a 125-percent increase on both employers and employees at that point and a 300-percent increase in copayments for the beneficiary in order to maintain the system they now say we ought not touch, there ought not to be any change.

They are willing to risk bankruptcy of the Medicare system. That is what they have said all day long on the floor, that bankruptcy is an option, because they keep talking about figures that drive the system into bankruptcy.

I think most Americans looking at it think that bankrupting the Medicare system in order to serve political purposes is a tragedy. It just makes no sense whatsoever.

Mr. BONIOR. Mr. Speaker, will the gentleman yield.

Mr. GUTKNECHT. I yield to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. I thank my colleague for yielding.

I would just like to ask the gentleman from Pennsylvania, who on the floor, you just alleged that someone on this floor on our side of the aisle made a statement that we were for bankrupting Medicare. Who did that?

Mr. WALKER. If the gentleman will yield.

Mr. BONIOR. That is an outrageous statement. No one on this side of the aisle made that statement.

Mr. WALKER. You did not listen very carefully. What I said was all of the assumptions that were used on the floor today were predicated on the fact we only had to worry about the system out until 2002, and that all the figures you used that you call cuts in Medicare are, in fact, cuts off of a baseline that drives the system into bankruptcy, and so, therefore, my point is that the assumption that you are raising is that we can continue to spend at the present rates, which we know all know, according to the trustees' report, drives the system into bankruptcy, and so my point is that virtually your entire argument on your side today was predicated on the fact you are willing to allow the system to go bankrupt.

Mr. BONIOR. If the gentleman will yield on that point, I would like to respond.

Mr. GUTKNECHT. Let me respond. Let me just say again, we did not make this up. We did not write the report. And we read today in the paper this quote: "Today Medicaid and Medicare are going up at 3 times the rate of inflation." That is absolutely true. We propose to let it go up at 2 times the rate of inflation. That is not Medicare or Medicaid cut.

So, when you hear all of this about cuts, let me caution you that this is not what is going on. I did not say that. We did not say that. Although we are saying that that is what President Clinton said just last year. And so all of this scare-mongering that is going on over the Medicare issue, we believe, and I think you would agree, that this system can be reformed, we can control costs if we put the right incentives. It is happening in the private sector today. That is what this debate is about, and I think what the gentleman from Pennsylvania [Mr. WALKER] is saying, is some people are saying it cannot be reformed, it must be allowed to continue to grow at exponential rates and that ultimately it will just go bankrupt, and then we will figure out how to do something different.

But if we make the changes this year, we can avoid bankruptcy. We can protect, we can preserve, in fact, we believe you can improve the Medicare system, provide better care to the senior citizens, keep the system solvent and really have a system we can all be proud of. It is happening today in the private sector, and those who say it cannot happen in Medicaid and Medicare I think are arguing against the facts that are happening every day out in the private sector.

I yield to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. I thank the gentleman for yielding.

What we have been doing for the last number of months, actually what we started doing in 1993, we came forward with a budget alternative, major conflict within our conference, but we said we wanted to stand for a budget alternative and we wanted to have a document out there that said that is who we are and what we stand for, and we presented a very credible alternative budget.

We did the same thing in 1994. And what both of those budgets did is they prepared us to be able to lead in 1995 to present a credible budget, to present a solid plan to get us to a balanced budget by the year 2002, to save the future for our kids, and we have a President who, running for election, promised that he would be driving toward a balanced budget, and we started the budget debate in the Committee on the Budget in 1995. What did we see, we saw more of the same, continuing $200 billion deficits, no plan to save Medicare, no plan to drive down the deficit. As a matter of fact, we saw exploding deficits as you went out 5, 6, and 7 years.

So what we have done is we have put together, we have put down on paper, we are out here saying we have a plan. Remember when people used to say, "Why don't those guys stand for anything?" For 3 years we have demonstrated, and now we are going to have the opportunity to drive a plan that does exactly what we have been talking about: Tax relief for families, a balanced budget. We do go through; you know, we eliminate three Cabinet departments. We eliminate the Energy Department, we eliminate the Commerce Department, we eliminated Education, areas where we do not think

the Federal Government has a primary role in setting policy. We eliminate 284 programs.

In many cases, right now, and in the Economic and Educational Opportunities Committee, I think is a great example, we are going through a process right now where we have something like 153 different job training programs. Take a look at this from a consumer standpoint. You are an American citizen out there, and you are taking a look and saying, "I need some help to acquire new skills," recognizing that jobs are changing, technology is changing, "I need some help." You look at this, and you say, "Whoa, where do I go? There are 153 different programs? What little box do I fit into? Am I a displaced worker? Am I a senior? Am I somebody right out of school? Where is a box?" That does not work.

What we are doing is we are consolidating that back down into four block grants. The money goes back to the States so that for west Michigan they can design a training program in conjunction with the industry and the people in west Michigan and the local colleges to put together a program that works for west Michigan. They can go to Detroit, which has different problems, very different opportunities. They can develop a program for Detroit. They can build off of successes in Detroit. They can go to Minnesota, and the Governor there can put together a program.

What we have done is we have basically eliminated, you know, again we are eliminating that bureaucrat in Washington that is standing between an individual and that person's need to get new skills, to make them more employable in higher paying jobs.

Mr. GUTKNECHT. So much of what we have seen in the development of the bureaucratic welfare state and all the Federal programs, I think they all started with good intentions, the problem is they are all built on the basic premise the Federal Government knows best. I think what we are really seeing is the dabate between those people who believe the Federal Government is too big, spends too much, is too bureaucratic, has too many rules, and those who believe the status quo has to be defended.

What we have said from the very beginnning, and I think the American people said last November the status quo should not live there anymore, it is time for some real changed and to shake up Washington, and to that end, that is what we are going.

I want to just remind Members of some campaign promises a few years ago. One was to end welfare as we know it. The second was to balance the budget within 5 years. And the third was to provide a tax cut for the middle class.

You know, it has been amazing to me the harsh tone of some of the rhetoric around here over the last several weeks, because in many respects what we are really trying to do is to help President Clinton keep some of those campaign promises, because that is essentially what we are trying to do. And, frankly, we would expect a little more cooperation from 1600 Pennsylvania Avenue than we have had, because when you look at our program, it basically is to end welfare as we know it, to balance the budget. I personally would like to do it in 5 years. I am willing to live with 7. I plan to vote for the Neumann budget. I think it can be done, and to provide tax cuts for the middle class. We want to keep the economy going. We want to provide more hope, growth and opportunity in the private sector. Those are the things we really want.

I yield maybe for some last comments to the gentleman from Michigan [Mr. HOEKSTRA], and then we will finish up and give the other folks a chance at this.

Mr. HOEKSTRA. I think, you know, in summary, you said exactly what the key building blocks of what our plan are, much of which were outlined in the 1992 election campaign, where at one time they were part of President Clinton's agenda, tax relief, reforming welfare, and balancing the budget, three components of this plan.

The reason they are so important is what we talked about earlier. This is the type of plan that really puts America back on the right road. I mean it is going to mean 7 hard years of work just doing this plan. It does not mean we have implemented it. We now are going to have to hold our feet to the fire to actually go through and make the tough decisions each and every year to stick to this plan, but it is a wonderful start.

I think for you as a freshman, the first budget proposal that you are going to have an opportunity not only to vote on but the first one that you are going to have an opportunity to pass, because I do believe we will pass it tomorrow, I mean I think tomorrow will be a historic day where we actually now lay out that plan. We vote on it, and we will pass it, and we will pass it in a bipartisan way.

We are laying the long-term foundation for the contract with our children, saying this is the America that we want to leave you, one that is fiscally sound, one that will be on a road to balancing the budget and one that will also then enable us to start the discussion about how we are going to pay down the debt.

We are going to cut spending. We are returning power to families. We are protecting Social Security. We are preserving and protecting and improving Medicare, and the most important thing, not only do we have the right vision for what we want to accomplish, I believe that tomorrow and actually what we have done for the first 4½ months of this year, we have a vision for America, and now we are also providing the leadership to actually implement it.

We need much more than vision. I think, you know, we were talking about 1992. Anybody can have a vision. What you have to have is you have to have the courage and the demonstrated leadership and the capability to lead to make that vision a reality.

So now we are reaching for that vision. We are putting that vision in place for a balanced budget, for more economic opportunity, for a better future for our kids, and as we start moving there, we can actually start expanding our vision for even more improvement in America and a better future, so that I think that is a great way to start, and we could not have done it without 73 new freshmen here to join us, and thank you very much for all that you have contributed to help make these first 5 months such a historic opportunity not only for the House of Representatives but for all of America.

I thank the gentleman for yielding.

Mr. GUTKNECHT. I thank the gentleman from Michigan [Mr. HOEKSTRA].

I want to close with a few quotes, some of them from this book, which, as I say, I read during the district work period, and I found it very insightful and instructive.

I know that some of the Members around here will read this, and there are some things in it that are brutally honest, particularly by Washington standards, about the culture of Washington and some of the things that have happened, and part of the reason we have some of the problems in Washington we do have.

But let me just read one of the quotes that he opens chapter 3 with, and it is from Thomas Jefferson. He said:

> I, however, place the economy among the first and most important Republican virtues, and public debt as the greatest of the dangers to be feared, and to preserve their independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty or profusion and servitude.

I think Jefferson said it so well, and then Tim Penny goes on and begins his chapter with these sentences, and I think it really got to me. He said:

> This republic is entering its 219th year, and remains the most admired and copied form of government in the world. For 192 of 219 of those years, this government shared something that no longer exists, an ethic of frugality.

I think that is what we are really trying to put back in this government, an ethic of frugality.

If you few look at the back of the book, on the back page there is a quotation I paraphrase only slightly, from former Senator Paul Tsongas, from the State of Massachusetts, and I

love this. He says, "When the inevitable consequences of massive debt are visited upon our children, they will ask us why and how it was allowed to happen. There will be no good reason to the why."

But I think the Members in this body will know how.

The Chinese philosopher, Lao Tsu, said, "The journey of a thousand leagues begins with a single step".

Tomorrow, as my colleague said, we have an opportunity, in fact I think we have an obligation to take the first giant step toward balancing this massive Federal budget and bringing this debt into line.

□ 2200

I think we owe it to ourselves, we owe it to our fellow citizens, but most importantly I think we owe it to our children and grandchildren. I think it is time for a little common sense here in Washington. I think it is time for us to begin the process of living up to our obligation, and I think it is time for us to balance the budget. I think the American people are way out in front of us, I think they expect no less, and I think tomorrow we will make good on that pledge and we will begin that process.

## THE BUDGET VERSUS OUR SENIORS

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes as the designee of the minority leader.

Mr. BONIOR. Mr. Speaker, I am delighted to be joined this evening by some very good friends, and we are going to talk about this budget, and we are going to talk about the Medicare system. I am joined by the gentlewoman from California [Ms. PELOSI], the gentlewoman from Connecticut [Ms. DELAURO], and the gentleman from Vermont [Mr. SANDERS].

Mr. Speaker, let me just answer—I want to answer my friends from the other side of the aisle when they were speaking, and I have the opportunity to do so now. They talked about the issue of the Medicare trust fund and about its bankruptcy. It should be duly noted that less than 2 months ago, on this very floor, every single Republican voted for a tax bill that took $87 billion out of that same Medicare trust fund in order to pay, in order to pay, for a tax break for the wealthiest people in our society, and that is what happened.

Now it is rather disturbing to hear them say that they are going to fix this. They were not for the Medicare program in 1965. They have not been for fixing it or doing anything about it since. In fact, the gentleman from Texas [Mr. ARMEY] and the gentleman from Georgia [Mr. GINGRICH], their leaders, have said repeatedly on occasions, recent occasions, that they wanted to change the nature of the system, and, by golly, they certainly are.

Let me, if I could, switch gears a little bit and talk about the people who are affected here.

Mr. Speaker, it was 50 years ago this week that America defeated Nazi Germany in World War II, and all over American and all over Europe we celebrated that day by remembering the brave men and women on both the battlefront and on the home front who led this country to victory.

As my colleagues know, looking at pictures of our parents and grandparents taken back then, they were so young, and they were so full of life, it is hard to believe that they would ever grow old. But they have.

The generation that beat Hitler, that built our economy, that raised our families, are now America's senior citizens, and today many of them are living on fixed incomes. Their Social Security check is the only thing that many older Americans have each month to pay their rent, to pay their heating bill, to pay for their food, and medicine and their doctor bills. For most of them it is not easy. They have to struggle to make ends meet.

But today, instead of trying to make it a little easier for them, to help them through a very difficult time in their life, the Republicans in the Congress are trying to make living very hard for them.

Mr. Speaker, as I said a little earlier, this comes down to one very, very basic and simple question: "Do you think we should cut Medicare, Medicaid, and Social Security in order to pay for tax cuts for the very privileged few?" In the next few days we are going to see a lot of charts and numbers on this floor, and we saw them today, but this debate is not just about numbers. It is about people, it is about people, people like this lady right here, Margaret Lesley, who I have a picture of.

Margaret is a proud senior citizen and a dear friend of mine who lives in my district. Fifty-one years ago she was known to her friends as Maggie the Riveter, and she was young, she answered the call of this country. She helped build the B-29's that helped the Allies win the Second World War.

Like most of her generation, Mr. Speaker, today Margaret lives on Social Security. After paying for her rent, and her medicine, and her Medicare premium, and her medigap premium, she is left at the end of the month with $130, and with that she has to pay for her food, her heat, the bills that she has, or perhaps some little extra that she desires, and she struggles mightily to make ends meet.

But instead of trying to make Margaret's life a little easier, this Republican budget is going to make it a heck of a lot harder. The budget before us today will take $240 out of Maragaret's Social Security check, and over the next 7 years it will take $3,500 out of her pocket to pay for Medicare, and then the last year that money will amount to over a thousand dollars.

Now they are not doing that to balance the budget or to cut the deficit. The Republicans are cutting Medicare for Margaret for one reason and one reason only, and that is to pay for tax breaks for the wealthiest people in our society and the wealthiest corporations in America.

Now something they did not show you on the other side of the aisle, but I will. It is a piece that was in the Wall Street Journal after we passed the tax bill. The Wall Street Journal said, and I quote, "The tax bill could mean a windfall for the well off," and then it goes on. "It could turn out to be the biggest tax savings bonanza in years for upper-income Americans." Boy, you bet it could turn out to be the biggest income savings because indeed that is exactly what is happening. And if you are a wealthy corporation, you do not have to pay any taxes at all.

The last time the Republicans were in power, in the early 1980's, if you looked at the 250 largest corporations in America, 130 of them paid no taxes for at least 1 year; in the early 1980's, no taxes at all. It was such an outrage that the people in this Chamber, Republicans and Democrats, even President Reagan, decided we would change it we would change it so they pay at least a minimum, and it became law. And now in the bill that we passed less than 2 months ago the Republicans have repealed the law, and now major corporations all over this country, the largest ones, will get away without paying any taxes at all, and you know who is going to have to pick up the rest.

Now did the Republicans target the 200 billion we dole out in corporate tax breaks ever year? We dole out over $200 billion in tax loopholes to the largest corporations in America. You want examples? A 4.3 billion every year in agricultural irrigation subsidies to the largest corporate farmers in America; 1.2 billion a year in mining subsidies to the mining companies for royalties on public lands. And it is endless. Do they do anything about that? No, they did not touch it, did not touch it. The gentleman from Texas [Mr. ARCHER], the chairman of the Committee on Ways and Means, would not have anything to do with it.

Now did the Republicans target the billionaires who give up their U.S. citizenship in order to avoid paying taxes? I know that sounds like who would do that? We have people who have done it, who have avoided paying taxes by giving up their U.S. citizenships, and they are very wealthy people, and the drain on the Treasury for those people over 10 years is about $3.6 billion I ask, "Can

you imagine giving up your citizenship in order to avoid paying taxes?"

The country in which Margaret and others defended, these businesses, with the hard work of men and women in this country, provided for these millionaires and billionaires, and all of a sudden they do not want to make their fair share.

The Republicans could have gotten rid of that, and they said no. They argued and protected these people, except for five of them. Five Republicans said this is outrageous. The rest, 225 of them, stood up and said, "we're for you. No, indeed we will not touch your tax break." Instead they are targeting senior citizens like Margaret.

And just do not take my word for it. The New York Times revealed the contents of a secret memo that the Republicans circulated, and in that memo, under the Republican plan Medicare deductibles will double, premiums will go up to 50 percent, copayments will increase, care will be rationed, and the choice of doctors will be limited.

We just heard the gentleman from the Republican side of the aisle a few minutes ago talking about changing the Medicare system. What he was alluding to was this memo; what he was alluding to is, if you want to keep your own doctor that you have confidence in, it is going to probably cost you an extra $2,000 to $3,000 a year because you are going to have to pay an extra premium above the extra premium that they are going to charge you for that privilege.

Now, Mr. Speaker, my colleagues, this is not going to just affect senior citizens. How is the average working family going to pay for the cost of caring for their parents and grandparents? And I would tell my colleagues, "Don't come to the floor and tell us you're trying to save the Medicare system. As Margaret Lesley says, Republicans haven't cared about Medicare for 30 years, and we're not about to believe you now, and she was absolutely right, absolutely right."

I should tell Margaret the other bad news here and all the seniors in America. It is that there is a cut in your Social Security in their budget. Yes, it is going to cost Margaret hundreds, if not thousands, of dollars by the end of the decade because of what they will do to her cost of living.

Mr. Speaker, this debate is not just about numbers. It is about basic dignity. People like Margaret Lesley stood by this country in time of peace, and they stood by it in time of war, and it is important for us to stand by them today. That is a sacred promise that we made to Medicare, and it is time that we lived up to the promise. But this budget has broken that promise, and at the end of the day senior citizens and working families throughout this country will be asking one basic question, one question: Why are Republicans cutting Medicare, and cutting Medicaid, and cutting Social Security in order to give a tax break to the wealthiest people in our society?

We are talking about 1.1 million people in the United States that will be getting a $20,000 tax cut. These are people who make over $230,000 a year. That is the amount of money basically that the tax cut provides for these people that they are using to cut Medicare.

That is what this is all about, this debate. It is the shifting of the wealth of the country away from our seniors, away from middle working class families and shifting it all the way up to the top.

I say to my colleagues, people wonder why can't I make it? Since 1979, since 1979, 98 percent of all income growth in the U.S. has gone to the top 20 percent of the people. Ninety-eight percent; that means 80 percent are standing still or they are going down in their purchasing power. This budget assaults that proposition is a way that I haven't seen in my years in public life, and it seems to me that, as Members of this body who care about this program, and care about our elderly people, and care about people like Margaret who went on line when the country called in the 1940's, that it is time for us to stand up for them today.

Mr. Speaker, I would be delighted to engage my friends and colleagues and get their views on this. I know the gentlewoman from California [Ms. PELOSI] has also a similar experience, and I would yield to her for any comments she might have now.

□ 2215

Ms. PELOSI. I thank the gentleman for yielding and for his very important statement on what this budget debate is about. I think it is important to return to your point about the cut in Social Security, because while the cuts in Medicare are clear and obvious, it is also important for seniors to understand that with the increased copayment that they are going to have to pay and other out-of-pocket expenses, their Social Security benefits and any cost of living adjustment in their Social Security benefits will be eaten up by the increase in the Medicare out-of-pocket they will have to pay.

As you know, Mr. Whip, the Urban Institute projects that about 21 percent of seniors' income is spent on health care.

Mr. BONIOR. The highest of any group, as I understand it.

Mr. PELOSI. In our State of California, it is even higher. That is hard to believe, but it is. So seniors living on fixed incomes, with this being a big part of their budget and the highest of any Americans, what they have to pay for health care, the very idea that someone can say we are not touching Social Security, it is just like saying I am not going to touch your food budget, I am just going to double your rent. Where do you end up at the end of the day?

I think the point that you make about the impact on Social Security and the disposable income that seniors would have is a very important one for our seniors to know. Not only is this an attack on Medicare, but it is a backdoor attack on Social Security.

Mr. BONIOR. And they promised us they were not going to touch Social Security. They promised us that. Here they are on the floor attacking Social Security, attacking the COLAs of people who depend upon it. These are people who need medicine, who cannot get medicine because we do not have a prescription drug program in this country, who need long-term care and home health care, and we cannot get a decent proposal to add on to the Medicare system to deal with those particular problems.

They were successful, I regret to say, in deep-sixing some of the decent proposals we had for elderly with regard to providing them with prescription drug care, so they do not have to make the terrible choice between the medicine they need or the food or heat they need in their homes. They were responsible for making the terrible choice that these folks have now with regard to their long-term care and their home health care, that choice put before them, either that or not providing for their relatives, by killing basically health care last year.

Now they are back at it again. After the election they are here. Not only have they taken an assault on the seniors of this country by deep-sixing any health care reform, now they come here and they want to go after not only Medicare, but, as the gentlewoman from California states, Social Security.

I yield to my friend from Connecticut.

Ms. DELAURO. I think your point at the outset of your remarks bears repeating, which is that these are folks who for the last several days have been talking about saving the Medicare system, when they have not really cared much about the Medicare system at all. Just a few weeks ago, as you pointed out, they took $87 billion out of the trust fund over a 10-year period of time, without blinking an eye. They did not want to debate it, did not talk about it.

This was their crown jewel, their whole tax cut and their tax break plan. And now they are here trying to pull another fast one on the American public. And I think that they worked hard today on this floor to hoodwink the American people, and people that I represent, and they are here in this photograph with us tonight on this floor and here earlier today, Julius and Dottie, who are people who have served this Nation, and our Republican colleagues are trying to fool these folks into

thinking they are not cutting their Medicare payments, and then backdoor them with their Social Security payments.

The fact is, the facts just speak for themselves. The article that you referred to, and they do not want to admit it, our Republican colleagues do not want to admit it, from the New York Times, which says they there are confidential documents from the House Committee on the Budget tht show that the Republicans are recommending changes that would increase the deductibles, that would increase premiums. The deductible increase would go from $100 to $150 in 1996, and more every single year after that, because that would rise with inflation. But what they do not want to do is to have the benefits rise with inflation. They refuse to do that, but the costs will rise with inflation.

Mr. BONIOR. How about the premiums? What are the premium rates?

Ms. DELAURO. The premiums will go up nearly double. They will go to $84 in the year 2002, and that means seniors will pay $456 more a year than they do today. It is really incredible. In Connecticut, in my state, you will see that the enrollees, Medicare enrollees, will pay an additional $1,167 every year, and, over 7 years, $3,800. They also put on, and I would just ask my colleagues to comment on this, a 20 percent sick tax on home health care and on laboratory tests. I do not know about you, but lots of the seniors that I know go for substantial laboratory tests. Certainly the Ruskins do. Julian and Dottie go for lots of laboratory tests. Imagine what that means in terms of having to have a 20 percent tax put on them for those tests.

The other point that our colleagues do not want to mention is the whole issue of choice and choice of doctors.

Mr. BONIOR. That is a big, big issue. I mean, how many of us here have relatives and parents who really depend upon a certain doctor for their services. And under this plan that the Republicans have, they are moving people into health maintenance organizations, managed care, HMO's, where you will not have a choice. And they may preserve a choice in the bill, but you are going to have to pay an extra, and I forgot what the memo said, but I think it is a substantial amount of money. We are talking an additional $1 or $2 thousand just in order to have that choice, I think.

So it really stretches what in fact these folks can indeed bear.

I yield to my friend from Vermont to join in on this, if he cares to.

Mr. SANDERS. Thank you very much. I did not bring any photographs of Vermonters with me, but I can tell you that I have attended many meetings at senior citizen centers throughout the State of Vermont, and I can tell you right now, and many people who are not senior citizens do not understand, oh, if somebody has Medicare, they have everything they need. No problem. They are fully covered. But you understand that with Medicare, people are paying sizeable premiums. Often they have to take out what is called Medigap insurance in addition to that. And despite that, Medicare does not cover prescription drugs.

So right now in the State of Vermont, many, many people say, "I have to make a choice between heating my home in the wintertime, it gets very cold in Vermont in the wintertime, or coming up with the money to pay my prescription drugs."

Now what will happen to those people if they are forced to pay larger premiums or more out-of-pocket expenses? God only knows, but it will certainly be a very terrible day for them.

I think the main point that I would like to make in this discussion, and you have already made the point, is that we all recognize that this country has a serious deficit and a serious national debt. Our Republican friends have not told us, however, how giving huge tax breaks to the wealthiest people in this country is going to move us forward toward balancing the budget.

What we are talking about is a tax bill in which half of the tax breaks go to people making $100,000 a year or more. Further, 25 percent of the tax breaks go to people making $200,000 a year or more, and the wealthiest 1 percent get more in tax breaks than the bottom 60 percent.

Mr. BONIOR. That is a staggering statistic. I think it bears repeating again, the last one.

Mr. SANDERS. Let's repeat it again. At a time when the rich are getting richer, when the middle class is shrinking, and poverty is increasing, the wealthiest 1 percent get more in tax breaks than do the bottom 60 percent.

There is another point that needs to be made, and I do not think it was covered very well this afternoon. And that is we should ask ourselves how did we get into the position of having a $4.7 trillion national debt? How did it happen? I think everybody in this room understands that in the 1980's the national debt took off. It went from $1 trillion to over $4 trillion.

What our friends in the Republican Party forgot to mention is that between 1981 and 1992, the wealthiest 1 percent of the population received $1.5 trillion in tax breaks. Let me say it again. Between 1981 and 1992, the wealthiest 1 percent of the population received $1.5 trillion in tax breaks. Between those tax breaks, between increased military spending, the country in fact ran up a large national debt.

It seems to me that the way you solve the problem is not to give more tax breaks to the people who are primarily responsible for causing the national debt in the first place, and it seems to me to be grossly unfair to be going after the working people and the low income people whose incomes have significantly declined over the last 18 years. So this continues the Robin Hood proposal in reverse. We take from working people and low income people and we give to the rich. I think that is the essence of what this proposal is about.

Ms. PELOSI. If the gentleman will yield on that point, it is very interesting to hear this debate, because as you say, it is very familiar. Increase defense spending, give tax breaks to the wealthiest Americans, and the benefits will trickle down. And here we are again, as Yogi Berra would say, it is deja vu all over again. What is interesting about it, and it is a real tribute to President Clinton, is this is the first year, the 1995 fiscal year budget we are in now, is the first time since the 1960's that we have a budget that has an operating surplus. President Clinton has saved $50 billion.

In other words, the revenues coming in are $50 billion more than what is being spent by the Federal Government, except we have to pay for the trickle-down economics of the eighties, a $240 to $250 billion interest on the national debt. So we consequently have a $190 to $200 billion deficit this year.

But President Clinton is the first President since the sixties to have a budget that takes in more money than it spends except for that interest. I think that is important to note, because our colleagues on the other side of the aisle in the Republican majority keep saying what is President Clinton doing. President Clinton is moving toward reducing the national deficit and the national debt.

Mr. BONIOR. When the President took office, the annual deficit was about $360 billion. After we passed our budget bill during the first term, the historic vote we had on this floor, that debt, annual debt, has been decreasing to the point of $165 billion. That is a $200 billion difference. We are on a glide path to getting there. But you cannot give tax breaks to the wealthiest people in our society, and ask people like Margaret and people from Connecticut and the lovely lady that you have next to you there.

Ms. PELOSI. Enola Maxwell.

Mr. BONIOR. From San Francisco. Why do not you tell us about her.

□ 2230

Ms. PELOSI. I talked earlier about her on the floor debate. This is Enola Maxwell. She is 75 years old. For 20 years she has been the executive director of the Petrillo Hill, serving meals to senior citizens, meeting the needs of inner city youths and helping with community services in that way.

Enola had a heart attack recently, and I read her statement earlier about what a comfort Medicare was in every

possible way, the confidence that her benefits would be there.

She asked the question: "Why would the Republicans want to give a tax break to the wealthiest Americans and America's corporations, and have that tax break be paid for by reducing the Medicare benefits to America's senior citizens? That is breaking a promise to America's citizens."

Further to that point, I think it is important to focus on what it is they are proposing. In their restructuring options, they are talking about restructuring the traditional fee-for-service plan. The option lists 35 recommendations, which include increasing beneficiaries' out of pocket expenses, copayments, premiums, deductibles, and cutting payments to providers, hospitals, and doctors.

It is interesting on that point, because their own Members, the gentleman from Kentucky, JIM BUNNING on the Committee on Ways and Means, has said "Of course I think everybody, if they tell the truth, realizes we cannot keep cutting the reimbursement for doctors and hospitals without destroying the quality of health care. The savings aren't real anyway. The costs are just shifted out of the Government's budget into the private sector."

Then, in addition to that, their other options include "replace the current benefits with a voucher." Listen to this one. "Instead of receiving approved services, as needed, seniors would receive a fixed voucher amount to purchase their health insurance. Federal costs are limited by the amount of the voucher, although a catastrophic cap of $10,000 per beneficiary is recommended." Imagine that.

Mr. BONIOR. You can eat $10,000 up in a very, very short time.

Ms. PELOSI. Anyone who has been to the hospital knows that. Then they say "expand managed care options currently available. Increase beneficiaries' out of pocket." Increasing beneficiaries out of pocket is in every option, so people have to know that.

"In nonmanaged care settings, limit providers' benefits and enforce spending limits." AARP has said that seniors are being asked to: "Seniors are being asked to pay a 50 percent increase in Medicare part B." That was not AARP. AARP was saying that the Republican budget will mean an increase of $3,000 over the next 7 years for a Medicare beneficiary, $3,000 over the next 7 years. Where are these people going to get it, and why? To give a tax break to the corporations and the wealthiest Americans.

Mr. BONIOR. I yield to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. That is what I find so disingenuous about the arguments the Republicans have made all day today on the floor of the House. They talk about that there is—they talk about Medicare increasing, and that these out of pocket costs we are making up. Their plan does not keep up with inflation. It does not allow for increased enrollment in the program.

It is a very similar argument, if you will recall, that they made on the school lunch issue, where they said that they were going up 4½ percent, but in fact the program increases 6½ percent, so, by just very basic subtraction, you have a 2-percent shortfall.

It is their same argument here, but what in fact it is, and it is the height of hypocrisy, to claim that they are not making the cut. We have all listened to them on the floor of this House. They have argued over and over again, and you mentioned, my colleague, the gentlewoman from California, mentioned the defense budget. They have talked about the defense budget over and over again, that it is being cut, when you treat defense in the same way, in the very, very same way.

When the defense budget goes up, but not enough to keep up with the cost of a weapons system, the Republicans call it "a cut," over and over and over again. That is why they have called for an increase in this budget for defense. When the defense budget goes up, but not enough to maintain the same troop levels that we have, the Republicans call it a cut. Why is it that now, in this debate, when Medicare spending does not keep up with inflation, and it does not keep up with the health care costs, or the increase in enrollment, do they say this is not a cut? It is hypocrisy and it is disingenuous, and we have to keep getting this message out to the American public.

Mr. BONIOR. Because these people are not their constituencies.

Ms. DELAURO. That is right.

Mr. SANDERS. We have touched on the fact that these cuts will be devastating for Medicare recipients, they will be devastating for Medicaid recipients, they will be devastating for Social Security recipients.

Let us also mention, especially those of us from the cold weather States, that they propose to eliminate, cut completely, the fuel assistance program, LIHEAP, of which 40 percent of the recipients of senior citizens. That means in the State of Vermont or in the State of Michigan, when the weather gets pretty cold and we have low-income senior citizens who need help to pay their fuel bills, it is gone. What happens to those people?

We should also point out that such wonderful programs as RSVP are eliminated. The Foster Grandparent Program is eliminated. Also, we should understand that at a time when everybody in America understands that this Nation needs to be competitive in the global market, that we need to have the best educated work force in the world, major, major cuts in education.

What a stupid approach, cutting your nose off to spite your face. Among other things, what this Republican proposal does is cut student loans by $33 billion. In the State of Vermont right now we have thousands of families, and I have had hearings on this, people are working 50 or 60 hours a week to send their kids to college. The cost of college is going off the wall.

If we cut back on those student loans, there will be hundreds of thousands of young people all over America who will never have the opportunity to go to college. To do this in order to give tax breaks to the wealthiest people in America is very wrong.

Mr. BONIOR. Just on the student loan point, because I do not want to leave that without, I think, adding my own concerns here, all of us, I think, the gentlewoman from California [Ms. PELOSI], the gentlewoman from Connecticut [Ms. DELAURO], and myself, we have had hearings and forums in our districts where we have brought students in to talk to them. You are absolutely right, they being stretched because of the higher cost of tuition and housing. Fewer and fewer are going to college today because of that.

Along come the Republicans, and what do they want to do? They want to cut out student loan programs in this country. Basically, what they are basically doing away with is the interest subsidy program that we have, that if you take student loan out, you do not have to pay back until 6 months after you graduate. You do not have to pay on the interest. They are saying you have to start paying from the moment you take the loan out, and what that does is it adds to the debt load of these people, and it will cost them an additional, in my State, over $4,000 a year, and in some States over $5,000—excuse me, not a year, $4,000 over the value of the loan, $4,000 extra dollars. That is going to discourage literally millions of kids from going on.

Ms. PELOSI. If the gentleman will yield on that point, Ms. Maxwell works with inner city youth, that is just on this point, and some of us got together, Ms. DELAURO, the women Members of Congress, and we had a press conference last week right before Mother's Day on this very point, Medicare and student loans, saying that his was the anti-family Mother's Day gift of the Republicans to America's mothers, because if you are in your forties and fifties, and many of us in this body are, and many of the people in America are, you are worried about the health of your parents and you are worried about the education of your children, so these two issues are such anti-family initiatives on the part of Republicans, sandwiching in——

Mr. BONIOR. Squeezing people.

Ms. PELOSI. Squeezing middle-aged and middle-income people who certainly want their children to be interested, and now they cannot get the deferred interest, so it makes their options less desirable, and at the same time, being worried about trying to help their parents meet their health care needs. The whole thing is anti-family. That is what is so tragic about it all, because the Medicare issue is not about seniors only, it is about the whole family.

Mr. SANDERS. If the gentleman will yield, when we are talking about education, we are not just talking about student loans. Let us be clear about that. We are talking about massive cutbacks in virtually every Federal educational program: Goals 2000, the trio program, Title I, school-to-work, student incentive grants, Head Start. Is there any debate that Head Start has been enormously successful in allowing low-income kids to do better in school, to stay in school, to get a shot at life?

Mr. BONIOR. No debate at all, none at all. It has been hailed for its value.

Mr. SANDERS. Major cuts there, and cuts in the safe- and drug-free schools. Here you have schools all over America and in the State of Vermont working extremely hard to keep kids off of drugs, to keep kids in schools. These programs are working. They are going to be cut. What a wonderful idea to give up on these kids, let them turn to drugs, and then we spend tens of thousands of dollars keeping them in jail.

Mr. BONIOR. They are doing all of this, school-to-work, drug-free schools, student loans, and all the other programs that you talked about, Goals 2000, and they are doing that, they are cutting these programs, in order to give a tax cut to the wealthiest people in America, a tax break to those people who are making incredible amounts of money. We are talking about $200,000 a year.

Mr. SANDERS. If the gentleman will yield, here is another cut, and it really refers to his original statement, where he talked about a woman who, during World War II, worked in the assembly lines in order to defeat Hitler.

During World War II we had millions of men and women who not only worked in the assembly lines, they were fighting all over the world against fascism. This budget makes significant cuts in veterans' programs. The bill passed by the House Committee on the Budget would, over a 7-year period, reduce veterans' programs by $8.3 billion. The Senate Committee on the Budget, in fact, would reduce veterans' benefits by $15.1 billion.

Among other cuts would be an increase in the prescription drug copayment from $2 to $8. The House bill would also reduce the COLA on veterans' compensation. It would also eliminate the Veterans' Employment Program under the Job Partnership Training Act; the disabled outreach program. Boy, we are getting really tough.

Mr. BONIOR. The real tragedy of all this is that people are probably saying "We have to get control over this deficit. What are you going to do?" The problem is, they are doing this in order to provide tax cuts for the wealthiest people in our society, and they do not touch any of the corporate welfare.

There is over $225 billion worth of corporate welfare in our Federal budget. They leave it alone. They leave it alone. They do not touch it. Instead, they go after veterans, they go after education programs, they go after Margaret's Social Security and her Medicare.

Ms. DELAURO. We are talking about veterans and Medicare and veterans' programs, and I just want to make reference, I have talked about Julius and Dorothy Ruskin from West Haven, Connecticut, earlier today. I think what we are all doing when we talk about the people who are our constituents, and people who are our friends, as well, people that we know—these people are not just names, they are folks that we know—that they exemplify what is at stake in the whole debate here.

Let me just say that these are two wonderful people, Julius and Dottie. They have given a lifetime of service to this country. Just on the veterans' issue, and I say this to my colleague from Vermont, Julius was an anti-aircraft gunner on Iwo Jima during World War II. He received the Bronze Star for his service.

These two wonderful people met each other in New Haven shortly after he came back from the war, and then they were married 5 months later. Dottie worked as a bookkeeper all of her life. Julius worked for 26 years in the Pirelli and the Armstrong Tire Company; once again, wherever it was needed in our Nation's service to deal with that industry.

I will tell you what Julius has said, and I quote him, "These are not the golden years." They are dealing with taking Medicare, Social Security, veterans' benefits from these folks. It is unfair. These should be the golden years for Maggie and for Enola and for the Ruskins, but that is not the case.

I worry about, and I know that my colleagues here worry about that. Retirement today is often not golden at all. I think I remember my mother saying one time, she is 81 years old and relies on Social Security and on Medicare, that "These are not the golden years but the lead years," and I think this is what our colleagues on the other side of the aisle have tried to do to folks that we represent here tonight.

Mr. BONIOR. The argument they are making is, they are doing it for their kids and grandkids so we can get this budget deficit in order. What they do not tell you is, they are doing it for the wealthiest people in our society, giving them a tax break. They are doing it for the largest corporations and multinational corporations by making sure they do not pay taxes. They are doing it for large corporations by making sure they do not touch any of the tax loopholes or tax expenditures that are out there for them.

The thing that I think drives me to despair more than anything else is the fact, as my friend, the gentleman from Vermont, has just said, they have cut out—they have cut their nose off in front of themselves in terms of what is good for the country. It is the investment in our kids and in their education. It is the best thing we have done.

When Margaret and her peers and Julius and his peers came home from that war, this Congress provided them with the G.I. Bill of Rights. It was one of the best investments this Nation has ever seen. People got an education, they grew intellectually and they grew financially as the country grew through the fifties and sixties. Here we are in this budget, cutting back on that opportunity for young people in order to pay for tax cuts for the very wealthiest people and the largest multinational corporations.

□ 2245

Ms. PELOSI. If the gentleman will yield on that last point, because I think the arguments that our colleagues make about children and their futures, of course we are all interested in children, but it would ring a little truer if they were not putting forth a $300 billion tax break for the wealthiest Americans and the corporations. It is exactly the amount of money they have to cut out of Medicare to pay for that, and they had choices.

As you know, there was a debate in their caucus about whether the tax break should go up to $95,000 a year or to $200,000 a year, the tax break, $500 tax break per child, and it went all the way up to $200,000 a year tax break at the same time giving a tax break and cutting education for our children who need a boost.

But in addition to that, and the gentleman referred to this and I want to emphasize it again, the Wall Street Journal the other day said:

> Estimates vary on exactly how much the government gives up in revenue as a result of corporate tax breaks. But most budget experts say it exceeds $200 billion over 5 years. The House Budget Committee went as far as targeting a specific list of $25 billion in tax breaks over 7 years, but the plan collapsed last week after it was denounced by the chairman of the Ways and Means committee.

So, again they had another opportunity to make a little cut, almost a 10- or 11-percent cut in those tax breaks, and they rejected it again, instead choosing to cut benefits rather than tax breaks.

Mr. SANDERS. If the gentleman will yield, the gentlewoman from California

points out that at a time when the wealthiest people and the largest corporations receive far more welfare than do the poor in terms of tax breaks and subsidies, when that corporate welfare is well documented they did not have the guts to go after those people, but they do have the guts to go after the children, after the homeless, after the elderly, after the veterans.

There is another area that has not gotten a whole lot of discussion.

Mr. BONIOR. There is a reason for that and I think we should talk about it.

Mr. SANDERS. Let us talk about it.

Mr. BONIOR. Because some of the people that we are talking about here today and some of the kids we are talking about do not have the high-powered lawyers and the lobbyists to represent them. The corporations do, the wealthiest people in this country do.

Special interests have had a dramatic impact on this debate and what is in this budget and if you ever doubted it, just look at the tax breaks and who they go to, just look at how they ignored the tax expenditures and loopholes for the wealthiest corporations in America and in the world, and just see what they did to our veterans, to our seniors, and to our kids.

Ms. DeLAURO. If the gentleman will yield, I think it is worth repeating just how outrageous it was what happened here a month ago with the repealing of the alternate minimum tax. And my colleagues from Michigan mentioned that. That was the tax put in by Ronald Reagan saying to the richest corporations in this Nation you have an obligation to pay taxes to this Nation. No one was complaining about that tax. Everyone felt it was fair and equitable, and the Republicans repealed it.

It is $16.9 billion over the next 5 years, which says that the richest corporations in this Nation have a zero tax obligation to this country, and it is wrong, and that should not happen because they do have the lobbyists and the special interests that represent them in this body today more than they have at any other time in the history of this Nation.

Mr. BONIOR. And they go after a program like School to Work, and the gentleman mentioned it. Most of our kids do not go on to college, they go to high school and they elect to get out in the work world and make a living, as many as three-quarters of them do. This School to Work Program matches kids in school with the work world and matches the business people who are out there and looking for good employees and puts them in contact with the kids in school, and they develop a bond and a relationship and schedule and work habits and education habits to match what is out in the country. It is a wonderful program modeled after something done in Germany that works very, very well. Everybody is pleased with it, the community I represent is pleased with it, the community college systems are just enthralled with the opportunity to work into that system, and of course the high schools which it affects most are thrilled about the promise this holds. And $60 billion you mentioned for the alternative minimum tax, this is like a drop in the bucket of that amount and they wiped it out.

Mr. SANDERS. If the gentleman will yield, let us recapitulate here: Huge tax breaks for the wealthiest individuals in America, doing away with corporate taxes for some of the largest and most profitable corporations in America, and savage cutbacks for the most vulnerable in this country.

I think unless one is very naive, I think we can understand why these things happen. And they happen for reasons like an event that took place in this city some 3 months ago, and I know my colleagues here remember the event. The Republican Party held a little fund raiser, just a little ordinary dinner that folks came to.

Mr. BONIOR. How much were the tickets?

Mr. SANDERS. I think $1,000 a plate with gratuities included, and they provided an extra cup of coffee for free.

Ms. DELAURO. I believe it was $50,000 a plate.

Mr. SANDERS. That was for another one; that was for the right-wing television network, but this was for poor folks, only $1,000 a plate. And I think at the end of that night they walked away with $11 million.

Now why would the largest corporations in America and the wealthiest people in this country contribute to the party? And they doing it because they believe in the Democratic spirit and they just wanted to get involved? Maybe, but I do not think so. I think that there are very smart people who made an investment. They invested in the Republican Party, and the last several months we have seen why they invested. It is a very good investment to buy a ticket for a thousand bucks at a dinner and find out your corporation does not have to pay anything in taxes, or if you are making $200,000 a year your are going to pay $11,000 less in taxes.

But, interestingly enough, the average working persons did not go to that dinner, and you know what the average working person got? Among many other devastating cuts, the Republican proposal cuts back, eliminates, not cuts back, eliminates unemployment insurance-extended benefits. Many areas all over this country where unemployment is very, very high, we have recessions, things get bad, what the Republicans proposal does is make it impossible for a worker to get unemployment after 13 weeks.

What do you do then? Well, how come they go cut and the rich got tax breaks? Maybe it has something to do that tens of millions of dollars that are now flooding into the Republican Party from some of the wealthiest people in America.

Mr. BONIOR. I thank my colleague.

Ms. PELOSI. I would like to talk about what this means in California in terms of giving these tax breaks to the wealthiest, cutting Medicare benefits to our seniors in California $3.6 million. Medicare beneficiaries will lose in the year 2002 alone, in that year alone $11.8 billion, in that 1 year alone. And between now and then the figure is $37.8 billion over 7 years.

That is devastating. That means they are paying more out of pocket for fewer services. This whole thing is about values. Who do we tax, what do we spend it on? That is the budget debate, and I do not think it is a statement of our country's values, and most people in the country's values to say we would rather give more tax breaks to people who have so much on the backs of our poorest folks.

I want to say something before you yield to Congresswoman DELAURO. She and Congressman DAVID OBEY have been the two champions, and there are others who work with you on protecting LIHEAP funding. ROSA, I do not want to get in ROSA DELAURO's way when somebody goes after LIHEAP. It is important to seniors and people in her State and she has been an incredible champion on that issue.

Ms. DELAURO. We have cold winters in Connecticut; you have them in Michigan and in Vermont.

Mr. BONIOR. We have a wonderful LIHEAP program in Michigan. The utility companies work very hard.

Ms. DELAURO. They do.

Mr. BONIOR. They are pleased with it and it helps literally tens of thousands of low-income seniors who would have no other way to pay their bills.

Ms. DELAURO. I just wanted to make a comment, and this was in the New York Times on May 2, it says let's separate the facts from the political claims and counterclaims.

As a practical matter the Federal budget cannot be balanced the way the Republicans are talking about in 7 years as the Republicans promised without deep cuts in projected spending for Medicare.

They would like to hide this fact, but it is the case.

Cuts of this magnitude would raise the cost of health insurance to millions of retirees or reduce the services available to them. And a quote from Stanley Colender, director, Federal budget policy at Price Waterhouse, an accounting firm that said, "realistically there is no way to come close to balancing the budget without cutting Medicare, Medicare benefits." Our Republican colleagues are trying to hide the fact that they are cutting benefits for tax breaks. No one has suggested that there are not reforms to be made

in Medicare, and we can do that. We can deal with the fraud in the system and we can do some other things, but they cut first and reform second.

I tell you, take a look at it and listen to what they are talking about, what has happened to our priorities in this country when the majority in this body is putting the whole issue of the corporate tax interests, those loopholes, those breaks ahead of the care and the health care needs of the people that we have talked about tonight and the people that we represent, people like Julius and Dottie Ruskin. I think that is the basic argument, what the Republicans have done, and they do not want to own up to it.

Mr. BONIOR. Somebody on this floor, I think it was DICK DURBIN who gave an eloquent speech this afternoon and he talked about a constituent who was I believe 72 years old and who gave so much to this country, and his work and his service to this country in time of war, and basically DICK was saying that this is really an American hero, and I think we would all agree this evening the four people we have talked about here specifically are really American heroes. They were there when their country needed them on the homefront as well as the battlefront. They have been pillars of their communities. They are wonderful people, lovely neighbors, and for us to treat them in their twilight years in such a shabby way in this budget I think speaks to what you said, Ms. PELOSI, in our values system. What is our values system? The budget is about our value system that expresses who we are, what we believe in, and what we are willing to stand up and fight for, and we saw today who they are willing to stand and fight for. They have fought for the wealthiest folks in our society at the expense of our veterans, at the expense of these four lovely people and the expense of our many young people who are trying to get an education to make a go of it.

So I thank my colleagues for participating tonight and I yield to them.

Ms. PELOSI. I would like to make one point, because I know the gentleman from Michigan [Mr. BONIOR] has been a leader in fighting for real health care reform in this body. Congresswoman DELAURO said we do have to make some reforms in the Medicare system. That does not mean we lessen the benefits and increase the copayments on the beneficiaries. But we do have to make some change in the delivery and the financing of health care reform. President Clinton had a proposal for real health care reform. We have to have that. That is the way we are going to stop the rising cost of health care entitlements and the impact on the national budget. We all want to be fiscally responsible, reduce the deficit, have Medicare and quality health care for all Americans. But we cannot do that the way the Republicans are proposing. And we want to keep our people healthy.

And just in closing I want to point out one other cut they are making, billions of dollars in cuts in the National Institutes of Health, where we do the breast cancer research, all kinds of prostate cancer research, AIDS research, you name it, any illness that you can name that has gotten attention: Alzheimer's, Parkinson's disease, the rest of it, so in every way that you would measure the health and well-being of a population, they have undermined and attacked in this.

□ 2300

And I hope the American people will respond appropriately.

I thank the gentleman.

Mr. SANDERS. If the gentleman would yield, I just very briefly say this: Today we heard from our Republican friends that they had a mandate. Let us not forget that in the November elections, 62 percent of the people did not vote, did not vote.

We can turn this around. We can win this fight. We can stop these devastating cuts and this transfer of wealth to the upper-income people. We can do it, but we cannot do it with Members of Congress alone. We are going to need the help of millions and millions of American citizens who are fighting hard to maintain their standard of living.

So if you do not think it is right that we give huge tax breaks to the rich and cut back on a zillion programs that affect the children and the old and working people and students, if you think that is wrong, we are going to need your help.

So let us stand up together and let us fight back. Let us get a little justice in America.

Ms. DELAURO. Just one comment. I was struck today by a letter that I was shown by another Michigander, the gentlewoman from Michigan [Ms. RIVERS] our colleague, and she showed me a letter that she received from a senior citizen in her district about the cuts, and it was a very poignant comment that this individual made.

Lynn showed it to me, and she said, "Read this." And the woman said, "Maybe I have lived too long." An indictment of our values and what this Nation and this country is all about when this woman writes and says, "Maybe I have lived too long," because, "you are cutting my Medicare, my Social Security," and we are providing tax breaks for the richest in this country. It was a sad commentary, and I think one that struck me very hard, and I think says a lot about what this debate is about.

Mr. BONIOR. Let me just end with a little story to follow up what BERNIE just said about getting involved.

I am always reminded of that story about Senator BILL BRADLEY, who was at a dinner one evening. The Senator was eating. The waiter came by and put a pat of butter on the bread plate. The Senator turned to the waiter and said, "Can I have two pats of butter, please?" The waiter said, "Sorry, one pat per person." On hearing this, the MC for the evening gets up and walks over to the waiter, and he said, "Maybe you do not know who this is. This is Senator BILL BRADLEY, NBA basketball star, Rhodes Scholar, maybe future President of the United States." The waiter turned to the MC and says, "Well, maybe you don't know who I am." And the MC says, "Well, in fact, I don't know who you are. Who are you?" The waiter said, "I am the guy who controls the butter."

Well, the point is that everybody controls a piece of the butter, a piece of the action, but you have got to make your voices known, and you have got to speak up and you have got to be clear and articulate and passionate about it, because when you are, then people like Margaret and the wonderful people we have talked about today will have the decent break in our society they were promised.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BONO (at the request of Mr. ARMEY) for today, on account of recovery from surgery.

Mrs. COLLINS of Illinois (at the request of Mr. GEPHARDT) for today, on account of personal business.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. PELOSI) to revise and extend their remarks and include extraneous material:)

Mr. STUPAK, for 5 minutes, today.

Mr. LIPINSKI, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. BECERRA, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

(The following Members (at the request of Mr. SOLOMON) to revise and extend their remarks and include extraneous material:)

Mr. NORWOOD, for 5 minutes, today.

Mr. BROWNBACK, for 5 minutes, today.

Mr. BRYANT of Tennessee, for 5 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

The following Members (at the request of Ms. PELOSI) and to include extraneous matter:

Mr. ACKERMAN.
Mr. STARK in two instances.
Mr. NEAL of Massachusetts.
Mr. COLEMAN.
Mr. JOHNSON of South Dakota.
Mrs. KENNELLY.
Mr. SCHUMER.
Mr. LIPINSKI.
Mr. ROSE.
Mrs. MALONEY in three instances.
Mr. STUPAK.
Ms. WATERS.
Mr. LAFALCE.
Mr. KANJORSKI.
Mr. BISHOP.
Ms. SLAUGHTER.
Mr. BONIOR.
Mr. COLEMAN.
Ms. FURSE.
Ms. VELÁZQUEZ.

(The following Members (at the request of Mr. SOLOMON) and to include extraneous matter:)

Mr. PACKARD.
Mr. MARTINI in two instances.
Mr. MOORHEAD.
Mr. SHAW in two instances.
Mrs. CHENOWETH.
Mr. SCHIFF in two instances.
Mr. SMITH of New Jersey.

## ADJOURNMENT

Ms. DELAURO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 2 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 18, 1995, at 9 a.m.

## EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized by various committees of the U.S. House of Representatives during the first quarter of 1995 in connection with official foreign travel, pursuant to Public Law 95–384, as well as the 1994 and first and second quarter 1995 reports of various miscellaneous groups, U.S. House of Representatives, concerning foreign currencies expended by them in connection with official foreign travel, are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND MARCH 31 1995.

| Name of Member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Hon. Thomas Foglietta | 2/25 | 2/27 | | Haiti | 456.00 | | 1,036.95 | | | | 1,492.95 |
| Committee total | | | | | 456.00 | | 1,036.95 | | | | 1,492.95 |
| Surveys and Investigations staff: | | | | | | | | | | | |
| Joseph R. Fogarty | 2/25 | 3/4 | Italy | | 1,244.75 | | 3,443.75 | | | 68.36 | 4,756.86 |
| Michael O. Glynn | 1/25 | 1/28 | Cuba | | 468.13 | | 476.00 | | 46.50 | | 990.63 |
| Terrence E. Hobbs | 2/25 | 3/4 | Italy | | 1,244.75 | | 3,443.75 | | 79.56 | | 4,768.06 |
| Robert H. Pearre | 2/17 | 2/26 | Neth. Antilles | | 1,362.50 | | 1,164.95 | | 61.43 | | 2,588.88 |
| Robert J. Reitwiesner | 2/25 | 3/1 | Italy | | 573.25 | | 2,285.75 | | 59.56 | | 2,918.56 |
| R.W. Vandergrift | 1/25 | 1/27 | Cuba | | 413.50 | | 476.00 | | 8.69 | | 898.19 |
| T.P. Wyman | 2/17 | 2/26 | Neth. Antilles | | 1,350.00 | | 1,071.95 | | 410.96 | | 2,832.91 |
| H.C. Young | 2/17 | 2/26 | Neth. Antilles | | 1,362.50 | | 1,071.95 | | 102.31 | | 2,536.76 |
| Committee total | | | | | 8,019.38 | | 13,434.10 | | 837.37 | | 22,290.85 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BOB LIVINGSTON,
Chairman, Apr. 25, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND MARCH 31, 1995.

| Name of Member or employee | Date | | Country | Per diem | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency |
| Hon. Douglas Bereuter | 3/10 | 3/11 | Haiti | | 150.00 | | (3) | | | | 150.00 |
| Hon. Corrine Brown | 3/10 | 3/11 | Haiti | | 354.00 | | (3) | | | | 354.00 |
| Hon. James Clyburn | 3/10 | 3/11 | Haiti | | 354.00 | | (3) | | | | 354.00 |
| Hon. John Conyers | 3/10 | 3/11 | Haiti | | 150.00 | | (3) | | | | 150.00 |
| Scott Feeney | 2/17 | 2/20 | Panama | | 328.00 | | | | | | 328.00 |
| Commercial airfare | | | | | | | 331.95 | | | | 331.95 |
| Mark Gage | 1/11 | 1/19 | Russia | | 2,350.00 | | | | | | 2,350.00 |
| Commercial airfare | | | | | | | 3,409.95 | | | | 3,409.95 |
| Richard Garon | 3/10 | 3/11 | Haiti | | [4] 254.00 | | (3) | | | | 254.00 |
| Hon. Benjamin Gilman | 3/10 | 3/11 | Haiti | | 150.00 | | (3) | | | | 150.00 |
| Hon. Earl Hilliard | 3/10 | 3/11 | Haiti | | 354.00 | | (3) | | | | 354.00 |
| Hon. Maurice Hinchey | 3/10 | 3/11 | Haiti | | 354.00 | | (3) | | | | 354.00 |
| Hon. Peter King | 2/25 | 2/26 | Ireland | | [4] 458.58 | | | | | | 458.58 |
| Commercial airfare | | | | | | | 750.95 | | | | 750.95 |
| Willie Lobo | 3/10 | 3/11 | Haiti | | 354.00 | | (3) | | | | 354.00 |
| Hon. Michael McNulty | 3/10 | 3/11 | Haiti | | 354.00 | | (3) | | | | 354.00 |
| Hon. Robert Menendez | 2/25 | 2/26 | Ireland | | 558.00 | | | | | | 558.00 |
| Commercial airfare | | | | | | | 750.95 | | | | 750.95 |
| Lester Munson | 1/14 | 1/15 | Kenya | | 1,000.00 | | | | | | 1,000.00 |
| | 1/16 | 1/17 | Rwanda | | 0.00 | | | | | | 0.00 |
| | 1/18 | 1/18 | Kenya | | 0.00 | | | | | | 0.00 |
| | 1/19 | 1/21 | Ethiopia | | 0.00 | | | | | | 0.00 |
| Commercial airfare | | | | | | | 4,503.45 | | | | 4,503.45 |
| Roger Noriega | 3/10 | 3/11 | Haiti | | 354.00 | | (3) | | | | 354.00 |
| Hon. Jack Reed | 3/10 | 3/11 | Haiti | | 150.00 | | (3) | | | | 150.00 |
| Philip Remler | 1/11 | 1/19 | Russia | | [4] 2,100.00 | | | | | | 2,100.00 |
| Commercial airfare | | | | | | | 3,409.95 | | | | 3,409.95 |
| Daniel Restrepo | 2/17 | 2/20 | Panama | | 328.00 | | | | | | 328.00 |
| Commercial airfare | | | | | | | 331.95 | | | | 331.95 |
| | 3/10 | 3/13 | Haiti | | 568.00 | | | | | | 568.00 |
| Commercial airfare | | | | | | | 326.95 | | | | 326.95 |
| Maurice Tamargo | 1/14 | 1/15 | Kenya | | 1,637.42 | | | | | | 1,637.42 |
| | 1/16 | 1/17 | Rwanda | | 0.00 | | | | | | 0.00 |
| | 1/18 | 1/18 | Kenya | | 0.00 | | | | | | 0.00 |

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND MARCH 31, 1995.—Continued

| Name of Member or employee | Date | | Country | Per diem | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency |
| | 1/19 | 1/21 | Ethiopia | | 0.00 | | | | | | 0.00 |
| Commercial airfare | | | | | | | 4,503.45 | | | | 4,503.45 |
| Bennie Thompson | 3/10 | 3/11 | Haiti | | 354.00 | | (3) | | | | 354.00 |
| Maxine Waters | 3/10 | 3/11 | Haiti | | 150.00 | | (3) | | | | 150.00 |
| Committee total | | | | | 13,164.00 | | 18,319.55 | | | | 31,483.55 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.
[4] Denotes refund of unused per diem.

BENJAMIN A. GILMAN,
Chairman, Apr. 28, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON NATIONAL SECURITY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND MARCH 31, 1995.

| Name of Member or employee | Date | | Country | Per diem | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency |
| Hon. Norman Sisisky | 2/3 | 2/5 | Germany | | 492.00 | | | | | | 492.00 |
| Hon. Gene Taylor | 2/17 | 2/20 | Panama | | 467.00 | | | | | | 467.00 |
| Peter M. Steffes | 2/17 | 2/20 | Panama | | 467.00 | | | | | | 467.00 |
| Committee total | | | | | 1,426.00 | | | | | | 1,426.00 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

FLOYD SPENCE,
Chairman, Apr. 24, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND MARCH 31, 1995.

| Name of Member or employee | Date | | Country | Per diem | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency |
| John Finerty | | 3/2 | United States | | | | 3,213.45 | | | | 3,213.45 |
| | 3/3 | 3/6 | Estonia | | 387.00 | | | | 316.00 | | 703.00 |
| | 3/6 | 3/7 | United Kingdom | | 251.00 | | | | | | 251.00 |
| Janice Helwig | | 1/10 | United States | | | | 2,322.85 | | | | 2,322.85 |
| | 1/11 | 2/13 | Austria | | 6,459.82 | | | | 65.95 | | 6,525.77 |
| | | 2/27 | United States | | | | 2,879.25 | | | | 2,879.25 |
| | 2/28 | 4/14 | Austria | | 7,571.89 | | | | 197.29 | | 7,769.18 |
| | | | | | | | | | | | [3] 854.81 |
| Michael Ochs | | 1/31 | United States | | | | 5,536.55 | | | | 5,536.55 |
| | 2/1 | 2/2 | Germany | | 214.00 | | | | | | 214.00 |
| | 2/2 | 2/7 | Kyrgyzstan | | 726.00 | | | | 200.00 | | 926.00 |
| | 2/7 | 2/9 | Kazakhstan | | 458.99 | | | | | | 458.00 |
| Hon. Bill Richardson | | 3/16 | United States | | | | 4,797.95 | | | | 4,797.95 |
| | 3/17 | 3/19 | Serbia-Montenegro | | 300.00 | | | | | | 300.00 |
| Dorothy Taft | | 1/10 | United States | | | | 1,367.85 | | | | 1,367.85 |
| | 1/11 | 1/15 | Austria | | 538.00 | | | | 41.00 | | 579.00 |
| Samuel Wise | | 1/10 | United States | | | | 1,367.85 | | | | 1,367.85 |
| | 1/11 | 1/14 | Austria | | 437.00 | | | | | | 437.00 |
| Committee total | | | | | 17,342.71 | | 21,485.75 | | 1,675.05 | | 40,503.51 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Quarterly shared administrative costs for participation in the U.S. delegation to the OSCE (Vienna, Austria).

CHRISTOPHER SMITH,
Apr. 28, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, BRITISH AMERICAN PARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND DECEMBER 31, 1994.

| Name of member or employee | Date | | Country | Per diem | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency |
| Hon. Tom Lantos | 5/5 | 5/8 | Bermuda | | 737.43 | | (3) | | | | 737.43 |
| Austin Murphy | 5/5 | 5/8 | Bermuda | | 520.28 | | (3) | | | | 520.28 |
| Hon. Sherwood Boehlert | 5/5 | 5/8 | Bermuda | | 719.33 | | (3) | | | | 719.33 |
| Tom Lewis | 5/5 | 5/8 | Bermuda | | 727.88 | | (3) | | | | 727.88 |
| Alex McMillian | 5/5 | 5/8 | Bermuda | | 688.23 | | (3) | | | | 688.23 |
| Sherry Blankenship | 5/5 | 5/8 | Bermuda | | 703.11 | | (3) | | | | 703.11 |
| John Mackey | 5/5 | 5/8 | Bermuda | | 780.86 | | (3) | | | | 780.86 |
| Amy Thompson | 5/5 | 5/8 | Bermuda | | 639.00 | | (3) | | | | 639.30 |
| Peter Abbruzzese | 5/5 | 5/8 | Bermuda | | 688.23 | | (3) | | | | 688.23 |
| Commercial airfair | 5/5 | 5/8 | Bermuda | | 265.00 | | 206.95 | | | | 471.95 |
| | 5/5 | 5/8 | Bermuda | | 102.20 | | [4] 565.95 | | | | 668.15 |

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, BRITISH AMERICAN PARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND DECEMBER 31, 1994.—Continued

| Name of member or employee | Date | | Country | Per diem | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency |
| Delegation expenses: Representational | 5/5 | 5/8 | Bermuda | | | | | | 5,957.84 | | 5,957.84 |
| Committee total | | | | | 6,571.85 | | 772.90 | | 5,957.84 | | 13,302.59 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.
[4] Purchased one-way ticket for Mr. Murphy.

LEE H. HAMILTON,
Apr. 28, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY, DELEGATION TO FRANCE AND BELGIUM, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEBRUARY 17 AND FEBRUARY 22, 1995.

| Name of Member or employee | Date | | Country | Per diem | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency |
| Hon. Doug Bereuter | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Hon. Gerald Solomon | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Hon. Tom Bliley | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Hon. Jan Meyers | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Hon. Floyd Spence | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Hon. Marge Roukema | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Hon. Herb Bateman | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Hon. Paul Gillmor | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Hon. Cardiss Collins | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Hon. Bill Richardson | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Hon. Mike Parker | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Hon. Eliot Engel | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| John Herzberg | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Michael Ennis | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Jo Weber | 2/17 | 2/18 | France | | 834.45 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Martin Sletzinger | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Ron Lasch | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Marcia Smith | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Linda Pedigo | 2/17 | 2/18 | France | | 834.46 | | | | | | |
| | 2/18 | 2/22 | Belgium | | 606.00 | | | | | | 1,440.46 |
| Committee total | | | | | $27,368. 74 | | | | | | $27,368. 74 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DOUG BEREUTER,
Mar. 13, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY, DELEGATION TO TURKEY AND THE BALTICS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APRIL 8 AND APRIL 15, 1995.

| Name of Member or employee | Date | | Country | Per diem | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency |
| Hon. Doug Bereuter | 4/8 | 4/10 | Turkey | | 350.00 | | | | | | 350.00 |
| | 4/10 | 4/11 | Macedonia | | 196.00 | | | | | | 196.00 |
| | 4/11 | 4/12 | Romania | | 298.00 | | | | | | 298.00 |
| | 4/12 | 4/15 | Latvia | | 756.00 | | | | | | 756.00 |
| Hon. Gerald Solomon | 4/8 | 4/10 | Turkey | | 350.00 | | | | | | 350.00 |
| | 4/10 | 4/11 | Macedonia | | 196.00 | | | | | | 196.00 |
| | 4/11 | 4/12 | Romania | | 298.00 | | | | | | 298.00 |
| | 4/12 | 4/15 | Latvia | | 756.00 | | | | | | 756.00 |
| Hon. Tom Bliley | 4/8 | 4/10 | Turkey | | 350.00 | | | | | | 350.00 |
| | 4/10 | 4/11 | Greece | | 202.00 | | | | | | 202.00 |
| Commercial airfare | | | | | | | 1,011.15 | | | | 1,011.15 |
| John Herzberg | 4/8 | 4/10 | Turkey | | 350.00 | | | | | | 350.00 |
| | 4/10 | 4/11 | Greece | | 202.00 | | | | | | 202.00 |
| Commercial airfare | | | | | | | 1,011.15 | | | | 1,011.15 |
| Michael Ennis | 4/9 | 4/10 | Greece | | 222.00 | | | | | | 222.00 |
| | 4/10 | 4/11 | Macedonia | | 206.00 | | | | | | 206.00 |
| | 4/11 | 4/12 | Romania | | 298.00 | | | | | | 298.00 |
| | 4/12 | 4/15 | Latvia | | 774.00 | | | | | | 774.00 |
| Commercial airfare | | | | | | | 1,305.70 | | | | 1,305.70 |
| Kristi Walseth | 4/9 | 4/10 | Greece | | 222.00 | | | | | | 222.00 |
| | 4/10 | 4/11 | Macedonia | | 206.00 | | | | | | 206.00 |

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY, DELEGATION TO TURKEY AND THE BALTICS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APRIL 8 AND APRIL 15, 1995.—Continued

| Name of Member or employee | Date | | Country | Per diem | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency |
| | 4/11 | 4/12 | Romania | | 298.00 | | | | | | 298.00 |
| | 4/12 | 4/15 | Latvia | | 774.00 | | | | | | 774.00 |
| Commercial airfare | | | | | | | 1,305.70 | | | | 1,305.70 |
| Committee total | | | | | 7,304,00 | | 4,633.70 | | | | 11,937.70 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DOUG BEREUTER,
Apr. 26, 1995.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

879. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend the Army National Guard Combat Readiness Reform Act of 1992 and to make certain provisions of such act applicable to the Selected Reserve of the Army, and for other purposes; to the Committee on National Security.

880. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a report on the Corporation's efforts to maximize the efficient utilization of the resources of the private sector, pursuant to 12 U.S.C. 1827; to the Committee on Banking and Financial Services.

881. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturing license agreement for production of major military equipment with Australia (Transmittal No. DTC-23-95), pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

882. A letter from the Chairman, Farm Credit System Insurance Corporation, transmitting a report of activities under the Freedom of Information Act for calendar year 1994, pursuant to 5 U.S.C. 552(e); to the Committee on Government Reform and Oversight.

883. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

884. A letter from the Chairman, Interstate Commerce Commission, transmitting the Commission's 108th annual report which summarizes its activities during fiscal year 1994, pursuant to Public Law 96-448, section 217(c)(1) (94 Stat. 1925); to the Committee on Transportation and Infrastructure.

885. A letter from the General Counsel of the Department's of the Treasury and Housing and Urban Development, transmitting a draft of proposed legislation entitled, "Federal Home Loan Bank System Restructuring and Modernization Act of 1995"; jointly, to the Committees on Banking and Financial Services and the Judiciary.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DREIER: Committee on Rules. House Resolution 151. Resolution waiving points of order against the conference report to accompany the bill (H.R. 1158) making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes (Rept. 104-126). Referred to the House Calendar.

## SUBSEQUENT ACTION ON A REPORTED BILL

Under clause 5 of rule X the following action was taken by the Speaker:

The Committee of the Whole House on the State of the Union discharged, and referred to the Committee on Science for a period ending not later than June 30, 1995, H.R. 1175 for consideration of such provisions of the bill and amendment as fall within the jurisdiction of the Committee on Science pursuant to clause 1(n), rule X.

## 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. CRANE (for himself and Mr. RANGEL):

H.R. 1654. A bill to renew the Generalized System of Preferences; to the Committee on Ways and Means.

By Mr. COMBEST:

H.R. 1655. A bill to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Committee on Intelligence (Permanent Select).

By Ms. FURSE (for herself and Mr. NETHERCUTT):

H.R. 1656. A bill to provide for an increase in funding for the conduct and support of diabetes-related research by the National Institutes of Health; to the Committee on Commerce.

By Mr. GONZALEZ (by request):

H.R. 1657. A bill to restructure and modernize the Federal Home Loan Bank System; to the Committee on Banking and Financial Services.

By Mr. HUNTER:

H.R. 1658. A bill to enhance border security in the vicinity of San Diego, CA, through the construction and improvement of physical barriers at the U.S. border and through the forward deployment of Border Patrol agents to the border; to the Committee on the Judiciary.

By Mr. MOORHEAD (for himself and Mrs. SCHROEDER):

H.R. 1659. A bill to amend title 35, United States Code, to establish the Patent and Trademark Office as a Government corporation, and for other purposes; to the Committee on the Judiciary.

By Mr. NEAL of Massachusetts:

H.R. 1660. A bill to amend the Internal Revenue Code of 1986 to eliminate the marriage penalty under the one-time exclusion of gain on the sale of a principal residence by an individual who has attained age 55; to the Committee on Ways and Means.

By Mr. SHAW:

H.R. 1661. A bill to permit partnership and S corporations to elect taxable years other than required years; to the Committee on Ways and Means.

By Mr. SHAW (for himself, Mrs. KENNELLY, Mr. MCCRERY, Mr. NEAL of Massachusetts, Mr. ZIMMER, Mrs. JOHNSON of Connecticut, Mr. GEPHARDT, Mr. GOSS, Mr. MOAKLEY, Mr. HUTCHINSON, Mr. TORKILDSEN, Mrs. MALONEY, Mr. RICHARDSON, Mr. HINCHEY, Mr. CLYBURN, and Mr. NADLER):

H.R. 1662. A bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence; to the Committee on Ways and Means.

By Mr. SKEEN (for himself, Mr. SCHAEFER, and Mr. CRAPO):

H.R. 1663. A bill to amend the Waste Isolation Pilot Plant Land Withdrawal Act; to the Committee on Commerce, and in addition to the Committee on National Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STARK:

H.R. 1664. A bill to provide for demonstration projects to test whether enrollment in the supplemental security income program can be significantly increased by offering nonprofit organizations financial incentives to engage in outreach; to the Committee on Ways and Means.

H.R. 1665. A bill to amend the Social Security Act to provide for findings of presumptive disability under title II of such act in the same manner and to the same extent as is currently applicable under title XVI of such act; 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. STUPAK:

H.R. 1666. A bill to amend the act of October 21, 1970, establishing the Sleeping Bear Dunes National Lakeshore to permit certain persons to continue to use and occupy certain areas within the lakeshore, and for other purposes; to the Committee on Resources.

By Mr. CALLAHAN (for himself, Mr. STUMP, Mr. EVERETT, and Mr. TRAFICANT):

H.J. Res. 88. Joint resolution proposing an amendment to the Constitution of the United States to provide that no person born in the United States be a U.S. citizen on account of birth in the United States unless a parent is a U.S. citizen at the time of the birth; to the Committee on the Judiciary.

By Mr. YOUNG of Alaska:

H. Con. Res. 68. Concurrent resolution expressing the sense of the Congress that Federal tax law should be clarified to allow a reasonable charitable tax deduction for the reasonable and necessary expenses of Alaska Native subsistence whaling captains; to the Committee on Ways and Means.

By Mr. TORRES:

H. Res. 152. Resolution expressing the sense of the House of Representatives that the President should develop a strategy to bring the United States back into active and full membership in the United Nations Educational, Scientific, and Cultural Organization; to the Committee on International Relations.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

83. By the SPEAKER: Memorial of the House of Representatives of the State of Hawaii, relative to an integrated pest management control program to prevent the spread of the Brown Tree Snake; to the Committee on Agriculture.

84. Also, memorial of the House of Representatives of the State of Hawaii, relative to urging the U.S. Department of Agriculture to consider the effect of and exclude the State of Hawaii from Federal legislation that would have a detrimental impact on Hawaii's environment; to the Committee on Agriculture.

85. Also, memorial of the House of Representatives of the State of Hawaii, relative to urging the U.S. Department of Agriculture to exclude Hawaii from any Federal legislation that would create exceptions from the Honeybee Act of 1922, as amended; to the Committee on Agriculture.

86. Also, memorial of the House of Representatives of the State of Hawaii, relative to memorializing the Congress of the United States to propose and submit to the several States an amendment to the Constitution of the United States that would provide that no Federal tax shall be imposed for the period before the date of the enactment of the retroactive tax; to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 70: Mr. DORNAN.

H.R. 72: Mr. MCCOLLUM, Mr. HASTINGS of Florida, Mrs. THURMAN, and Mr. CANADY.

H.R. 73: Mr. MCCOLLUM, Mr. HASTINGS of Florida, Mrs. THURMAN, and Mr. CANADY.

H.R. 89: Mr. KLUG.

H.R. 103: Mr. BONIOR, Mr. NADLER, and Mr. PETERSON of Minnesota.

H.R. 109: Mr. LEWIS of Kentucky, and Mr. HASTINGS of Florida.

H.R. 236: Mr. PAYNE of New Jersey.

H.R. 240: Mr. BEVILL and Mr. STUPAK.

H.R. 333: Mr. LEWIS of Georgia.

H.R. 353: Mr. HASTINGS of Florida and Mr. ROMERO-BARCELO.

H.R. 390: Mr. ANDREWS.

H.R. 399: Mr. VISCLOSKY and Mr. BOUCHER.

H.R. 468: Ms. RIVERS, Mr. STEARNS, and Mr. WATTS of Oklahoma.

H.R. 598: Mr. KANJORSKI, Mr. STOCKMAN, Mr. COBURN, Mr. WELDON of Florida, and Mr. PETERSON of Minnesota.

H.R. 677: Mr. COYNE, Mr. CHRISTENSEN, and Mr. GEJDENSON.

H.R. 682: Mr. HOSTETTLER.

H.R. 733: Ms. ESHOO and Mr. FARR.

H.R. 783: Mr. HASTINGS of Florida and Mr. BUYER.

H.R. 789: Mr. LOBIONDO.

H.R. 892: Mr. STUMP, Mr. ROHRABACHER, Mr. TAYLOR of North Carolina, Mr. HEFLEY, and Mrs. CHENOWETH.

H.R. 950: Mrs. MINK of Hawaii.

H.R. 966: Mrs. KELLY, Mr. FRAZER, Mr. EVANS, and Mr. FRANKS of New Jersey.

H.R. 969: Mr. JACOBS, Mr. MINETA, Mr. MEEHAN, Mrs. MORELLA, and Ms. VELAZQUEZ.

H.R. 972: Mr. CALLAHAN.

H.R. 973: Mr. CALLAHAN.

H.R. 1021: Mr. VISCLOSKY.

H.R. 1023: Mr. CUNNINGHAM and Mr. VISCLOSKY.

H.R. 1090: Mr. QUILLEN and Mr. STEARNS.

H.R. 1104: Mr. BROWNBACK, Mr. SMITH of Michigan, and Mr. CRAPO.

H.R. 1118: Mr. KINGSTON.

H.R. 1119: Mr. CALVERT, Mr. CAMP, and Mrs. MORELLA.

H.R. 1138: Mr. NEAL of Massachusetts and Mr. ENGLISH of Pennsylvania.

H.R. 1229: Ms. ESHOO and Ms. LOWEY.

H.R. 1242: Mr. SHADEGG, Mr. HOKE, Mr. JEFFERSON, and Mr. CRAMER.

H.R. 1272: Ms. LOWEY and Mr. MARTINEZ.

H.R. 1299: Mrs. JOHNSON of Connecticut, Mr. KLECZKA, and Mr. MORAN.

H.R. 1352: Mr. HASTINGS of Washington, Mr. FOLEY, Mr. GORDON, Mr. TAYLOR of North Carolina, Mr. EHLERS, Mr. CASTLE, Mr. UPTON, Mr. CHRYSLER, Ms. KAPTUR, Mr. SISISKY, Mr. NORWOOD, Mr. MCDADE, Mr. WOLF, Ms. PRYCE, Mr. JACOBS, and Mr. HAYES.

H.R. 1385: Mr. FILNER.

H.R. 1448: Mr. PETE GEREN of Texas and Mr. MORAN.

H.R. 1540: Mr. HUNTER, Mr. ACKERMAN, Mrs. COLLINS of Illinois, Mrs. MYRICK, Mr. LIPINSKI, Mr. WOLF, Mr. WALSH, and Mr. HOLDEN.

H.R. 1542: Mr. WELLER, Mr. COSTELLO, Mr. POSHARD, and Mr. EVANS.

H.R. 1560: Mr. MARTINEZ and Mr. VISCLOSKY.

H.R. 1578: Mr. HASTINGS of Florida.

H.R. 1594: Mr. LINDER, Mr. ZIMMER, Mr. SHADEGG, Mr. WELDON of Pennsylvania, Mr. ARCHER, Mr. HAYWORTH, and Mr. HANCOCK.

H.R. 1627: Mr. HAYES and Mr. PETERSON of Minnesota.

H. Con. Res. 8: Mr. SAXTON.

H. Con. Res. 12: Ms. DUNN of Washington.

H. Con. Res. 63: Ms. DUNN of Washington and Mr. WELDON of Pennsylvania.

H. Con. Res. 66: Mr. HANCOCK, Mr. FORBES, Mr. CRANE, Mr. FUNDERBURK, Mr. FAWELL, Mr. NORWOOD, and Mr. BURR.

## DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H. Con. Res. 32: Mr. MCNULTY.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1561

OFFERED BY: MR. GILMAN

*(Committee Amendment in the Nature of a Substitute)*

AMENDMENT NO. 1: Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "American Overseas Interests Act of 1995".

**SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.**

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Consolidation of Foreign Affairs Agencies.

(2) Division B—Foreign Relations Authorizations.

(3) Division C—Foreign Assistance Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.

DIVISION A—CONSOLIDATION OF FOREIGN AFFAIRS AGENCIES

TITLE I—GENERAL PROVISIONS

Sec. 101. Short title.
Sec. 102. Congressional findings.
Sec. 103. Purposes.
Sec. 104. Definitions.

TITLE II—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

CHAPTER 1—GENERAL PROVISIONS

Sec. 201. Effective date.
Sec. 202. References in title.

CHAPTER 2—ABOLITION OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

Sec. 211. Abolition of United States Arms Control and Disarmament Agency.
Sec. 212. Transfer of functions to Secretary of State.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

Sec. 221. Reorganization plan.
Sec. 222. Coordinator for arms control and disarmament.

CHAPTER 4—CONFORMING AMENDMENTS

Sec. 241. References.
Sec. 242. Repeal of establishment of agency.
Sec. 243. Repeal of positions and offices.
Sec. 244. Transfer of authorities and functions under the Arms Control and Disarmament Act to the Secretary of State.
Sec. 245. Conforming amendments.

TITLE III—UNITED STATES INFORMATION AGENCY

CHAPTER 1—GENERAL PROVISIONS

Sec. 301. Effective date.

CHAPTER 2—ABOLITION OF UNITED STATES INFORMATION AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE
Sec. 311. Abolition of United States Information Agency.
Sec. 312. Transfer of functions to Secretary of State.
CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE
Sec. 321. Reorganization plan.
Sec. 322. Principal officers.
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Sec. 342. Abolition of Office of Inspector General of the United States Information Agency and transfer of functions to Office of Inspector General of the Department of State.
Sec. 343. Amendments to title 5.
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Sec. 346. International broadcasting activities.
Sec. 347. Television broadcasting to Cuba.
Sec. 348. Radio broadcasting to Cuba.
Sec. 349. National Endowment for Democracy.
Sec. 350. United States scholarship program for developing countries.
Sec. 351. Fascell Fellowship Board.
Sec. 352. National Security Education Board.
Sec. 353. Center for Cultural and Technical Interchange between North and South.
Sec. 354. East-West Center.
Sec. 355. Mission of the Department of State.
Sec. 356. Consolidation of administrative services.
Sec. 357. Grants.
Sec. 358. Ban on domestic activities.
Sec. 359. Conforming repeal to the Arms Control and Disarmament Act.
Sec. 360. Repeal relating to procurement of legal services.
Sec. 361. Repeal relating to payment of subsistence expenses.
Sec. 362. Conforming amendment to the Seed Act.
Sec. 363. International Cultural and Trade Center Commission.
Sec. 364. Foreign Service Act of 1980.
Sec. 365. Au pair programs.
Sec. 366. Exchange program with countries in transition from totalitarianism to democracy.
Sec. 367. Edmund S. Muskie Fellowship program.
Sec. 368. Implementation of convention on cultural property.
Sec. 369. Mike Mansfield Fellowships.
TITLE IV—AGENCY FOR INTERNATIONAL DEVELOPMENT
CHAPTER 1—GENERAL PROVISIONS
Sec. 401. Effective date.
Sec. 402. References in title.
CHAPTER 2—ABOLITION OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE
Sec. 411. Abolition of Agency for International Development and the International Development Cooperation Agency.
Sec. 412. Transfer of functions to Secretary of State.
CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE
Sec. 421. Reorganization plan.
Sec. 422. Principal officers.
CHAPTER 4—CONFORMING AMENDMENTS
Sec. 441. References.
Sec. 442. Abolition of Office of Inspector General of the Agency for International Development and transfer of functions to Office of Inspector General of the Department of State.
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Sec. 444. Amendments to title 5, United States Code.
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TITLE V—TRANSITION
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Sec. 505. Voluntary separation incentives.
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Sec. 2254. United States policy regarding the involuntary return of refugees.
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Sec. 2302. Special envoy for Tibet.
Sec. 2303. Establishment of Coordinator for Human Rights and Refugees, Bureau of Refugee and Migration Assistance, and Bureau of Democracy, Human Rights, and Labor.
Sec. 2304. Elimination of statutory establishment of certain positions of the Department of State.
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CHAPTER 1—GENERAL PROVISIONS

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Sec. 2521. Reform in budget decisionmaking procedures of the United Nations and its specialized agencies.
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TITLE XXVI—FOREIGN POLICY PROVISIONS

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CHAPTER 2—RELATING TO THE UNITED STATES-NORTH KOREA AGREED FRAMEWORK AND THE OBLIGATIONS OF NORTH KOREA UNDER THAT AND PREVIOUS AGREEMENTS WITH RESPECT TO THE DENUCLEARIZATION OF THE KOREAN PENINSULA AND DIALOGUE WITH THE REPUBLIC OF KOREA

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Sec. 2705. Declaration of Congress regarding United States Government human rights policy toward China.
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Sec. 3102. Administrative expenses.
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CHAPTER 4—PUBLIC LAW 480

Sec. 3241. Levels of assistance for title II.
Sec. 3242. Authorization of appropriations for title III.

CHAPTER 5—HOUSING GUARANTEE PROGRAM

Sec. 3251. Authorization of appropriations for administrative expenses.
Sec. 3252. Additional requirements.

CHAPTER 6—PEACE CORPS

Sec. 3261. Peace Corps.
Sec. 3262. Activities of the Peace Corps in the former Soviet Union.
Sec. 3263. Prohibition on use of funds for abortions.

CHAPTER 7—INTERNATIONAL DISASTER ASSISTANCE

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CHAPTER 8—OTHER PROVISIONS

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Sec. 3282. Funding requirements relating to United States private and voluntary organizations.
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## DIVISION A—CONSOLIDATION OF FOREIGN AFFAIRS AGENCIES

## TITLE I—GENERAL PROVISIONS

**SEC. 101. SHORT TITLE.**

This division may be cited as the "Foreign Affairs Agencies Consolidation Act of 1995".

**SEC. 102. CONGRESSIONAL FINDINGS.**

The Congress makes the following findings:

(1) With the end of the Cold War, the international challenges facing the United States have changed, but the fundamental national interests of the United States have not. The security, economic, and humanitarian interests of the United States require continued American engagement in international affairs. The leading role of the United States in world affairs will be as important in the twenty-first century as it has been in the twentieth.

(2) The United States budget deficit requires that the foreign as well as the domestic programs and activities of the United States be carefully reviewed for potential savings. Wherever possible, foreign programs and activities must be streamlined, managed more efficiently, and adapted to the requirements of the post-Cold War era.

(3) In order to downsize the foreign programs and activities of the United States without jeopardizing United States interests, strong and effective leadership will be required. As the official principally responsible for the conduct of foreign policy, the Secretary of State must have the authority to allocate efficiently the resources within the international affairs budget. As a first step in the downsizing process, the proliferation of foreign affairs agencies that occurred during the Cold War must be reversed, and the functions of these agencies must be restored to the Secretary of State.

(4) A streamlined and reorganized foreign affairs structure under the strengthened leadership of the Secretary of State can more effectively promote the international interests of the United States in the next century than the existing structure.

**SEC. 103. PURPOSES.**

The purposes of this division are—

(1) to consolidate and reinvent foreign affairs agencies of the United States within the Department of State;

(2) to provide for the reorganization of the Department of State to maximize the efficient use of resources, eliminate redundancy in functions, effect budget savings, and improve the management of the State Department;

(3) to strengthen—

(A) the coordination of United States foreign policy; and

(B) the leading role of the Secretary of State in the formulation and articulation of United States foreign policy; and

(4) to abolish, not later than March 1, 1997, the United States Arms Control and Disarmament Agency, the United States Information Agency, the International Development Cooperation Agency, and the Agency for International Development.

**SEC. 104. DEFINITIONS.**

The following terms have the following meaning for the purposes of this division:

(1) The term "AID" means the Agency for International Development.

(2) The term "ACDA" means the United States Arms Control and Disarmament Agency.

(3) The term "appropriate congressional committees" means the Committee on International Relations of the House of Representatives and the Committee of Foreign Relations of the Senate.

(4) The term "Department" means the Department of State.

(5) The term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code.

(6) The term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(7) The term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(8) The term "Secretary" means the Secretary of State.

(9) The term "USIA" means the United States Information Agency.

## TITLE II—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

## CHAPTER 1—GENERAL PROVISIONS

**SEC. 201. EFFECTIVE DATE.**

(a) IN GENERAL.—Except as provided in subsection (b), this title, and the amendments made by this title, shall take effect—

(1) March 1, 1997; or

(2) on such earlier date as the President shall determine to be appropriate and announce by notice published in the Federal Register, which date may be not earlier than 60 calendar days (excluding any day on which either House of Congress is not in session because of an adjournment sine die) after the President has submitted a reorganization plan to the appropriate congressional committees pursuant to section 221.

(b) REORGANIZATION PLAN.—Section 221 shall take effect on the date of enactment of this Act.

**SEC. 202. REFERENCES IN TITLE.**

Except as specifically provided in this title, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision, the reference shall be considered to be made to a provision of the Arms Control and Disarmament Act.

## CHAPTER 2—ABOLITION OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

**SEC. 211. ABOLITION OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY.**

The United States Arms Control and Disarmament Agency is abolished.

**SEC. 212. TRANSFER OF FUNCTIONS TO SECRETARY OF STATE.**

There are transferred to the Secretary of State all functions of the Director of the United States Arms Control and Disarmament Agency and all functions of the United States Arms Control and Disarmament Agency and any officer or component of such agency under any statute, reorganization plan, Executive order, or other provision of law before the effective date of this title, except as otherwise provided in this title.

## CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

**SEC. 221. REORGANIZATION PLAN.**

(a) SUBMISSION OF PLAN.—Not later than March 1, 1996, the President, in consultation with the Secretary and the Director of the Arms Control and Disarmament Agency, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the Arms Control and Disarmament Agency in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the Arms Control and Disarmament Agency consistent with the provisions of this title; and

(3) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the Arms Control and Disarmament Agency that will be transferred to the Department under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and

detailees) that will be transferred within the Department, separated from service with the Department, or eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the Arms Control and Disarmament Agency that will be transferred to the Department as a result of the transfer of functions of the Agency to the Department;

(6) specify the proposed allocations within the Department of unexpended funds transferred in connection with the transfer of functions under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency in connection with the transfer of the functions of the Agency to the Department.

(c) ASSISTANT SECRETARY POSITIONS.—The plan under subsection (a) shall provide for an appropriate number of Assistant Secretaries of State to carry out the functions transferred to the Department under this title.

**SEC. 222. COORDINATOR FOR ARMS CONTROL AND DISARMAMENT.**

(a) ESTABLISHMENT OF COORDINATOR FOR ARMS CONTROL AND DISARMAMENT.—Section 1(e) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(e)) is amended by adding after paragraph (4) the following new paragraph:

"(5) COORDINATOR FOR ARMS CONTROL AND DISARMAMENT.—

"(A) There shall be within the office of the Secretary of State a Coordinator for Arms Control and Disarmament (hereafter in this paragraph referred to as the "Coordinator" who shall be appointed by the President, by and with the advice and consent of the Senate. The Coordinator shall report directly to the Secretary of State.

"(B)(i) The Coordinator shall perform such duties and exercise such power as the Secretary of State shall prescribe.

"(ii) The Coordinator shall be responsible for arms control and disarmament matters. The Coordinator shall head the Bureau of Arms Control and Disarmament.

"(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.".

(b) PARTICIPATION IN MEETINGS OF NATIONAL SECURITY COUNCIL.—Section 101 of the National Security Act of 1947 (50 U.S.C. 402) is amended by adding at the end the following new subsection:

"(i) The Coordinator for Arms Control and Disarmament may, in the role of advisor to the National Security Council on arms control and disarmament matters, and subject to the direction of the President, attend and participate in meetings of the National Security Council.".

(c) TRANSITION PROVISION.—The President may appoint the individual serving as Director of the Arms Control and Disarmament Agency on the day before the effective date of this title, or such other officials appointed by and with the advice and consent of the Senate and serving within the Department of State or the Arms Control and Disarmament Agency on the day before the effective date of this title as the President considers appropriate, to serve as the acting Coordinator for Arms Control and Disarmament until an individual is appointed to that office in accordance with section 1(e)(5) of the State Department Basic Authorities Act of 1956, as amended by this Act.

**CHAPTER 4—CONFORMING AMENDMENTS**

**SEC. 241. REFERENCES.**

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Director of the United States Arms Control and Disarmament Agency or any other officer or employee of the United States Arms Control and Disarmament Agency shall be deemed to refer to the Secretary of State; and

(2) the United States Arms Control and Disarmament Agency shall be deemed to refer to the Department of State.

**SEC. 242. REPEAL OF ESTABLISHMENT OF AGENCY.**

Section 21 of the Arms Control and Disarmament Act (22 U.S.C. 2561; relating to the establishment of the agency) is repealed.

**SEC. 243. REPEAL OF POSITIONS AND OFFICES.**

The following sections of the Arms Control and Disarmament Act are repealed:

(1) Section 22 (22 U.S.C. 2562; relating to the Director).

(2) Section 23 (22 U.S.C. 2563; relating to the Deputy Director).

(3) Section 24 (22 U.S.C. 2564; relating to Assistant Directors).

(4) Section 25 (22 U.S.C. 2565; relating to bureaus, offices, and divisions).

(5) Section 50 (22 U.S.C 2593; relating to the ACDA Inspector General).

**SEC. 244. TRANSFER OF AUTHORITIES AND FUNCTIONS UNDER THE ARMS CONTROL AND DISARMAMENT ACT TO THE SECRETARY OF STATE.**

(a) IN GENERAL.—The Arms Control and Disarmament Act (22 U.S.C. 2551 et seq.) is amended—

(1) by striking "Agency" each place it appears and inserting "Department"; and

(2) by striking "Director" each place it appears and inserting "Secretary".

(b) PURPOSE.—Section 2 (22 U.S.C. 2551) is repealed.

(c) DEFINITIONS.—Section 3 (22 U.S.C. 2552) is amended by striking paragraph (c) and inserting the following:

"(c) The term 'Department' means the Department of State.

"(d) The term 'Secretary' means the Secretary of State.".

(d) SCIENTIFIC AND POLICY ADVISORY COMMITTEE.—Section 26(b) (22 U.S.C. 2566(b)) is amended by striking ", the Secretary of State, and the Director" and inserting "and the Secretary of State".

(e) PRESIDENTIAL SPECIAL REPRESENTATIVES.—Section 27 (22 U.S.C. 2567) is amended by striking ", acting through the Director".

(f) PROGRAM FOR VISITING SCHOLARS.—Section 28 (22 U.S.C. 2568) is amended—

(1) in the second sentence, by striking "Agency's activities" and inserting "Department's arms control, nonproliferation, and disarmament activities"; and

(2) in the fourth sentence, by striking ", and all former Directors of the Agency".

(g) POLICY FORMULATION.—Section 33(a) (22 U.S.C. 2573(a)) is amended by striking "shall prepare for the President, the Secretary of State," and inserting "shall prepare for the President".

(h) NEGOTIATION MANAGEMENT.—Section 34 (22 U.S.C. 2574) is amended—

(1) in subsection (a), by striking "the President and the Secretary of State" and inserting "the President"; and

(2) by striking subsection (b).

(i) VERIFICATION OF COMPLIANCE.—Section 37(d) (22 U.S.C. 2577(d)) is amended by striking "Director's designee" and inserting "Secretary's designee".

(j) GENERAL AUTHORITY.—Section 41 (22 U.S.C. 2581) is repealed.

(k) SECURITY REQUIREMENTS.—Section 45 (22 U.S.C. 2585) is amended by striking subsections (a), (b), and (d).

(l) USE OF FUNDS.—Section 48 (22 U.S.C. 2588) is repealed.

(m) ANNUAL REPORT.—Section 51(a) (22 U.S.C. 2593a(a)) is amended by striking "the Secretary of State,".

(n) REQUIREMENT FOR AUTHORIZATION OF APPROPRIATIONS.—Section 53 (22 U.S.C. 2593c) is repealed.

(o) ON-SITE INSPECTION AGENCY.—Section 61 (22 U.S.C. 2595) is amended—

(1) in paragraph (1), by striking "United States Arms Control and Disarmament Agency" and inserting "Department of State"; and

(2) in paragraph (7), by striking "the United States Arms Control and Disarmament Agency and".

**SEC. 245. CONFORMING AMENDMENTS.**

(a) ARMS EXPORT CONTROL ACT.—The Arms Export Control Act is amended—

(1) in section 36(b)(1)(D) (22 U.S.C. 2776(b)(1)(D)), by striking "Director of the Arms Control and Disarmament Agency in consultation with the Secretary of State and" and inserting "Secretary of State in consultation with";

(2) in section 38(a)(2) (22 U.S.C. 2778(a)(2))—

(A) in the first sentence, by striking "Director of the United States Arms Control and Disarmament Agency, taking into account the Director's" and inserting "Secretary of State, taking into account the Secretary's"; and

(B) in the second sentence, by striking "The Director of the Arms Control and Disarmament Agency is authorized, whenever the Director" and inserting "The Secretary of State is authorized, whenever the Secretary";

(3) in section 42(a) (22 U.S.C. 2791(a))—

(A) in paragraph (1)(C), by striking "Director of the United States Arms Control and Disarmament Agency" and inserting "Secretary of State"; and

(B) in paragraph (2)—

(i) in the first sentence, by striking "Director of the United States Arms Control and Disarmament Agency" and inserting "Secretary of State"; and

(ii) in the second sentence, by striking "Director of the Arms Control and Disarmament Agency is authorized, whenever the Director" and inserting "Secretary of State, whenever the Secretary";

(4) in section 71(a) (22 U.S.C. 2797(a)), by striking ", the Director of the Arms Control and Disarmament Agency," and inserting ", Secretary of State,";

(5) in section 71(b)(1) (22 U.S.C. 2797(b)(1)), by striking "Director of the United States Arms Control and Disarmament Agency" and inserting "Secretary of State";

(6) in section 71(b)(2) (22 U.S.C. 2797(b)(2))—

(A) by striking "Director of the United States Arms Control and Disarmament Agency" and inserting "Secretary of State"; and

(B) by striking ", or the Director";

(7) in section 71(c) (22 U.S.C. 2797(c)), by striking "Director of the United States Arms

Control and Disarmament Agency," and inserting "Secretary of State"; and

(8) in section 73(d) (22 U.S.C. 2797(d)), by striking "Director of the United States Arms Control and Disarmament Agency" and inserting "Secretary of State".

(b) UNITED STATES INSTITUTE OF PEACE ACT.—Section 1706(b) of the United States Institute of Peace Act (22 U.S.C. 4605(b)) is amended—

(1) by striking out paragraph (3);

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively; and

(3) in paragraph (4) (as redesignated by paragraph (2)), by striking "Eleven" and inserting "Twelve".

(c) THE ATOMIC ENERGY ACT OF 1954.—The Atomic Energy Act of 1954 is amended—

(1) in section 57 b. (42 U.S.C. 2077(b))—

(A) in the first sentence, by striking "the Arms Control and Disarmament Agency,", and

(B) in the second sentence, by striking "the Director of the Arms Control and Disarmament Agency,"; and

(2) in section 123 (42 U.S.C. 2153)—

(A) in subsection a. (in the text after paragraph (9)—

(i) by striking "and in consultation with the Director of the Arms Control and Disarmament Agency ('the Director')", and

(ii) by striking "and the Director" and inserting "and the Secretary of Defense",

(B) in subsection d., in the first proviso, by striking "Director of the Arms Control and Disarmament Agency" and inserting "Secretary of Defense", and

(C) in the first undesignated paragraph following subsection d., by striking "the Arms Control and Disarmament Agency,".

(d) THE NUCLEAR NON-PROLIFERATION ACT OF 1978.—The Nuclear Non-Proliferation Act of 1978 is amended—

(1) in section 4, by striking paragraph (2);

(2) in section 102, by striking "the Secretary of State, and the Director of the Arms Control and Disarmament Agency" and inserting "and the Secretary of State"; and

(3) in section 602(c), by striking "the Arms Control and Disarmament Agency,".

(e) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) in section 5313, by striking "Director of the United States Arms Control and Disarmament Agency.";

(2) in section 5314, by striking "Deputy Director of the United States Arms Control and Disarmament Agency."; and

(3) in section 5315, by striking "Assistant Directors, United States Arms Control and Disarmament Agency (4).".

## TITLE III—UNITED STATES INFORMATION AGENCY

### CHAPTER 1—GENERAL PROVISIONS

**SEC. 301. EFFECTIVE DATE.**

(a) IN GENERAL.—Except as provided in subsection (b), this title, and the amendments made by this title, shall take effect—

(1) March 1, 1997; or

(2) on such earlier date as the President shall determine to be appropriate and announce by notice published in the Federal Register, which date may be not earlier than 60 calendar days (excluding any day on which either House of Congress is not in session because of an adjournment sine die) after the President has submitted a reorganization plan to the appropriate congressional committees pursuant to section 321.

(b) REORGANIZATION PLAN.—Section 321 shall take effect on the date of enactment of this Act.

### CHAPTER 2—ABOLITION OF UNITED STATES INFORMATION AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

**SEC. 311. ABOLITION OF UNITED STATES INFORMATION AGENCY.**

The United States Information Agency is abolished.

**SEC. 312. TRANSFER OF FUNCTIONS TO SECRETARY OF STATE.**

There are transferred to the Secretary of State all functions of the Director of the United States Information Agency and all functions of the United States Information Agency and any officer or component of such agency under any statute, reorganization plan, Executive order, or other provision of law before the effective date of this title, except as otherwise provided in this title.

### CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

**SEC. 321. REORGANIZATION PLAN.**

(a) SUBMISSION OF PLAN.—Not later than March 1, 1996, the President, in consultation with the Secretary and the Director of the United States Information Agency, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the United States Information Agency in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the United States Information Agency consistent with the provisions of this title; and

(3) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the United States Information Agency that will be transferred to the Department under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the United States Information Agency that will be transferred to the Department as a result of the transfer of functions of the Agency to the Department;

(6) specify the proposed allocations within the Department of unexpended funds transferred in connection with the transfer of functions under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency in connection with the transfer of the functions of the Agency to the Department.

(c) ASSISTANT SECRETARY POSITIONS.—The plan under subsection (a) shall provide for an appropriate number of Assistant Secretaries of State to carry out the functions transferred to the Department under this title.

**SEC. 322. PRINCIPAL OFFICERS.**

(a) UNDER SECRETARY OF STATE FOR PUBLIC DIPLOMACY.—

(1) ESTABLISHMENT.—Section 1(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(b) is amended—

(A) by striking "There" and inserting the following:

"(1) IN GENERAL.—There"; and

(B) by adding at the end the following:

"(2) UNDER SECRETARY FOR PUBLIC DIPLOMACY.—There shall be in the Department of State an Under Secretary for Public Diplomacy who shall have responsibility to assist the Secretary and the Deputy Secretary in the formation and implementation of United States public diplomacy policies and activities, including international educational and cultural exchange programs, information, and international broadcasting.".

(2) TRANSITION PROVISION.—The President may appoint the individual serving as Director of the United States Information Agency on the day before the effective date of this title, or such other official appointed by and with the advice and consent of the Senate and serving within the Department of State or the United States Information Agency as the President considers appropriate, to serve as the acting Under Secretary for Public Diplomacy until an individual is appointed to that office in accordance with section (1)(b)(1) of the State Department Basic Authorities Act of 1956, as amended by this Act.

(b) ASSISTANT SECRETARIES.—

(1) ESTABLISHMENT.—Section 1(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(c)) is amended by adding after paragraph (2) the following:

"(3) ASSISTANT SECRETARY FOR ACADEMIC PROGRAMS AND CULTURAL EXCHANGES.—There shall be in the Department of State an Assistant Secretary for Academic Programs and Cultural Exchanges who shall report to the Under Secretary for Public Diplomacy.

"(4) ASSISTANT SECRETARY FOR INFORMATION, POLICY, AND PROGRAMS.—There shall be in the Department of State an Assistant Secretary for Information, Policy, and Programs who shall report to the Under Secretary for Public Diplomacy.".

(2) TRANSITION PROVISION.—The President may appoint such officials appointed by and with the advice and consent of the Senate and serving within the Department of State or the United States Information Agency as the President considers appropriate to serve as the acting Assistant Secretary for Academic Programs and Cultural Exchanges and to serve as the acting Assistant Secretary for Information, Policy, and Programs until individuals are appointed to those offices in accordance with section 1(c)(1) of the State Department Basic Authorities Act of 1956, as amended by this Act.

### CHAPTER 4—CONFORMING AMENDMENTS

**SEC. 341. REFERENCES.**

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Director of the United States Information Agency, the Director of the International Communication Agency, or any other officer or employee of the United States Information Agency shall be deemed to refer to the Secretary of State; and

(2) the United States Information Agency, USIA, or the International Communication

Agency shall be deemed to refer to the Department of State.

**SEC. 342. ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE UNITED STATES INFORMATION AGENCY AND TRANSFER OF FUNCTIONS TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.**

(a) ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE USIA.—

(1) The Office of Inspector General of the United States Information Agency is abolished.

(2) Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in paragraph (1) by striking ", the Office of Personnel Management or the United States Information Agency" and inserting "or the Office of Personnel Management"; and

(B) in paragraph (2) by striking "the United States Information Agency,".

(3) Section 5315 of title 5, United States Code, is amended by striking the following:

"Inspector General, United States Information Agency.".

(b) FUNCTIONS OF OFFICE OF INSPECTOR GENERAL OF THE UNITED STATES INFORMATION AGENCY TRANSFERRED TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.—There are transferred to the Office of the Inspector General of the Department of State the functions that the Office of Inspector General of the United States Information Agency exercised before the effective date of this title (including all related functions of the Inspector General of the United States Information Agency).

(c) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—The Director of the Office of Management and Budget, in consultation with the Secretary of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section.

**SEC. 343. AMENDMENTS TO TITLE 5.**

Title 5, United States Code, is amended—

(1) in section 5313, by striking "Director of the United States Information Agency.";

(2) in section 5315, by striking "Deputy Director of the United States Information Agency."; and

(3) in section 5316, by striking "Deputy Director, Policy and Plans, United States Information Agency." and striking "Associate Director (Policy and Plans), United States Information Agency.".

**SEC. 344. AMENDMENTS TO UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948.**

(a) IN GENERAL.—Except as otherwise provided in this section, the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1431 et seq.) is amended—

(1) by striking "United States Information Agency" each place it appears and inserting "Department of State";

(2) by striking "Director of the United States Information Agency" each place it appears and inserting "Secretary of State";

(3) by striking "Director" each place it appears and inserting "Secretary of State";

(4) by striking "USIA" each place it appears and inserting "Department of State"; and

(5) by striking "Agency" each place it appears and inserting "Department of State".

(b) SATELLITE AND TELEVISION BROADCASTS.—Section 505 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1464a) is amended—

(1) by striking "Director of the United States Information Agency" each of the four places it appears and inserting "Secretary of State";

(2) in subsection (b), by striking "To be effective, the United States Information Agency" and inserting "To be effective in carrying out this subsection, the Department of State";

(3) by striking "USIA-TV" each place it appears and inserting "DEPARTMENT OF STATE-TV"; and

(4) by striking subsection (e).

(c) UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY.—Section 604 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1469) is amended—

(1) in subsection (c)(1)—

(A) by striking "the Director of the United States Information Agency,"; and

(B) by striking "Director or the Agency, and shall appraise the effectiveness of policies and programs of the Agency" and inserting "Secretary of State or the Department of State, and shall appraise the effectiveness of the information, educational, and cultural policies and programs of the Department";

(2) in subsection (c)(2)—

(A) in the first sentence by striking "the Secretary of State, and the Director of the United States Information Agency" and inserting "and the Secretary of State";

(B) in the second sentence by striking "by the Agency" and inserting "by the Department of State"; and

(C) by striking "Director for effectuating the purposes of the Agency" and inserting "Secretary for effectuating the information, educational, and cultural functions of the Department";

(3) in subsection (c)(3), by striking "programs conducted by the Agency" and inserting "information, educational, and cultural programs conducted by the Department of State"; and

(4) in subsection (c)(4), by striking "Director of the United States Information Agency" and inserting "Secretary of State".

**SEC. 345. AMENDMENTS TO THE MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961 (FULBRIGHT-HAYS ACT).**

(a) IN GENERAL.—The Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.) is amended by striking "Director of the International Communication Agency" and "Director" each place either term appears and inserting "Secretary of State".

(b) REPEAL OF DEFUNCT ADVISORY COMMISSIONS.—Section 106 of such Act (22 U.S.C. 2456) is amended by striking subsection (c).

(c) BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS.—Section 112 of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2460) is amended—

(1) by striking the first sentence of subsection (a);

(2) by striking "Bureau" each place it appears and inserting "Department of State"; and

(3) by striking subsection (e).

**SEC. 346. INTERNATIONAL BROADCASTING ACTIVITIES.**

(a) IN GENERAL.—Title III of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236) is amended—

(1) in section 305(b)(1), by striking "Agency's" and inserting "Department's";

(2) in section 306, by striking ", acting through the Director of the United States Information Agency," and inserting ", acting through the Under Secretary of State for Public Diplomacy,";

(3) by striking "Director of the United States Information Agency" each place it appears and inserting "Secretary of State";

(4) by striking all references to "United States Information Agency" that were not stricken in paragraph (3) and inserting "Department of State";

(5) by striking "Bureau" each place it appears and inserting "Office"; and

(6) in section 305(a)(1), by striking "title," and inserting "title (including activities of the Voice of America previously carried out by the United States Information Agency),".

(b) CONFORMING AMENDMENT TO TITLE 5.—Section 5315 of title 5, United States Code, is amended by striking "Director of the International Broadcasting Bureau, the United States Information Agency" and inserting "Director of the International Broadcasting Office, the Department of State".

**SEC. 347. TELEVISION BROADCASTING TO CUBA.**

(a) AUTHORITY.—Section 243(a) of the Television Broadcasting to Cuba Act (as contained in part D of title II of Public Law 101-246) (22 U.S.C. 1465bb(a)) is amended by striking "United States Information Agency (hereafter in this part referred to as the 'Agency')" and inserting "Department of State (hereafter in this part referred to as the 'Department')".

(b) TELEVISION MARTI SERVICE.—Section 244 of such Act (22 U.S.C. 1465cc) is amended—

(1) in subsection (a)—

(A) by amending the first sentence to read as follows: "The Secretary of State shall administer within the Voice of America the Television Marti Service."; and

(B) in the third sentence, by striking "Director of the United States Information Agency" and inserting "Secretary of State";

(2) in subsection (b)—

(A) in the subsection heading, by striking "USIA" and inserting "DEPARTMENT OF STATE",

(B) by striking "Agency facilities" and inserting "Department facilities"; and

(C) by striking "United States Information Agency Television Service" and inserting "Department of State Television Service"; and

(3) in subsection (c)—

(A) by striking "USIA AUTHORITY.—The Agency" and inserting "SECRETARY OF STATE AUTHORITY.—The Secretary of State"; and

(B) by striking "Agency" the second place it appears and inserting "Secretary of State".

(c) ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.—Section 246 of such Act (22 U.S.C. 1465dd) is amended—

(1) by striking "United States Information Agency" and inserting "Department of State"; and

(2) by striking "the Agency" and inserting "the Department".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 247(a) of such Act (22 U.S.C. 1465ee(a)) is repealed.

**SEC. 348. RADIO BROADCASTING TO CUBA.**

(a) FUNCTIONS OF THE DEPARTMENT OF STATE.—Section 3 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465a) is amended—

(1) in the section heading, by striking "UNITED STATES INFORMATION AGENCY" and inserting "DEPARTMENT OF STATE";

(2) in subsection (a), by striking "United States Information Agency (hereafter in this Act referred to as the 'Agency')" and inserting "Department of State (hereafter in this Act referred to as the 'Department')"; and

(3) in subsection (f), by striking "Director of the United States Information Agency" and inserting "Secretary of State".

(b) CUBA SERVICE.—Section 4 of such Act (22 U.S.C. 1465b) is amended—

(1) by amending the first sentence to read as follows: "The Secretary of State shall administer within the Voice of America the Cuba Service (hereafter in this section referred to as the 'Service')."; and

(2) in the third sentence, by striking "Director of the United States Information Agency" and inserting "Secretary of State".

(c) ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.—Section 6 of such Act (22 U.S.C. 1465d) is amended—

(1) in subsection (a)—

(A) by striking "United States Information Agency" and inserting "Department of State"; and

(B) by striking "the Agency" and inserting "the Department"; and

(2) in subsection (b)—

(A) by striking "The Agency" and inserting "The Department"; and

(B) by striking "the Agency" and inserting "the Secretary of State".

(d) FACILITY COMPENSATION.—Section 7 of such Act (22 U.S.C. 1465e) is amended—

(1) in subsection (b), by striking "the Agency" and inserting "the Department"; and

(2) in subsection (d), by striking "Agency" and inserting "Department".

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 8 of such Act (22 U.S.C. 1465f) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a) The amount obligated by the Department of State each fiscal year to carry out this Act shall be sufficient to maintain broadcasts to Cuba under this Act at rates no less than the fiscal year 1985 level of obligations by the former United States Information Agency for such broadcasts."; and

(2) by redesignating subsection (c) as subsection (b).

**SEC. 349. NATIONAL ENDOWMENT FOR DEMOCRACY.**

(a) GRANTS.—Section 503 of Public Law 98-164, as amended (22 U.S.C. 4412) is amended—

(1) in subsection (a)—

(A) by striking "Director of the United States Information Agency" and inserting "Secretary of State";

(B) by striking "the Agency" and inserting "the Department of State"; and

(C) by striking "the Director" and inserting "the Secretary of State"; and

(2) in subsection (b), by striking "United States Information Agency" and inserting "Department of State".

(b) AUDITS.—Section 504(g) of such Act (22 U.S.C. 4413(g)) is amended by striking "United States Information Agency" and inserting "Department of State".

(c) FREEDOM OF INFORMATION.—Section 506 of such Act (22 U.S.C. 4415) is amended—

(1) in subsection (b)—

(A) by striking "Director" each of the three places it appears and inserting "Secretary"; and

(B) by striking "of the United States Information Agency" and inserting "of State"; and

(2) in subsection (c)—

(A) in the subsection heading by striking "USIA" and inserting "DEPARTMENT OF STATE";

(B) by striking "Director" each of the three places it appears and inserting "Secretary";

(C) by striking "of the United States Information Agency" and inserting "of State"; and

(D) by striking "United States Information Agency" and inserting "Department of State".

**SEC. 350. UNITED STATES SCHOLARSHIP PROGRAM FOR DEVELOPING COUNTRIES.**

(a) PROGRAM AUTHORITY.—Section 603 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 4703) is amended by striking "United States Information Agency" and inserting "Department of State".

(b) GUIDELINES.—Section 604(11) of such Act (22 U.S.C. 4704(11)) is amended by striking "United States Information Agency" and inserting "Department of State".

(c) POLICY REGARDING OTHER INTERNATIONAL EDUCATIONAL PROGRAMS.—Section 606(b) of such Act (22 U.S.C. 4706(b)) is amended—

(1) in the subsection heading, by striking "USIA" and inserting "STATE DEPARTMENT"; and

(2) by striking "Director of United States Information Agency" and inserting "Secretary of State".

(d) GENERAL AUTHORITIES.—Section 609(e) of such Act (22 U.S.C. 4709(e)) is amended by striking "United States Information Agency" and inserting "Department of State".

**SEC. 351. FASCELL FELLOWSHIP BOARD.**

Section 1003(b) of the Fascell Fellowship Act (22 U.S.C. 4902(b)) is amended—

(1) in the text above paragraph (1), by striking "9 members" and inserting "8 members";

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

**SEC. 352. NATIONAL SECURITY EDUCATION BOARD.**

Section 803 of the Intelligence Authorization Act, Fiscal Year 1992 (50 U.S.C. 1903(b)) is amended—

(1) in subsection (b)—

(A) by striking paragraph (6); and

(B) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7); and

(2) in subsection (c), by striking "subsection (b)(7)" and inserting "subsection (b)(6)".

**SEC. 353. CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN NORTH AND SOUTH.**

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2075) is amended by striking "Director of the United States Information Agency" each place it appears and inserting "Secretary of State".

**SEC. 354. EAST-WEST CENTER.**

(a) DUTIES.—Section 703 of the Mutual Security Act of 1960 (22 U.S.C. 2055) is amended—

(1) in the text above paragraph (1), by striking "Director of the United States Information Agency (hereinafter referred to as the 'Director')" and inserting "Secretary of State (hereinafter referred to as the 'Secretary')"; and

(2) in paragraph (1), by striking "establishment and".

(b) ADMINISTRATION.—Section 704 of such Act (22 U.S.C. 2056) is amended—

(1) by striking "Director of the United States Information Agency" and inserting "Secretary of State"; and

(2) by striking "Director" each place it appears and inserting "Secretary".

**SEC. 355. MISSION OF THE DEPARTMENT OF STATE.**

Section 202 of the Foreign Relations Authorization Act, Fiscal Year 1979 (22 U.S.C. 1461-1) is amended—

(1) in the first sentence, by striking "mission of the International Communication Agency" and inserting "mission of the Department of State in carrying out its information, educational, and cultural functions";

(2) in the second sentence, in the text above paragraph (1), by striking "International Communication Agency" and inserting "Department of State";

(3) in paragraph (1)(B), by striking "Agency" and inserting "Department"; and

(4) in paragraph (5), by striking "mission of the Agency" and inserting "mission described in this section".

**SEC. 356. CONSOLIDATION OF ADMINISTRATIVE SERVICES.**

Section 23(a) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2695(a)) is amended—

(1) by striking "(including" and all that follows through "Agency)"; and

(2) by striking "other such agencies" and inserting "other Federal agencies".

**SEC. 357. GRANTS.**

Section 212 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 1475h) is amended—

(1) in subsection (a), by striking "United States Information Agency" and inserting "Department of State, in carrying out its international information, educational, and cultural functions,";

(2) in subsection (b), by striking "United States Information Agency" and inserting "Department of State";

(3) in subsection (c)—

(A) in paragraph (1), by striking "United States Information Agency shall substantially comply with United States Information Agency" and inserting "Department of State, in carrying out its international information, educational, and cultural functions, shall substantially comply with Department of State"; and

(B) in paragraphs (2) and (3)—

(i) by striking "United States Information Agency" and inserting "Department of State"; and

(ii) by striking "Agency" each of the places it appears and inserting "Department"; and

(4) by striking subsection (d).

**SEC. 358. BAN ON DOMESTIC ACTIVITIES.**

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461-1a) is amended—

(1) by striking out "United States Information Agency" each of the two places it appears and inserting "Department of State"; and

(2) by inserting "in carrying out its international information, educational, and cultural activities" before "shall be distributed".

**SEC. 359. CONFORMING REPEAL TO THE ARMS CONTROL AND DISARMAMENT ACT.**

Section 34(b) of the Arms Control and Disarmament Act (22 U.S.C. 2574(b)) is repealed.

**SEC. 360. REPEAL RELATING TO PROCUREMENT OF LEGAL SERVICES.**

Section 26(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2698(b)) is repealed.

**SEC. 361. REPEAL RELATING TO PAYMENT OF SUBSISTENCE EXPENSES.**

Section 32 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2704) is amended by striking the second sentence.

**SEC. 362. CONFORMING AMENDMENT TO THE SEED ACT.**

Section 2(c) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401(c)) is amended in paragraph (17) by striking "United States Information Agency" and inserting "Department of State".

**SEC. 363. INTERNATIONAL CULTURAL AND TRADE CENTER COMMISSION.**

Section 7(c) of the Federal Triangle Development Act (40 U.S.C. 1106(c)) is amended—

(1) in the text above subparagraph (A), by striking "15 members" and inserting "14 members";

(2) by striking subparagraph (F); and

(3) by redesignating subparagraphs (G) through (J) as subparagraphs (F) through (I), respectively.

**SEC. 364. FOREIGN SERVICE ACT OF 1980.**

(a) OTHER AGENCIES UTILIZING SERVICE.—Section 202(a) of the Foreign Service Act of 1980 (22 U.S.C. 3922(a)) is amended by striking paragraph (1).

(b) BOARD OF THE FOREIGN SERVICE.—Section 210 of such Act (22 U.S.C. 3930) is amended by striking "the United States Information Agency, the United States International Development Cooperation Agency,".

**SEC. 365. AU PAIR PROGRAMS.**

Section 8 of the Eisenhower Exchange Fellowship Act of 1990 (Public Law 101-454) is amended by striking "Director of the United States Information Agency" and inserting "Secretary of State".

**SEC. 366. EXCHANGE PROGRAM WITH COUNTRIES IN TRANSITION FROM TOTALITARIANISM TO DEMOCRACY.**

Section 602 of the National and Community Service Act of 1990 (22 U.S.C. 2452a) is amended—

(1) in the second sentence of subsection (a), by striking "United States Information Agency" and inserting "Department of State"; and

(2) in subsection (b)—

(A) by striking "appropriations account of the United States Information Agency" and inserting "appropriate appropriations account of the Department of State"; and

(B) by striking "and the United States Information Agency".

**SEC. 367. EDMUND S. MUSKIE FELLOWSHIP PROGRAM.**

Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note) is amended—

(1) by striking "United States Information Agency" and inserting "Department of State"; and

(2) by striking subsection (d).

**SEC. 368. IMPLEMENTATION OF CONVENTION ON CULTURAL PROPERTY.**

Title III of the Convention on Cultural Property Implementation Act (19 U.S.C. 2601 et seq.) is amended by striking "Director of the United States Information Agency" each place it appears and inserting "Secretary of State".

**SEC. 369. MIKE MANSFIELD FELLOWSHIPS.**

Section 252(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6101(a)) is amended by striking "Director of the United States Information Agency" and inserting "Secretary of State".

## TITLE IV—AGENCY FOR INTERNATIONAL DEVELOPMENT

## CHAPTER 1—GENERAL PROVISIONS

**SEC. 401. EFFECTIVE DATE.**

(a) IN GENERAL.—Except as provided in subsection (b), this title, and the amendments made by this title, shall take effect—

(1) on March 1, 1997; or

(2) on such earlier date as the President shall determine to be appropriate and announce by notice published in the Federal Register, which date may be not earlier than 60 calendar days (excluding any day on which either House of Congress is not in session because of an adjournment sine die) after the President has submitted a reorganization plan to the appropriate congressional committees pursuant to section 421.

(b) REORGANIZATION PLAN.—Section 421 shall take effect on the date of enactment of this Act.

**SEC. 402. REFERENCES IN TITLE.**

Except as specifically provided in this title, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision, the reference shall be considered to be made to a provision of the Foreign Assistance Act of 1961.

## CHAPTER 2—ABOLITION OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

**SEC. 411. ABOLITION OF AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE INTERNATIONAL DEVELOPMENT COOPERATION AGENCY.**

The Agency for International Development and the International Development Cooperation Agency are abolished.

**SEC. 412. TRANSFER OF FUNCTIONS TO SECRETARY OF STATE.**

There are transferred to the Secretary of State all functions of the Administrator of the Agency for International Development and the Director of the International Development Cooperation Agency and all functions of the Agency for International Development and the International Development Cooperation Agency and any officer or component of such agencies under any statute, reorganization plan, Executive order, or other provision of law before the effective date of this title, except as otherwise provided in this title.

## CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

**SEC. 421. REORGANIZATION PLAN.**

(a) SUBMISSION OF PLAN.—Not later than March 1, 1996, the President, in consultation with the Secretary and the Administrator of the Agency for International Development, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the Agency for International Development in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the Agency for International Development consistent with the provisions of this title; and

(3) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the Agency for International Development that will be transferred to the Department under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the Agency for International Development that will be transferred to the Department under this title as a result of the transfer of functions of the Agency to the Department;

(6) specify the proposed allocations within the Department of unexpended funds transferred in connection with the transfer of functions under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency in connection with the transfer of the functions of the Agency to the Department.

(c) ASSISTANT SECRETARY POSITIONS.—The plan under subsection (a) shall provide for an appropriate number of Assistant Secretaries of State to carry out the functions transferred to the Department under this title.

**SEC. 422. PRINCIPAL OFFICERS.**

(a) UNDER SECRETARY OF STATE FOR DEVELOPMENT AND ECONOMIC AFFAIRS.—

(1) ESTABLISHMENT.—Section 1(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(b)) is amended by adding after paragraph (2) the following new paragraph:

"(3) UNDER SECRETARY FOR DEVELOPMENT AND ECONOMIC AFFAIRS.—There shall be in the Department of State an Under Secretary for Development and Economic Affairs who shall assist the Secretary and the Deputy Secretary in the formation and implementation of United States policies and activities concerning international development and economic affairs.".

(b) TRANSITION PROVISION.—The President may appoint the individual serving as Administrator of the Agency for International Development on the day before the effective date of this title, or such other official appointed by and with the advice and consent of the Senate and serving within the Department of State or the Agency for International Development as the President considers appropriate, to serve as the acting Under Secretary for Development and Economic Affairs until an individual is appointed to that office in accordance with section 1(b)(1) of the State Department Basic Authorities Act of 1956, as amended by this Act.

## CHAPTER 4—CONFORMING AMENDMENTS

**SEC. 441. REFERENCES.**

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Administrator of the Agency for International Development, or any other officer or employee of the Agency for International Development shall be deemed to refer to the Secretary of State;

(2) the Director or any other officer or employee of the International Development Cooperation Agency (IDCA) shall be deemed to refer to the Secretary of State; or

(3) the Agency for International Development, AID, the agency primarily responsible

for administering part I of the Foreign Assistance Act of 1961, or the International Development Cooperation Agency (IDCA) shall be deemed to refer to the Department of State.

**SEC. 442. ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.**

(a) ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—The Office of Inspector General of the Agency for International Development is abolished.

(b) AMENDMENTS TO THE INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended as follows:

(1) Section 8A is repealed.

(2) Section 11(1) is amended by striking "the Administrator of the Agency for International Development,".

(3) Section 11(2) is amended by striking "the Agency for International Development,".

(c) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking the following: "Inspector General, Agency for International Development.".

(d) FUNCTIONS OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT TRANSFERRED TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.—There are transferred to the Office of Inspector General of the Department of State the functions that the Office of Inspector General of the Agency for International Development exercised before the effective date of this title (including all related functions of the Inspector General of the Agency for International Development).

(e) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—The Inspector General of the Department of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section.

**SEC. 443. ABOLITION OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO CHIEF FINANCIAL OFFICER DEPARTMENT OF STATE.**

(a) ABOLITION OF OFFICE OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—The Office of Chief Financial Officer of the Agency for International Development is abolished.

(b) AMENDMENT TO TITLE 31, UNITED STATES CODE.—Section 901(b)(2) of title 31, United States Code, is amended by striking subparagraph (A).

(c) FUNCTIONS OF OFFICE OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT TRANSFERRED TO OFFICE OF CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF STATE.—There are transferred to the Office of Chief Financial Officer of the Department of State the functions that the Office of Chief Financial Officer of the Agency for International Development exercised before the effective date of this title (including all related functions of the Chief Financial Officer of the Agency for International Development).

(d) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—The Director of the Office of Management and Budget, in consultation with the Secretary of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section.

**SEC. 444. AMENDMENTS TO TITLE 5, UNITED STATES CODE.**

Title 5, United States Code, is amended—

(1) in section 5313, by striking "Administrator, Agency for International Development.";

(2) in section 5314, by striking "Deputy Administrator, Agency for International Development.";

(3) in section 5315—

(A) by striking "Assistant Administrators, Agency for International Development (6).";

and

(B) by striking "Regional Assistant Administrators, Agency for International Development (4)."; and

(4) in section 5316 by striking "General Counsel of the Agency for International Development.".

**SEC. 445. PUBLIC LAW 480 PROGRAM.**

The Agricultural Trade Development and Assistance Act of 1954 (Public Law 83-480; 7 U.S.C. 1691 et seq.) is amended by striking "Administrator" each place it appears and inserting "Under Secretary of State for Development and Economic Affairs".

## TITLE V—TRANSITION

**SEC. 501. REORGANIZATION AUTHORITY.**

(a) IN GENERAL.—The Secretary is authorized, subject to the requirements of this division, to allocate or reallocate any function transferred to the Department under any title of this division among the officers of the Department, and to establish, consolidate, alter, or discontinue such organizational entities within the Department as may be necessary or appropriate to carry out any reorganization under this division, but the authority of the Secretary under this section does not extend to—

(1) the abolition of organizational entities or officers established by this Act or any other Act; or

(2) the alteration of the delegation of functions to any specific organizational entity or officer required by this Act or any other Act.

(b) REQUIREMENTS AND LIMITATIONS ON REORGANIZATION PLANS.—A reorganization plan pursuant to any title of this division may not have the effect of—

(1) creating a new executive department;

(2) continuing a function beyond the period authorized by law for its exercise or beyond the time when it would have terminated if the reorganization had not been made;

(3) authorizing an agency to exercise a function which is not authorized by law at the time the plan is transmitted to Congress;

(4) creating a new agency which is not a component or part of an existing executive department or independent agency; or

(5) increasing the term of an office beyond that provided by law for the office.

**SEC. 502. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.**

(a) IN GENERAL.—Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions and offices, or portions thereof transferred by any title of this division, subject to section 1531 of title 31, United States Code, shall be transferred to the Secretary for appropriate allocation.

(b) LIMITATION ON USE OF TRANSFERRED FUNDS.—Unexpended and unobligated funds transferred pursuant to any title of this division shall be used only for the purposes for which the funds were originally authorized and appropriated.

(c) AUTHORIZED STRENGTH OF THE FOREIGN SERVICE.—When an agency is abolished under this division, the limitations for fiscal years 1996 and 1997 under section 2351 of this Act on the members of the Foreign Service authorized to be employed by such agency shall be added to the limitations under such section which apply to the Department of State.

**SEC. 503. INCIDENTAL TRANSFERS.**

The Director of the Office of Management and Budget, in consultation with the Secretary of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of any title of this division. The Director of the Office of Management and Budget, in consultation with the Secretary of State, shall provide for the termination of the affairs of all entities terminated by this division and for such further measures and dispositions as may be necessary to effectuate the purposes of any title of this division.

**SEC. 504. EFFECT ON PERSONNEL.**

(a) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this division, any person who, on the day preceding the date of the abolition of an agency the functions of which are transferred under any title of this division, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Department to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(b) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by any title of this division, shall terminate on the effective date of that title.

(c) EXCEPTED SERVICE.—(1) Subject to paragraph (2), in the case of employees occupying positions in the excepted service or the Senior Executive Service, any appointment authority established pursuant to law or regulations of the Office of Personnel Management for filling such positions shall be transferred.

(2) The Department of State may decline a transfer of authority under paragraph (1) (and the employees appointed pursuant thereto) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policy-making, policy-determining, or policy-advocating character, and noncareer positions in the Senior Executive Service (within the meaning of section 3132(a)(7) of title 5, United States Code).

(d) EMPLOYEE BENEFIT PROGRAMS.—(1) Any employee accepting employment with the Department of State as a result of a transfer pursuant to any title of this division may retain for 1 year after the date such transfer occurs membership in any employee benefit program of the former agency, including insurance, to which such employee belongs on the date of the enactment of this Act if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Secretary of State.

(2) The difference in the costs between the benefits which would have been provided by such agency or entity and those provided by this section shall be paid by the Secretary of State. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by the Secretary of State, the employee shall be permitted to select an alternate Federal health insurance program within 30 days of such election or notice, without regard to any other regularly scheduled open season.

(e) SENIOR EXECUTIVE SERVICE.—Any employee in the career Senior Executive Service who is transferred pursuant to any title of this division shall be placed in a position at the Department of State which is comparable to the position the employee held in the agency.

(f) ASSIGNMENTS.—(1) Transferring employees shall be provided reasonable notice of new positions and assignments prior to their transfer pursuant to any title of this division.

(2) Foreign Service personnel transferred to the Department of State pursuant to any title of this division shall be eligible for any assignment open to Foreign Service personnel within the Department for which such transferred personnel are qualified.

(g) TREATMENT OF PERSONNEL EMPLOYED IN TERMINATED FUNCTIONS.—The provisions of this subsection shall apply with respect to officers and employees of the agencies identified in section 505(b) whose employment is terminated as a result of the abolition of the agency or the reorganization and consolidation of functions of the Department of State under any title of this division:

(1) Under such regulations as the Office of Personnel Management may prescribe, the head of any agency in the executive branch may appoint in the competitive service any person who is certified by the head of the former agency as having served satisfactorily in the former agency and who passes such examination as the Office of Personnel Management may prescribe. Any person so appointed shall, upon completion of the prescribed probationary period, acquire a competitive status.

(2) The head of any agency in the executive branch having an established merit system in the excepted service may appoint in such service any person who is certified by the head of the former agency as having served satisfactorily in the former agency and who passes such examination as the head of such agency in the executive branch may prescribe.

(3) Any appointment under this subsection shall be made within a period of one year after completion of the appointee's service in the former agency.

(4) Any law, Executive order, or regulation which would disqualify an applicant for appointment in the competitive service or in the excepted service concerned shall also disqualify an applicant for appointment under this subsection.

**SEC. 505. VOLUNTARY SEPARATION INCENTIVES.**

(a) AUTHORITY TO PAY INCENTIVES.—The head of an agency referred to in subsection (b) may pay voluntary incentive payments to employees of the agency in order to avoid or minimize the need for involuntary separations from the agency as a result of the abolition of the agency and the reorganization and consolidation of functions of the Department of State under any title of this division.

(b) COVERED AGENCIES.—Subsection (a) applies to the following agencies:

(1) The Department of State.

(2) The United States Arms Control and Disarmament Agency.

(3) The United States Information Agency.

(4) The Agency for International Development.

(c) PAYMENT REQUIREMENTS.—The head of an agency shall pay voluntary separation incentive payments in accordance with the provisions of section 3 of the Federal Workforce Restructuring Act of 1994 (Public Law 103-226; 108 Stat. 111), except that an employee of the agency shall be deemed to be eligible for payment of a voluntary separation incentive payment under that section if the employee separates from service with the agency during the period beginning on the date of enactment of this Act and ending—

(1) in the case of an agency referred to in paragraph (2), (3), or (4) of subsection (b), on the date of the abolition of that agency under this division; and

(2) in the case of the Department of State, on September 30, 1997.

(d) TERMINATION OF AUTHORITY.—The authority of the head of an agency to authorize payment of voluntary separation incentive payments under this section shall expire on—

(1) in the case of an agency referred to in paragraph (2), (3), or (4) of subsection (b), on the date of the abolition of that agency under this division; and

(3) in the case of the Department of State, September 30, 1997.

(e) BUDGET ACT COMPLIANCE.—Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this section shall be effective for any fiscal year only to the extent or in such amounts as are provided in advance in appropriations Acts.

(f) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—An employee who has received a voluntary separation incentive payment under this section and accepts employment with the Government of the United States within 5 years after the date of the separation on which the payment is based shall be required to repay the entire amount of the incentive payment to the agency that paid the incentive payment.

(g) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, in fiscal years 1996, 1997, and 1998 each agency under subsection (b) of this section shall, before the end of each such fiscal year, remit to the Office of Personnel Management for deposit in the Treasury of the United States for credit of the Civil Service Retirement and Disability Fund an amount equal to the product of—

(A) the number of employees of such agency who, as of March 31st of such fiscal year, are subject to subchapter III of chapter 83 or chapter 84 of such title; multiplied by

(B) $80.

(2) REGULATIONS.—The Director of the Office of Personnel Management may prescribe any regulations necessary to carry out this subsection.

**SEC. 506. SAVINGS PROVISIONS.**

(a) CONTINUING LEGAL FORCE AND EFFECT.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(1) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions that are transferred under any title of this division; and

(2) that are in effect at the time such title takes effect, or were final before the effective date of such title and are to become effective on or after the effective date of such title,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) PENDING PROCEEDINGS.—(1) The provisions of any title of this division shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending on the effective date of any title of this division before any department, agency, commission, or component thereof, functions of which are transferred by any title of this division. Such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued.

(2) Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted. Orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law.

(3) Nothing in this Act shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(4) The Secretary is authorized to promulgate regulations providing for the orderly transfer of proceedings continued under this subsection to the Department.

(c) NO EFFECT ON JUDICIAL PROCEEDINGS.—Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the effective date of this Act, and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) NON-ABATEMENT OF PROCEEDINGS.—No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer of any department or agency, functions of which are transferred by any title of this division, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by any title of this division, or by or against any officer thereof in the official capacity of such officer shall abate by reason of the enactment of this Act.

(e) CONTINUATION OF PROCEEDING WITH SUBSTITUTION OF PARTIES.—If, before the date on which any title of this division takes effect, any department or agency, or officer thereof in the official capacity of such officer, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Secretary or any other official of the Department, then such suit shall be continued with the Secretary or other appropriate official of the Department substituted or added as a party.

(f) REVIEWABILITY OF ORDERS AND ACTIONS UNDER TRANSFERRED FUNCTIONS.—Orders and actions of the Secretary in the exercise of functions transferred under any title of this division shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by any title of this division shall apply to the exercise of such function by the Secretary.

**SEC. 507. PROPERTY AND FACILITIES.**

The Secretary of State shall review the property and facilities transferred to the Department under this division to determine whether such property and facilities are required by the Department.

**SEC. 508. AUTHORITY OF SECRETARY TO FACILITATE TRANSITION.**

Prior to, or after, any transfer of a function under any title of this division, the Secretary is authorized to utilize—

(1) the services of such officers, employees, and other personnel of an agency with respect to functions that will be or have been transferred to the Department by any title of this division; and

(2) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of any title of this division.

**SEC. 509. RECOMMENDATIONS FOR ADDITIONAL CONFORMING AMENDMENTS.**

The Congress urges the President, in consultation with the Secretary of State and the heads of other appropriate agencies, to develop and submit to the Congress recommendations for such additional technical and conforming amendments to the laws of the United States as may be appropriate to reflect the changes made by this division.

**SEC. 510. FINAL REPORT.**

Not later than October 1, 1998, the President, in consultation with the Secretary of the Treasury and the Director of the Office of Management and Budget shall submit to the appropriate congressional committees a report which provides a final accounting of the finances and operations of the United States Arms Control and Disarmament Agency, the United States Information Agency, and the Agency for International Development.

**SEC. 511. SEVERABILITY.**

If a provision of this division or its application to any person or circumstance is held invalid, neither the remainder of this division nor the application of the provision to other persons or circumstances shall be affected.

## DIVISION B—FOREIGN RELATIONS AUTHORIZATIONS

## TITLE XX—GENERAL PROVISIONS

**SEC. 2001. SHORT TITLE.**

This division may be cited as the "Foreign Relations Authorization Act, Fiscal Years 1996 and 1997".

**SEC. 2002. DEFINITIONS.**

The following terms have the following meaning for the purposes of this division:

(1) The term "AID" means the Agency for International Development.

(2) The term "ACDA" means the United States Arms Control and Disarmament Agency.

(3) The term "appropriate congressional committees" means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(4) The term "Department" means the Department of State.

(5) The term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code.

(6) The term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(7) The term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(8) The term "Secretary" means the Secretary of State.

(9) The term "USIA" means the United States Information Agency.

## TITLE XXI—AUTHORIZATION OF APPROPRIATIONS FOR DEPARTMENT OF STATE AND CERTAIN INTERNATIONAL AFFAIRS FUNCTIONS AND ACTIVITIES

## CHAPER 1—AUTHORIZATIONS OF APPROPRIATIONS

**SEC. 2101. ADMINISTRATION OF FOREIGN AFFAIRS.**

(a) AUTHORIZATION OF APPROPRIATIONS.—The following amounts are authorized to be appropriated for the Department of State under "Administration of Foreign Affairs" to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law, including the diplomatic security program:

(1) DIPLOMATIC AND CONSULAR PROGRAMS.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For "Diplomatic and Consular Programs", of the Department of State $1,728,797,000 for the fiscal year 1996 and $1,676,903,000 for the fiscal year 1997.

(B) LIMITATION.—Of the amounts authorized to be appropriated by subparagraph (A), $5,000,000 for fiscal year 1996 and $5,000,000 for fiscal year 1997 are authorized to be appropriated only for the purpose of processing immigrant visas for persons who are outside their countries of nationality, have asserted a fear of returning to their countries of nationality and a credible basis for such fear, and for whom immigrant visas are currently available.

(2) SALARIES AND EXPENSES.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For "Salaries and Expenses", of the Department of State $366,276,000 for the fiscal year 1996 and $355,287,000 for the fiscal year 1997.

(B) LIMITATION.—Of the amounts authorized to be appropriated by subparagraph (A), $11,900,000 for fiscal year 1996 and $11,900,000 for fiscal year 1997 are authorized to be appropriated only for salaries and expenses of the Bureau of Refugee and Migration Assistance.

(3) CAPITAL INVESTMENT FUND.—For "Capital Investment Fund", of the Department of State $20,000,000 for the fiscal year 1996 and $20,000,000 for the fiscal year 1997.

(4) ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD.—For "Acquisition and Maintenance of Buildings Abroad", $391,760,000 for the fiscal year 1996 and $391,760,000 for the fiscal year 1997.

(5) REPRESENTATION ALLOWANCES.—For "Representation Allowances", $4,780,000 for the fiscal year 1996 and $4,780,000 for the fiscal year 1997.

(6) EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE.—For "Emergencies in the Diplomatic and Consular Service", $6,000,000 for the fiscal 1996 and $6,000,000 for the fiscal year 1997.

(7) OFFICE OF THE INSPECTOR GENERAL.—For "Office of the Inspector General", $23,469,000 for the fiscal year 1996 and $23,469,000 for the fiscal year 1997.

(8) PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN.—For "Payment to the American Institute in Taiwan", $15,165,000 for the fiscal year 1996 and $14,710,000 for the fiscal year 1997.

(9) PROTECTION OF FOREIGN MISSIONS AND OFFICIALS.—For "Protection of Foreign Missions and Officials", $9,579,000 for the fiscal year 1996 and $9,579,000 for the fiscal year 1997.

(10) REPATRIATION LOANS.—For "Repatriation Loans", $776,000 for the fiscal year 1996 and $776,000 for the fiscal year 1997, for administrative expenses.

**SEC. 2102. INTERNATIONAL ORGANIZATIONS, PROGRAMS, AND CONFERENCES.**

(a) ASSESSED CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.—There are authorized to be appropriated for "Contributions to International Organizations", $873,505,000 for the fiscal year 1996 and $867,050,000 for the fiscal year 1997 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international organizations and to carry out other authorities in law consistent with such purposes.

(b) VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for "Voluntary Contributions to International Organizations", $309,375,000 for the fiscal year 1996 and $302,902,000 for the fiscal year 1997.

(2) LIMITATIONS.—

(A) UNICEF.—

(i) Of the amounts authorized to be appropriated under paragraph (1), $103,000,000 for fiscal year 1996 and $103,000,000 for fiscal year 1997 is authorized to be appropriated only for the United Nations Children's Fund (UNICEF).

(ii) For fiscal year 1996, not more than 25 percent of the amount under clause (i) may be made available to the United Nations Children's Fund (UNICEF) until 30 days after the submission to Congress of the report required by section 2523.

(B) INTERNATIONAL ATOMIC ENERGY AGENCY.—

(i) Of the amounts authorized to be appropriated under paragraph (1), $43,000,000 for each of fiscal years 1996 and 1997 is authorized to be appropriated only for the International Atomic Energy Agency (IAEA).

(ii) Amounts under clause (i) are authorized to be made available to the International Atomic Energy Agency only if the Secretary determines and reports to the appropriate congressional committees that Israel is not being denied its right to participate in the activities of the International Atomic Energy Agency.

(C) WAR CRIMES TRIBUNAL FOR THE FORMER YUGOSLAVIA.—Of the amounts authorized to be appropriated under paragraph (1), $15,000,000 for fiscal year 1996 and $15,000,000 for fiscal year 1997, or 25 percent of the budget for the tribunal for each such fiscal year,

whichever amount is less, are authorized to be made available for the United Nations Voluntary Fund for the United Nations International Criminal Tribunal for the Former Yugoslavia, located at The Hague, Netherlands.

(D) WORLD FOOD PROGRAM.—Of the amounts authorized to be appropriated under paragraph (1), $5,000,000 for fiscal year 1996 and $5,000,000 for fiscal year 1997 are authorized to be appropriated only for the World Food Program.

(E) UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE.—Of the amounts authorized to be appropriated under paragraph (1) $1,500,000 for fiscal year 1996 and $3,000,000 for fiscal year 1997 are authorized to be appropriated only for the United Nations Voluntary Fund for Victims of Torture.

(F) UNITED NATIONS POPULATION FUND.—

(i) Of the amounts authorized to be appropriated under paragraph (1) not more than $25,000,000 for each of the fiscal years 1996 and 1997 shall be available for the United Nations Population Fund (UNFPA).

(ii) Of the amount made available for the United Nations Population Fund under clause (i)—

(I) for fiscal year 1996, not more than 50 percent of such amount may be disbursed to the Fund before March 1, 1996; and

(II) for fiscal year 1997, not more than 50 percent of such amount may be disbursed to the Fund before March 1, 1997.

(iii) Notwithstanding any other provision of law, none of the funds made available for the United Nations Population Fund shall be available for the United States proportionate share for activities in the People's Republic of China.

(iv)(I) Not later than February 15, 1996, and February 15, 1997, the Secretary of State shall submit a report indicating the amount that the United Nations Population Fund is budgeting for activities in the People's Republic of China for 1996 or 1997, as appropriate, to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(II) Before March 1, for each of the fiscal years 1996 and 1997, if the United Nations Population Fund is budgeting an amount in excess of $7,000,000 for activities in the People's Republic of China, a sum equal to the amount in excess of $7,000,000 shall be deducted from amounts otherwise available for payment to the United Nations Population Fund.

(v) Amounts made available for the United Nations Population Fund under clause (i) may only be paid to the Fund if—

(I) the Fund maintains such amounts in a separate account from other funds; and

(II) the Fund does not commingle amounts provided under clause (i) with other funds.

(G) ORGANIZATION FOR AMERICAN STATES.—Of the amounts authorized to be appropriated under paragraph (1), $15,000,000 for fiscal year 1996 and $15,000,000 for fiscal year 1997 are authorized to be appropriated only for the Organization for American States.

(H) LIMITATION CONCERNING USE OF FUNDS UNDER SECTION 307 OF THE FOREIGN ASSISTANCE ACT OF 1961.—Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated under paragraph (1) are authorized to be appropriated for the United States proportionate share, in accordance with section 307(c) of the Foreign Assistance Act of 1961, for any programs identified in section 307, or for Libya, Iran, or any Communist country listed in section 620(f) of the Foreign Assistance Act of 1961.

(I) UNITED NATIONS DEVELOPMENT PROGRAM.—

(i) TOTAL LIMITATION.—Of the amounts authorized to be appropriated under paragraph (1), for each of the fiscal years 1996 and 1997 not to exceed $70,000,000 shall be available for the United Nations Development Program.

(ii) BURMA.—

(I) Subject to subclauses (II) and (III), for each of the fiscal years 1996 and 1997 none of the funds made available for United Nations Development Program (or United Nations Development Program—Administered Funds) shall be available for programs and activities in or for Burma.

(II) Of the amount made available for United Nations Development Program (and United Nations Development Program—Administered Funds) for fiscal year 1996, $18,200,000 of such amount shall be disbursed only if the President certifies to the Congress that the United Nations Development Program has terminated its activities in and for Burma.

(III) Of the amount made available for United Nations Development Program (and United Nations Development Program—Administered Funds) for fiscal year 1997, $25,480,000 shall be disbursed only if the President certifies to the Congress that the United Nations Development Program has terminated its activities in and for Burma.

(3) AVAILABILITY OF FUNDS.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.

(c) ASSESSED CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for "Contributions for International Peacekeeping Activities", $445,000,000 for the fiscal year 1996 and $345,000,000 for the fiscal year 1997 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international peacekeeping activities and to carry out other authorities in law consistent with such purposes.

(2) LIMITATION.—None of the funds authorized to be appropriated under paragraph (1) may be made available for contributions to the United Nations Protection Force unless the President determines and reports to the Congress during the calendar year in which the funds are to be provided that—

(A) the Government of Bosnia and Herzegovina supports the continued presence of the United Nations Protection Force within its territory;

(B) the United Nations Protection Force is effectively carrying out its mandate under United Nations Security Council resolutions 761, 776, 781, 786, and 836, and is effectively encouraging compliance with United Nations Security Council resolutions 752, 757, 770, 771, 787, 820, and 824.

(C) the United Nations Protection Force is providing full cooperation and support consistent with its mandate to the efforts of the United Nations War Crimes Tribunal for the former Yugoslavia to investigate war crimes and to apprehend and prosecute suspected war criminals;

(D) the United Nations Protection Force is providing full cooperation and support consistent with its mandate to United States diplomatic, military, and relief personnel in Bosnia; and

(E) the United Nations Protection Force has investigated and taken appropriate action against any United Nations Protection Force personnel or units suspected of participating in illegal or improper activities, such as black marketeering, embezzlement, expropriation of property, and assaults on civilians.

(d) PEACEKEEPING OPERATIONS.—There are authorized to be appropriated for "Peacekeeping Operations", $68,260,000 for the fiscal year 1996 and $68,260,000 for the fiscal year 1997 for the Department of State to carry out section 551 of Public Law 87–195.

(e) INTERNATIONAL CONFERENCES AND CONTINGENCIES.—

(1) GENERAL PROVISION.—There are authorized to be appropriated for "International Conferences and Contingencies", $5,000,000 for the fiscal year 1996 and $6,000,000 for the fiscal year 1997 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international conferences and contingencies and to carry out other authorities in law consistent with such purposes.

(2) CONDITIONAL AUTHORITY.—

(A) Subject to subparagraph (B), in addition to such amounts as are authorized to be appropriated under paragraph (1), there is authorized to be appropriated for "International Conferences and Contingencies", $1,000,000 for the fiscal year 1996 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international conferences and contingencies and to carry out other authorities in law consistent with such purposes.

(B) The authorization of appropriations under subparagraph (A) shall take effect only after the Secretary of State certifies to the appropriate congressional committees with respect to any United Nations Fourth Conference on Women that is held in Beijing that—

(i) no funds of the Department of State were expended for travel by any United States official or delegate to the Fourth World Conference on Women, to be held in Beijing, August and September 1995, or

(ii)(I) that the United States vigorously urged the United Nations to grant accreditation to a wide range of nongovernmental organizations, including United States-based groups representing Taiwanese and Tibetan women, in accordance with relevant international standards and precedents;

(II) that the United States pressed the Government of China to issue visas equitably to representatives of accredited nongovernmental organizations;

(III) that the United States encouraged the Government of China and the United Nations to provide the accredited nongovernmental organizations with access to the main conference site that is substantially equivalent in manner and degree to access afforded at previous major United Nations conferences;

(IV) that the United States delegation to the Fourth World Conference on Women vigorously and publicly supported access by representatives of accredited nongovernmental organizations to the conference, especially with respect to United States nongovernmental organizations;

(V) that the United States delegation to the Fourth World Conference on Women vigorously promoted universal respect for internationally recognized human rights, including the rights of women; and

(VI) that, if the goals of subparagraphs (I), (II), or (III) were not fully accomplished, the United States issued a formal, public, protest to the United Nations for such a departure from accepted international standards.

(f) FOREIGN CURRENCY EXCHANGE RATES.—In addition to amounts otherwise authorized to be appropriated by subsections (a) and (b) of this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1996 and 1997 to offset adverse fluctuations in foreign currency exchange rates. Amounts appropriated under this subsection shall be available for obligation and expenditure only to the extent that the Director of the Office of Management and Budget determines and certifies to Congress that such amounts are necessary due to such fluctuations.

**SEC. 2103. INTERNATIONAL COMMISSIONS.**

The following amounts are authorized to be appropriated under "International Commissions" for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO.—For "International Boundary and Water Commission, United States and Mexico"—

(A) for "Salaries and Expenses" $13,858,000 for the fiscal year 1996 and $12,472,000 for the fiscal year 1997; and

(B) for "Construction" $10,393,000 for the fiscal year 1996 and $9,353,000 for the fiscal year 1997.

(2) INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND CANADA.—For "International Boundary Commission, United States and Canada", $740,000 for the fiscal year 1996 and $666,000 for the fiscal year 1997.

(3) INTERNATIONAL JOINT COMMISSION.—For "International Joint Commission", $3,500,000 for the fiscal year 1996 and $3,195,000 for the fiscal year 1997.

(4) INTERNATIONAL FISHERIES COMMISSIONS.—For "International Fisheries Commissions", $14,669,000 for the fiscal year 1996 and $13,202,000 for the fiscal year 1997.

**SEC. 2104. MIGRATION AND REFUGEE ASSISTANCE.**

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) MIGRATION AND REFUGEE ASSISTANCE.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for "Migration and Refugee Assistance" for authorized activities, $560,000,000 for the fiscal year 1996 and $590,000,000 for the fiscal year 1997.

(B) LIMITATION.—None of the funds authorized to be appropriated by this section are authorized to be appropriated for salaries and administrative expenses of the Bureau of Migration and Refugee Assistance.

(2) REFUGEES RESETTLING IN ISRAEL.—There are authorized to be appropriated $80,000,000 for the fiscal year 1996 and $80,000,000 for the fiscal year 1997 for assistance for refugees resettling in Israel from other countries.

(3) HUMANITARIAN ASSISTANCE FOR DISPLACED BURMESE.—There are authorized to be appropriated $1,500,000 for the fiscal year 1996 and $1,500,000 for the fiscal year 1997 for humanitarian assistance, including but not limited to food, medicine, clothing, and medical and vocational training to persons displaced as a result of civil conflict in Burma, including persons still within Burma.

(4) RESETTLEMENT OF VIETNAMESE, LAOTIANS, AND CAMBODIANS.—There are authorized to be appropriated $30,000,000 for fiscal year 1996 for the admission and resettlement of persons who—

(A) are or were nationals and residents of Vietnam, Laos, or Cambodia;

(B) are within a category of aliens referred to in section 599D(b)(2)(C) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101–167); and

(C) are or were at any time after January 1, 1989, residents of refugee camps in Hong Kong, Thailand, Indonesia, Malaysia, or the Philippines.

(b) GENERAL LIMITATIONS.—None of the funds authorized to be appropriated by subsection (a) are authorized to be available for any program or activity that provides for, promotes, or assists in the repatriation of any person to Vietnam, Laos, or Cambodia, unless the President has certified that—

(1) all persons described in subsection (a)(4) who were residents of refugee camps as of July 1, 1995, have been offered resettlement outside their countries of nationality;

(2) all nationals of Vietnam, Laos, or Cambodia who were residents of refugee camps as of July 1, 1995, who are not persons described in subsection (a)(4) have, at any time after such date, either had access to a process for the determination of whether they are refugees, or been offered resettlement outside their countries of nationality; and

(3) the process referred to in paragraph (2) is genuinely calculated to determine whether each applicant is a refugee, and that the procedures, standards, and personnel employed in such process ensure that the risk of return to persecution is no greater than in the process available under United States law to persons physically present in the United States.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to subsection (a) are authorized to be available until expended.

(d) REFUGEE CAMP DEFINED.—For the purposes of this section, the term "refugee camp" means any place in which people who left Vietnam, Cambodia, or Laos are housed or held by a government or international organization, regardless of the designation of such place by such government or organization.

**SEC. 2105. CERTAIN OTHER INTERNATIONAL AFFAIRS PROGRAMS.**

The following amounts are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) ASIA FOUNDATION.—For "Asia Foundation", $10,000,000 for the fiscal year 1996 and $9,000,000 for the fiscal year 1997.

**SEC. 2106. UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS.**

The following amounts are authorized to be appropriated to carry out international information activities and educational and cultural exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, the United States International Broadcasting Act of 1994, the Radio Broadcasting to Cuba Act, the Television Broadcasting to Cuba Act, the Board for International Broadcasting Act, the Inspector General Act of 1978, the North/South Center Act of 1991, the National Endowment for Democracy Act, and to carry out other authorities in law consistent with such purposes:

(1) SALARIES AND EXPENSES.—For "Salaries and Expenses", $450,645,000 for the fiscal year 1996 and $428,080,000 for the fiscal year 1997.

(2) TECHNOLOGY FUND.—For "Technology Fund" for the United States Information Agency, $5,050,000 for the fiscal year 1996 and $5,050,000 for the fiscal year 1997.

(3) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—

(A) FULBRIGHT ACADEMIC EXCHANGE PROGRAMS.—For the "Fulbright Academic Exchange Programs", $117,484,200 for the fiscal year 1996 and $113,680,800 for the fiscal year 1997.

(B) SOUTH PACIFIC EXCHANGES.—For the "South Pacific Exchanges", $900,000 for the fiscal year 1996 and $900,000 for the fiscal year 1997.

(C) EAST TIMORESE SCHOLARSHIPS.—For the "East Timorese Scholarships", $800,000 for the fiscal year 1996 and $800,000 for the fiscal year 1997.

(D) CAMBODIAN SCHOLARSHIPS.—For the "Cambodian Scholarships", $141,000 for the fiscal year 1996 and $141,000 for the fiscal year 1997.

(E) TIBETAN EXCHANGES.—For the "Educational and Cultural Exchanges with Tibet" under section 236 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236), $500,000 for the fiscal year 1996 and $500,000 for the fiscal year 1997.

(F) OTHER PROGRAMS.—For "Hubert H. Humphrey Fellowship Program", "Edmund S. Muskie Fellowship Program", "International Visitors Program", "Mike Mansfield Fellowship Program", "Claude and Mildred Pepper Scholarship Program of the Washington Workshops Foundation", "Citizen Exchange Programs", "Congress-Bundestag Exchange Program", "Newly Independent States and Eastern Europe Training", "Institute for Representative Government", and "Arts America", $87,265,800 for the fiscal year 1996 and $87,341,400 for the fiscal year 1997.

(4) INTERNATIONAL BROADCASTING ACTIVITIES.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For "International Broadcasting Activities", $321,191,000 for the fiscal year 1996, and $286,191,000 for the fiscal year 1997.

(B) LIMITATION.—Of the amounts authorized to be appropriated under subparagraph (A) $3,000,000 for fiscal year 1996 and $3,000,000 for fiscal year 1997 are authorized to be appropriated only to carry out the Pilot Project for Freedom Broadcasting to Asia authorized by section 2443.

(C) VOICE OF AMERICA FARSI SERVICE.—Of the amounts authorized to be appropriated under subparagraph (A) $1,873,521 for the fiscal year 1996 and $1,873,521 for the fiscal year 1997 are authorized to be appropriated only to carry out the Voice of America Farsi Service.

(5) RADIO CONSTRUCTION.—For "Radio Construction", $75,164,000 for the fiscal year 1996, and $67,647,000 for the fiscal year 1997.

(6) RADIO FREE ASIA.—For "Radio Free Asia", $10,000,000 for the fiscal year 1996 and $10,000,000 for the fiscal year 1997.

(7) BROADCASTING TO CUBA.—For "Broadcasting to Cuba", $24,809,000 for the fiscal year 1996 and $24,809,000 for the fiscal year 1997.

(8) OFFICE OF THE INSPECTOR GENERAL.—For "Office of the Inspector General", $4,300,000 for the fiscal year 1996 and $3,870,000 for the fiscal year 1997.

(9) CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST.—For "Center for Cultural and Technical Interchange between East and West", $15,000,000 for the fiscal year 1996 and $10,000,000 for the fiscal year 1997.

(10) NATIONAL ENDOWMENT FOR DEMOCRACY—For "National Endowment for Democracy", $34,000,000 for the fiscal year 1996 and $34,000,000 for the fiscal year 1997.

(11) CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN NORTH AND SOUTH.—For "Center for Cultural and Technical

Interchange between North and South" $4,000,000 for the fiscal year 1996 and $3,000,000 for the fiscal year 1997.

**SEC. 2107. UNITED STATES ARMS CONTROL AND DISARMAMENT.**

There are authorized to be appropriated to carry out the purposes of the Arms Control and Disarmament Act—

(1) $44,000,000 for the fiscal year 1996 and $40,500,000 for the fiscal year 1997; and

(2) such sums as may be necessary for each of the fiscal years 1996 and 1997 for increases in salary, pay, retirement, other employee benefits authorized by law, and to offset adverse fluctuations in foreign currency exchange rates.

**TITLE XXII—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES**

**CHAPTER 1—AUTHORITIES AND ACTIVITIES**

**SEC. 2201. REVISION OF DEPARTMENT OF STATE REWARDS PROGRAM.**

(a) IN GENERAL.—Section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708) is amended to read as follows:

**"SEC. 36. DEPARTMENT OF STATE REWARDS PROGRAM.**

"(a) ESTABLISHMENT.—(1) There is established a program for the payment of rewards to carry out the purposes of this section.

"(2) The rewards program established by this section shall be administered by the Secretary of State, in consultation, where appropriate, with the Attorney General.

"(b) PURPOSE.—(1) The rewards program established by this section shall be designed to assist in the prevention of acts of international terrorism, international narcotics trafficking, and other related criminal acts.

"(2) The Secretary of State may pay a reward to any individual who furnishes information leading to—

"(A) the arrest or conviction in any country of any individual for the commission of an act of international terrorism against a United States person or United States property;

"(B) the arrest or conviction in any country of any individual conspiring or attempting to commit an act of international terrorism against a United States person or United States property;

"(C) the arrest or conviction in any country of any individual for committing, primarily outside the territorial jurisdiction of the United States, any narcotics-related offense if that offense involves or is a significant part of conduct that involves—

"(i) a violation of United States narcotics laws and which is such that the individual would be a major violator of such laws; or

"(ii) the killing or kidnapping of—

"(I) any officer, employee, or contract employee of the United States Government while such individual is engaged in official duties, or on account of that individual's official duties, in connection with the enforcement of United States narcotics laws or the implementing of United States narcotics control objectives; or

"(II) a member of the immediate family of any such individual on account of that individual's official duties, in connection with the enforcement of United States narcotics laws or the implementing of United States narcotics control objectives; or

"(iii) an attempt or conspiracy to commit any of the acts described in clause (i) or (ii); or

"(D) the arrest or conviction in any country of any individual aiding or abetting in the commission of an act described in subparagraphs (A) through (C); or

"(E) the prevention, frustration, or favorable resolution of an act described in subparagraphs (A) through (C).

"(c) COORDINATION.—(1) To ensure that the payment of rewards pursuant to this section does not duplicate or interfere with the payment of informants or the obtaining of evidence or information, as authorized to the Department of Justice, the offering, administration, and payment of rewards under this section, including procedures for—

"(A) identifying individuals, organizations, and offenses with respect to which rewards will be offered;

"(B) the publication of rewards;

"(C) offering of joint rewards with foreign governments;

"(D) the receipt and analysis of data; and

"(E) the payment and approval of payment,

shall be governed by procedures developed by the Secretary of State, in consultation with the Attorney General.

"(2) Before making a reward under this section in a matter over which there is Federal criminal jurisdiction, the Secretary of State shall advise and consult with the Attorney General.

"(d) FUNDING.—(1) There is authorized to be appropriated to the Department of State from time to time such amounts as may be necessary to carry out the purposes of this section, notwithstanding section 102 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99-93).

"(2) No amount of funds may be appropriated which, when added to the amounts previously appropriated but not yet obligated, would cause such amounts to exceed $15,000,000.

"(3) To the maximum extent practicable, funds made available to carry out this section should be distributed equally for the purpose of preventing acts of international terrorism and for the purpose of preventing international narcotics trafficking.

"(4) Amounts appropriated to carry out the purposes of this section shall remain available until expended.

"(e) ADDITIONAL FUNDING.—(1) In extraordinary circumstances and when it is important to the national security of the United States, the Secretary of State may use fees collected for processing machine readable nonimmigrant visas and machine readable combined border crossing identification cards and nonimmigrant visas pursuant to section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236; 8 U.S.C. 1351 note) to carry out the purposes of this section, subject to the limitation contained in subsection (d)(2).

"(2) The authority contained in paragraph (1) may be used only if the Secretary notifies the appropriate congressional committees 15 days in advance in accordance with regular reprogramming procedures. Such notification shall contain a detailed justification of the circumstances necessitating the use of such fees for the purposes of this section.

"(f)— LIMITATION AND CERTIFICATION.—(1) A reward under this section may not exceed $2,000,000.

"(2) A reward under this section of more than $100,000 may not be made without the approval of the President or the Secretary of State.

"(3) Any reward granted under this section shall be approved and certified for payment by the Secretary of State.

"(4) The authority of paragraph (2) may not be delegated to any other officer or employee of the United States Government.

"(5) If the Secretary determines that the identity of the recipient of a reward or of the members of the recipient's immediate family must be protected, the Secretary may take such measures in connection with the payment of the reward as he considers necessary to effect such protection.

"(g) INELIGIBILITY.—An officer or employee of any governmental entity who, while in the performance of his or her official duties, furnishes information described in subsection (b) shall not be eligible for a reward under this section.

"(h) REPORTS.—(1) Not later than 30 days after paying any reward under this section, the Secretary of State shall submit a report to the appropriate congressional committees with respect to such reward. The report, which may be submitted on a classified basis if necessary, shall specify the amount of the reward paid, to whom the reward was paid, and the acts with respect to which the reward was paid. The report shall also discuss the significance of the information for which the reward was paid in dealing with those acts.

"(2) Not later than 60 days after the end of each fiscal year, the Secretary of State shall submit an annual report to the appropriate congressional committees with respect to the operation of the rewards program authorized by this section. Such report shall provide information on the total amounts expended during such fiscal year to carry out the purposes of this section, including amounts spent to publicize the availability of rewards. Such report shall also include information on all requests for the payment of rewards under this section, including the reasons for the denial of any such requests.

"(i) DEFINITIONS.—As used in this section—

"(1) the term 'appropriate congressional committees' means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate;

"(2) the term 'act of international terrorism' includes, but is not limited to—

"(A) any act substantially contributing to the acquisition of unsafeguarded special nuclear material (as defined in section 830(8) of the Nuclear Proliferation Prevention Act of 1994) or any nuclear explosive device (as defined in section 830(4) of that Act) by an individual, group, or non-nuclear weapon state (as defined in section 830(5) of that Act); and

"(B) any act, as determined by the Secretary of State, which materially supports the conduct of international terrorism, including the counterfeiting of United States currency or the illegal use of other monetary instruments by an individual, group, or country supporting international terrorism as determined for purposes of section 6(j) of the Export Administration Act of 1979;

"(3) the term 'United States narcotics laws' means the laws of the United States for the prevention and control of illicit traffic in controlled substances (as such term is defined for purposes of the Controlled Substances Act); and

"(4) the term 'member of the immediate family' includes—

"(A) a spouse, parent, brother, sister, or child of the individual;

"(B) a person to whom the individual stands in loco parentis; and

"(C) any other person living in the individual's household and related to the individual by blood or marriage.".

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the Secretary of State should pursue additional means of funding the program established by section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708), including the authority

to seize and dispose of assets used in the commission of any offense under sections 1028, 1541 through 1544, and 1546 of title 18, United States Code, and to retain the proceeds derived from the disposition of such assets, or to participate in asset sharing programs conducted by the Department of Justice, to carry out the purposes of section 36 of that Act.

**SEC. 2202. AUTHORITIES OF SECRETARY OF STATE.**

Section 203(4) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4303(4)) is amended in the third sentence by striking "should" both places it appears and inserting "shall".

**SEC. 2203. BUYING POWER MAINTENANCE ACCOUNT.**

Section 24(b)(7) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(b)(7)) is amended by striking subparagraph (D).

**SEC. 2204. EXPENSES RELATING TO CERTAIN INTERNATIONAL CLAIMS AND PROCEEDINGS.**

(a) RECOVERY OF CERTAIN EXPENSES.—The Department of State Appropriation Act, 1937 (49 Stat. 1321, 22 U.S.C. 2661, as amended by section 142(b) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204)) is amended in the fifth undesignated paragraph under the heading entitled "INTERNATIONAL FISHERIES COMMISSION" by striking "extraordinary".

(b) PROCUREMENT OF SERVICES.—Section 38(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710(c)) is amended in the first sentence by inserting "personal and" before "other support services".

**SEC. 2205. CONSOLIDATION OF UNITED STATES DIPLOMATIC MISSIONS AND CONSULAR POSTS.**

(a) CONSOLIDATION PLAN.—The Secretary of State shall develop a worldwide plan for the consolidation, wherever practicable, on a regional or areawide basis, of United States missions and consular posts abroad.

(b) CONTENTS OF PLAN.—The plan shall—

(1) identify specific United States diplomatic missions and consular posts for consolidation;

(2) identify those missions and posts at which the resident ambassador would also be accredited to other specified states in which the United States either maintained no resident official presence or maintained such a presence only at staff level; and

(3) provide an estimate of—

(A) the amount by which expenditures would be reduced through the reduction in the number of United States Government personnel assigned abroad;

(B) the reduction in the costs of maintaining United States properties abroad; and

(C) the amount of revenues generated to the United States through the sale or other disposition of United States properties associated with the posts to be consolidated abroad.

(c) TRANSMITTAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall transmit a copy of the plan to the appropriate congressional committees.

**SEC. 2206. DENIAL OF PASSPORTS TO NONCUSTODIAL PARENTS SUBJECT TO STATE ARREST WARRANTS IN CASES OF NONPAYMENT OF CHILD SUPPORT.**

The Secretary of State is authorized to refuse to issue a passport or to revoke, restrict, or limit a passport in any case in which the Secretary of State determines or is informed by competent authority that the applicant or passport holder is a noncustodial parent who is the subject of an outstanding State warrant of arrest for nonpayment of child support, where the amount in controversy is not less than $10,000.

**SEC. 2207. CAPITAL INVESTMENT FUND.**

Section 135 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2684a) is amended—

(1) in subsection (a) by inserting "and enhancement" after "procurement";

(2) in subsection (c) by striking "are authorized to" and inserting "shall";

(3) in subsection (d) by striking "for expenditure to procure capital equipment and information technology" and inserting in lieu thereof "for purposes of subsection (a)"; and

(4) by amending subsection (e) to read as follows:

"(e) REPROGRAMMING PROCEDURES.—Funds credited to the Capital Investment Fund shall not be available for obligation or expenditure except in compliance with the procedures applicable to reprogrammings under section 34 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710).".

**SEC. 2208. EFFICIENCY IN PROCUREMENT.**

(a) IN GENERAL.—To the maximum extent practicable, United States Government agencies performing functions at diplomatic and consular posts abroad shall avoid duplicative acquisition actions.

(b) AUTHORITY.—Notwithstanding any other provision of law, a contract awarded in accordance with the Competition in Contracting Act by an agency of the United States Government performing functions at diplomatic and consular posts abroad may be amended without competition to permit other such United States Government agencies to obtain goods or services under such contract, if unit prices are not increased as a result of any such amendment.

**SEC. 2209. TRAINING.**

Section 701 of the Foreign Service Act of 1980 (22 U.S.C. 4021) is amended—

(1) by redesignating subsection (d)(4) as subsection (g); and

(2) by inserting after subsection (d) the following new subsections:

"(e)(1) The Secretary of State is authorized to provide appropriate training through the institution to employees of any United States company engaged in business abroad, and to the families of such employees, when such training is in the national interest of the United States.

"(2) In the case of any company under contract to provide services to the Department of State, the Secretary of State is authorized to provide job-related training to any company employee who is performing such services.

"(3) Training under this subsection shall be on a reimbursable or advance-of-funds basis. Such reimbursements or advances shall be credited to the currently applicable appropriation account.

"(4) Training under this subsection is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department and of other agencies in the field of foreign relations.

"(f)(1) The Secretary of State is authorized to provide on a reimbursable basis foreign language training programs to Members of Congress and officers and employees of Congress.

"(2) Reimbursements under this subsection, to the extent practicable, should be equivalent to the rate of reimbursement charged other agencies of the United States Government for comparable training.

"(3) Reimbursements collected under this subsection shall be credited to the currently available applicable appropriation account.

"(4) Training under this subsection is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department and of other agencies in the field of foreign relations.".

**SEC. 2210. LEASE-PURCHASE AGREEMENTS.**

Whenever the Department of State enters into lease-purchase agreements involving property in foreign countries pursuant to section 1 of the Foreign Service Buildings Act (22 U.S.C. 292), budget authority shall be scored on an annual basis over the period of the lease in an amount equal to the annual lease payments.

## CHAPTER 2—CONSULAR AUTHORITIES OF THE DEPARTMENT OF STATE

**SEC. 2231. SURCHARGE FOR PROCESSING CERTAIN MACHINE READABLE VISAS.**

Section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103—236) is amended—

(1) by striking paragraphs (2) and (3) and inserting the following:

"(2) For fiscal years 1996 and 1997, not more than $250,000,000 in fees collected under the authority of paragraph (1) shall be deposited as an offsetting collection to any Department of State appropriation to recover the costs of the Department of State's border security program, including the costs of—

"(1) installation and operation of the machine readable visa and automated name-check process;

"(2) improving the quality and security of the United States passport;

"(3) passport and visa fraud investigations; and

"(4) the technological infrastructure to support and operate the programs referred to in paragraphs (1) through (3).

Such fees shall remain available for obligation until expended.

"(3) For any fiscal year, fees collected under the authority of paragraph (1) in excess of the amount specified for such fiscal year under paragraph (2) shall be deposited in the general fund of the Treasury as miscellaneous receipts."; and

(2) by striking paragraph (5).

**SEC. 2232. FINGERPRINT CHECK REQUIREMENT.**

Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236; 8 U.S.C. 1182 note) as amended by section 505 of the Department of State and Related Agencies Appropriation Act, Fiscal Year 1995 (Public Law 103-317) is amended by adding at the end the following:

"(h) FINGERPRINT CHECK REQUIREMENT.—If a visa applicant is determined to have a criminal history record under subsection (d)(1), has been physically present in the United States, and is more than 16 years of age, the applicant shall provide a fingerprint record for submission with the application, at no cost to the Department of State. The Department of State shall submit such fingerprint record to the Federal Bureau of Investigation for analysis to determine whether the applicant has been convicted of a felony under State or Federal law in the United States.".

**SEC. 2233. USE OF CERTAIN PASSPORT PROCESSING FEES FOR ENHANCED PASSPORT SERVICES.**

For each of the fiscal years 1996 and 1997, of the fees collected for expedited passport processing and deposited to an offsetting collection pursuant to the Department of State and Related Agencies Appropriations Act for

Fiscal Year 1995 (Public Law 103—317; 22 U.S.C. 214), 10 percent shall be available only for enhancing passport services for United States citizens, improving the integrity and efficiency of the passport issuance process, improving the secure nature of the United States passport, investigating passport fraud, and deterring entry into the United States by terrorists, drug traffickers, or other criminals.

**SEC. 2234. CONSULAR OFFICERS.**

(a) PERSONS AUTHORIZED TO ISSUE REPORTS OF BIRTH ABROAD.—Section 33 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2705) is amended in paragraph (2) by inserting "(or any United States citizen employee of the Department of State designated by the Secretary of State to adjudicate nationality abroad pursuant to such regulations as the Secretary may prescribe)" after "consular officer".

(b) PROVISIONS APPLICABLE TO CONSULAR OFFICERS.—Section 31 of the Act of August 18, 1856 (Rev. Stat. 1689, 22 U.S.C. 4191), is amended by inserting "and to such other United States citizen employees of the Department of State as may be designated by the Secretary of State pursuant to such regulations as the Secretary may prescribe" after "such officers".

## CHAPTER 3—REFUGEES AND MIGRATION

**SEC. 2251. UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND.**

(a) LIMITATION ON TRANSFERS FROM EMERGENCY FUND.—Section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) is amended by adding after paragraph (3) the following:

"(4) Notwithstanding any other provision of this Act, the President shall notify the appropriate congressional committees not less than 15 days before transferring or otherwise making available amounts from the United States Emergency Refugee and Migration Assistance Fund under paragraph (1).".

(b) NOTIFICATION OF EXPENDITURES FROM FUND.—Section 2(d) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) is amended to read as follows:

"(d)(1) Except as provided in paragraph (2), and notwithstanding any other provision of this Act, the President shall notify the appropriate congressional committees at least 15 days in advance of the obligation or expenditure of sums from the United States Emergency Refugee and Migration Assistance Fund under subsection (c).

"(2) Notwithstanding the notification requirement of paragraph (1), the President may obligate and expend sums from the United States Emergency Refugee and Migration Assistance Fund if the President determines, and promptly certifies to the appropriate congressional committees, that unforseen emergency circumstances require the immediate obligation of sums from such fund. Any such certification shall fully inform such committees of the amount and use of such sums from the Fund.

"(3) For purposes of this section, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.".

**SEC. 2252. PERSECUTION FOR RESISTANCE TO COERCIVE POPULATION CONTROL METHODS.**

Section 101(a)(42) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(42)) is amended by adding at the end the following:

"For purposes of determinations under this Act, a person who has been forced to abort a pregnancy or to undergo involuntary sterilization, or who has been persecuted for failure or refusal to undergo such a procedure or for other resistance to a coercive population control program, shall be deemed to have been persecuted on account of political opinion, and a person who has a well founded fear that he or she will be forced to undergo such a procedure or subjected to persecution for such failure, refusal, or resistance shall be deemed to have a well founded fear of persecution on account of political opinion.".

**SEC. 2253. REPORT TO CONGRESS CONCERNING CUBAN EMIGRATION POLICIES.**

Beginning 3 months after the date of the enactment of this Act and every subsequent 6 months, the President shall transmit a report to the appropriate congressional committees concerning the methods employed by the Government of Cuba to enforce the United States—Cuba agreement of September 1994 to restrict the emigration of the Cuban people from Cuba to the United States, and the treatment by the Government of Cuba of persons who have been returned to Cuba pursuant to the United States—Cuba agreement of May 1995. Each report transmitted pursuant to this section shall include a detailed account of United States efforts to monitor such enforcement and treatment.

**SEC. 2254. UNITED STATES POLICY REGARDING THE INVOLUNTARY RETURN OF REFUGEES.**

(a) IN GENERAL.—No funds authorized to be appropriated by this Act shall be available to involuntarily return any person to a country in which the person has a well founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion, or promote or assist such involuntary return.

(b) INVOLUNTARILY RETURN DEFINED—As used in this section, the term "involuntarily return" means to take action by which it is reasonably foreseeable that a person will be required to return to a country against the person's will, regardless of whether such return is induced by physical force and regardless of whether the person is physically present in the United States.

**SEC. 2255. EXTENSION OF CERTAIN ADJUDICATION PROVISIONS.**

The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101—167) is amended—

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by striking "and 1996" and inserting "1996, and 1997"; and

(B) in subsection (e), by striking out "October 1, 1996" each place it appears and inserting "October 1, 1997"; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking out "September 30, 1996" and inserting "September 30, 1997".

## TITLE XXIII—ORGANIZATION OF THE DEPARTMENT OF STATE; DEPARTMENT OF STATE PERSONNEL; THE FOREIGN SERVICE

## CHAPTER 1—ORGANIZATION OF THE DEPARTMENT OF STATE

**SEC. 2301. COORDINATOR FOR COUNTERTERRORISM.**

(a) ESTABLISHMENT.—Section 1(e) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(e)) is amended—

(1) by striking "In" and inserting the following:

"(1) In"; and

(2) by inserting at the end the following:

"(2) COORDINATOR FOR COUNTERTERRORISM.—

"(A) There shall be within the office of the Secretary of State a Coordinator for Counterterrorism (hereafter in this paragraph referred to as the 'Coordinator') who shall be appointed by the President, by and with the advice and consent of the Senate.

"(B)(i) The Coordinator shall perform such duties and exercise such power as the Secretary of State shall prescribe.

"(ii) The principal duty of the Coordinator shall be the overall supervision (including policy oversight of resources) of international counterterrorism activities. The Coordinator shall be the principal advisor to the Secretary of State on international counterterrorism matters. The Coordinator shall be the principal counterterrorism official within the senior management of the Department of State and shall report directly to the Secretary of State.

"(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.

"(D) For purposes of diplomatic protocol among officers of the Department of State, the Coordinator shall take precedence after the Secretary of State, the Deputy Secretary of State, and the Under Secretaries of State and shall take precedence among the Assistant Secretaries of State in the order prescribed by the Secretary of State.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 161 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (P.L. 103-236) is amended by striking subsection (e).

(c) TRANSITION PROVISION.—The individual serving as Coordinator for Counterterrorism of the Department of State on the day before the effective date of this division may continue to serve in that position.

**SEC. 2302. SPECIAL ENVOY FOR TIBET.**

(a) FINDINGS.—The Congress makes the following findings:

(1) The Government of the People's Republic of China withholds meaningful participation in the governance of Tibet from Tibetans and has failed to abide by its own constitutional guarantee of autonomy for Tibetans.

(2) The Government of the People's Republic of China is responsible for the destruction of much of Tibet's cultural and religious heritage since 1959 and continues to threaten the survival of Tibetan culture and religion.

(3) The Government of the People's Republic of China, through direct and indirect incentives, has established discriminatory development programs which have resulted in an overwhelming flow of Chinese immigrants into Tibet, including those areas incorporated into the Chinese provinces of Sichuan, Yunnan, Gansu, and Quinghai in recent years, and have excluded Tibetans from participation in important policy decisions, further threatening traditional Tibetan life.

(4) The Government of the People's Republic of China denies Tibetans their fundamental human rights, as reported in the Department of State's Country Reports on Human Rights Practices for 1995.

(5) The President and the Congress have determined that the promotion of human rights in Tibet and the protection of Tibet's religion and culture are important elements in United States-China relations and have urged senior members of the Government of

the People's Republic of China to enter into substantive negotiations on these matters with the Dalai Lama or his representative.

(6) The Dalai Lama has repeatedly stated his willingness to begin substantive negotiations without preconditions.

(7) The Government of the People's Republic of China has failed to respond in a good faith manner by reciprocating a willingness to begin negotiations without preconditions, and no substantive negotiations have begun.

(b) UNITED STATES SPECIAL ENVOY FOR TIBET.—Section 1(e) of the State Department Basic Authorities Act (U.S.C. 2651a(e)) is amended by adding after paragraph (2) the following new paragraph:

"(3) UNITED STATES SPECIAL ENVOY FOR TIBET.—

"(A) There shall be within the Department of State a United States Special Envoy for Tibet, who shall be appointed by the President, by and with the advice and consent of the Senate. The United States Special Envoy for Tibet shall hold office at the pleasure of the President.

"(B) The United States Special Envoy for Tibet shall have the personal rank of ambassador.

"(C) The United States Special Envoy for Tibet is authorized and encouraged—

"(i) to promote substantive negotiations between the Dalai Lama or his representatives and senior members of the Government of the People's Republic of China;

"(ii) to promote good relations between the Dalai Lama and his representatives and the United States Government, including meeting with members or representatives of the Tibetan government-in-exile; and

"(iii) to travel regularly throughout Tibet and Tibetan refugee settlements.

"(D) The United States Special Envoy for Tibet shall—

"(i) consult with the Congress on policies relevant to Tibet and the future and welfare of all Tibetan people;

"(ii) coordinate United States Government policies, programs, and projects concerning Tibet; and

"(iii) report to the Secretary of State regarding the matters described in section 536(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236).".

**SEC. 2303. ESTABLISHMENT OF COORDINATOR FOR HUMAN RIGHTS AND REFUGEES, BUREAU OF REFUGEE AND MIGRATION ASSISTANCE, AND BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.**

(a) ESTABLISHMENT OF COORDINATOR FOR HUMAN RIGHTS AND REFUGEES.—

Section 1(e) of the State Department Basic Authorities Act (22 U.S.C. 2651a(e)) is amended by adding after paragraph (3) the following new paragraph:

"(4) COORDINATOR FOR HUMAN RIGHTS AND REFUGEES.—

"(A) There shall be within the office of the Secretary of State a Coordinator for Human Rights and Refugees (hereafter in this paragraph referred to as the 'Coordinator') who shall be appointed by the President, by and with the advice and consent of the Senate. The Coordinator shall report directly to the Secretary of State.

"(B) The Coordinator shall be responsible for matters pertaining to human rights, refugees, and humanitarian affairs (including matters relating to prisoners of war and members of the United States Armed Forces missing in action) in the conduct of foreign policy. The Coordinator shall head the Bureau of Refugee and Migration Assistance and the Bureau of Democracy, Human Rights, and Labor.

"(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.

"(D) For purposes of diplomatic protocol among officers of the Department of State, the Coordinator shall take precedence after the Secretary of State, the Deputy Secretary of State, and the Under Secretaries of State and shall take precedence among the Assistant Secretaries of State in the order prescribed by the Secretary of State.".

(b) TERMINATION OF ASSISTANT SECRETARY OF STATE FOR DEMOCRACY, HUMAN RIGHTS, AND LABOR.—

(1) IN GENERAL.—Section 1(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(c)) is amended by striking paragraph (2).

(2) CONFORMING AMENDMENTS.—The Foreign Assistance Act of 1961 is amended—

(A) in section 116(c) (22 U.S.C. 2151n), by striking "Assistant Secretary of State for Democracy, Human Rights, and Labor" and inserting "Secretary";

(B) in sections 502B, 502B, and 505(g)(4)(A) by striking ", prepared with the assistance of the Assistant Secretary of State for Democracy, Human Rights, and Labor,"; and

(C) in section 573(c) by striking "Assistant Secretary of State for Democracy, Human Rights, and Labor" and inserting "Secretary of State".

(c) ESTABLISHMENT OF BUREAU OF REFUGEE AND MIGRATION ASSISTANCE AND BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.—Section 1 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a) is amended by adding after subsection (e) the following new subsection:

"(f) ESTABLISHMENT OF CERTAIN BUREAUS, OFFICES, AND OTHER ORGANIZATIONAL ENTITIES WITHIN THE DEPARTMENT OF STATE.—

"(1) BUREAU OF REFUGEE AND MIGRATION ASSISTANCE.—There is established within the Department of State the Bureau of Refugee and Migration Assistance which shall assist the Secretary of State in carrying out the Migration and Refugee Assistance Act of 1962. The Bureau shall be headed by the Coordinator for Human Rights and Refugees.

"(2) BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.—There is established within the Department of State the Bureau of Democracy, Human Rights, and Labor. The Bureau shall be headed by the Coordinator for Human Rights and Refugees. The Bureau shall continuously observe and review all matters pertaining to human rights and humanitarian affairs (including matters relating to prisoners of war and members of the United States Armed Forces missing in action) in the conduct of foreign policy including the following:

"(A) Gathering detailed information regarding humanitarian affairs and the observance of and respect for internationally recognized human rights in each country to which the requirements of section 116 and 502B of the Foreign Assistance Act of 1961 are relevant.

"(B) Preparing the statements and reports to Congress required under section 502B of the Foreign Assistance Act of 1961.

"(C) Making recommendations to the Secretary of State regarding compliance with sections 116 and 502B of the Foreign Assistance Act of 1961, and as part of the Bureau's overall policy responsibility for the creation of United States Government human rights policy, advising the Secretary on the policy framework under which section 116(e) projects are developed and consulting with the Secretary on the selection and implementation of such projects.

"(D) Performing other responsibilities which serve to promote increased observance of internationally recognized human rights by all countries.".

**SEC. 2304. ELIMINATION OF STATUTORY ESTABLISHMENT OF CERTAIN POSITIONS OF THE DEPARTMENT OF STATE.**

(a) ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS.—Section 122 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2652b) is repealed.

(b) DEPUTY ASSISTANT SECRETARY OF STATE FOR BURDENSHARING.—Section 161 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2651a note) is amended by striking subsection (f).

(c) ASSISTANT SECRETARY FOR OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS.—Section 9 of the Department of State Appropriations Authorization Act of 1973 (22 U.S.C. 2655a) is repealed.

**SEC. 2305. ESTABLISHMENT OF ASSISTANT SECRETARY OF STATE FOR HUMAN RESOURCES.**

Section 1(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(c)) is amended by adding after paragraph (1) the following new paragraph:

"(2) ASSISTANT SECRETARY FOR HUMAN RESOURCES.—There shall be in the Department of State an Assistant Secretary for Human Resources who shall be responsible to the Secretary of State for matters relating to human resources including the implementation of personnel policies and programs within the Department of State and international affairs functions and activities carried out through the Department of State. The Assistant Secretary shall have substantial professional qualifications in the field of human resource policy and management.".

**SEC. 2306. AUTHORITY OF UNITED STATES PERMANENT REPRESENTATIVE TO THE UNITED NATIONS.**

Section 2(a) of the United Nations Participation Act of 1945 (22 U.S.C. 287(a)) is amended by striking "hold office at the pleasure of the President" and inserting "serve at the pleasure of the President and subject to the direction of the Secretary of State".

## CHAPTER 2—PERSONNEL OF THE DEPARTMENT OF STATE; THE FOREIGN SERVICE

**SEC. 2351. AUTHORIZED STRENGTH OF THE FOREIGN SERVICE.**

(a) END FISCAL YEAR 1996 LEVELS.—The number of members of the Foreign Service authorized to be employed as of September 30, 1996—

(1) for the Department of State, shall not exceed 9,000, of whom not more than 720 shall be members of the Senior Foreign Service;

(2) for the United States Information Agency, shall not exceed 1,150, of whom not more than 165 shall be members of the Senior Foreign Service; and

(3) for the Agency for International Development, not to exceed 1,800, of whom not more than 240 shall be members of the Senior Foreign Service.

(b) END FISCAL YEAR 1997 LEVELS.—The number of members of the Foreign Service authorized to be employed as of September 30, 1997—

(1) for the Department of State, shall not exceed 8,800, of whom not more than 680 shall be members of the Senior Foreign Service;

(2) for the United States Information Agency, not to exceed 1,100 of whom not more than 160 shall be members of the Senior Foreign Service; and

(3) for the Agency for International Development, not to exceed 1,775 of whom not more than 230 shall be members of the Senior Foreign Service.

(c) DEFINITION.—For the purposes of this section, the term "members of the Foreign Service" is used within the meaning of such term under section 103 of the Foreign Service Act of 1980 (22 U.S.C 3903), except that such term does not include—

(1) members of the Service under paragraphs (6) and (7) of such section;

(2) members of the Service serving under temporary resident appointments abroad;

(3) members of the Service employed on less than a full-time basis;

(4) members of the Service subject to involuntary separation in cases in which such separation has been suspended pursuant to section 1106(8) of the Foreign Service Act of 1980; and

(5) members of the Service serving under non-career limited appointments.

(d) WAIVER AUTHORITY.—(1) Subject to paragraph (2), the President may waive any limitation under subsection (a) or (b) to the extent that such waiver is necessary to carry on the foreign affairs functions of the United States.

(2) Not less than 15 days before the President exercises a waiver under paragraph (1), such agency head shall notify the Chairman of the Committee on Foreign Relations of the Senate and the Chairman of the Committee on International Relations of the House of Representatives. Such notice shall include an explanation of the circumstances and necessity for such waiver.

**SEC. 2352. REPEAL OF AUTHORITY FOR SENIOR FOREIGN SERVICE PERFORMANCE PAY.**

(a) REPEAL.—Section 405 of the Foreign Service Act of 1980 (22 U.S.C. 3965) is repealed.

(b) CONFORMING AMENDMENT.—Section 2 of the Foreign Service Act of 1980 is amended in the table of contents by striking the item related to section 405.

**SEC. 2353. RECOVERY OF COSTS OF HEALTH CARE SERVICES.**

(a) AUTHORITIES.—Section 904 of the Foreign Service Act of 1980 (22 U.S.C. 4084) is amended—

(1) in subsection (a) by—

(A) striking "and" before "members of the families of such members and employees"; and

(B) by inserting immediately before the period ", and for care provided abroad) such other persons as are designated by the Secretary of State, except that such persons shall be considered persons other than covered beneficiaries for purposes of subsections (g) and (h)";

(2) in subsection (d) by inserting ", subject to the provisions of subsections (g) and (h)" after "treatment"; and

(3) by adding the following new subsections:

"(g)(1) In the case of a person who is a covered beneficiary, the Secretary of State is authorized to collect from a third-party payer the reasonable costs incurred by the Department of State on behalf of such person for health care services to the same extent that the covered beneficiary would be eligible to receive reimbursement or indemnification from the third-party payer for such costs.

"(2) If the insurance policy, plan, contract, or similar agreement of that third-party payer includes a requirement for a deductible or copayment by the beneficiary of the plan, then the Secretary of State may collect from the third-party payer only the reasonable costs of the care provided less the deductible or copayment amount.

"(3) A covered beneficiary shall not be required to pay any deductible or copayment for health care services under this subsection.

"(4) No provision of any insurance, medical service, or health plan contract or agreement having the effect of excluding from coverage or limiting payment of charges for care in the following circumstances shall operate to prevent collection by the Secretary of State under paragraph (1)—

"(A) care provided directly or indirectly by a governmental entity;

"(B) care provided to an individual who has not paid a required deductible or copayment; or

"(C) care provided by a provider with which the third-party payer has no participation agreement.

"(5) No law of any State, or of any political subdivision of a State, and no provision of any contract or agreement shall operate to prevent or hinder recovery or collection by the United States under this section.

"(6) As to the authority provided in paragraph (1) of this subsection—

"(A) the United States shall be subrogated to any right or claim that the covered beneficiary may have against a third-party payer;

"(B) the United States may institute and prosecute legal proceedings against a third-party payer to enforce a right of the United States under this subsection; and

"(C) the Secretary may compromise, settle, or waive a claim of the United States under this subsection.

"(7) The Secretary shall prescribe regulations for the administration of this subsection and subsection (h). Such regulations shall provide for computation of the reasonable cost of health care services.

"(8) Regulations prescribed under this subsection shall provide that medical records of a covered beneficiary receiving health care under this subsection shall be made available for inspection and review by representatives of the payer from which collection by the United States is sought for the sole purpose of permitting the third party to verify—

"(A) that the care or services for which recovery or collection is sought were furnished to the covered beneficiary; and

"(B) that the provisions of such care or services to the covered beneficiary meets criteria generally applicable under the health plan contract involved, except that this paragraph shall be subject to the provisions of paragraphs (2) and (4).

"(9) Amounts collected under this subsection or under subsection (h) from a third-party payer or from any other payer shall be deposited as an offsetting collection to any Department of State appropriation and shall remain available until expended.

"(10) For purposes of this section—

"(A) the term 'covered beneficiary' means an individual eligible to receive health care under this section whose health care costs are to be paid by a third-party payer under a contractual agreement with such payer;

"(B) the term 'services', as used in 'health care services' includes products; and

"(C) the term 'third-party payer' means an entity that provides a fee-for-service insurance policy, contract, or similar agreement through the Federal Employees Health Benefit program, under which the expenses of health care services for individuals are paid.

"(h) In the case of a person, other than a covered beneficiary, who receives health care services pursuant to this section, the Secretary of State is authorized to collect from such person the reasonable costs of health care services incurred by the Department of State on behalf of such person. The United States shall have the same rights against persons subject to the provisions of this subsection as against third-party payers covered by subsection (g).".

(b) EFFECTIVE DATE.—Subsection (a) shall take effect October 1, 1996.

## TITLE XXIV—UNITED STATES PUBLIC DIPLOMACY: AUTHORITIES AND ACTIVITIES FOR UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

### CHAPTER 1—GENERAL PROVISIONS

**SEC. 2401. ELIMINATION OF PERMANENT AUTHORIZATION.**

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 is amended by striking subsection (e).

**SEC. 2402. EXTENSION OF AU PAIR PROGRAMS.**

Section 8 of the Eisenhower Exchange Fellowship Act of 1990 (Public Law 101–454) is amended in the last sentence by striking "fiscal year 1995" and inserting "fiscal year 1997".

**SEC. 2403. EDUCATIONAL AND CULTURAL EXCHANGES WITH HONG KONG.**

The Director of the United States Information Agency shall conduct programs of educational and cultural exchange between the United States and the people of Hong Kong.

**SEC. 2404. CONDUCT OF CERTAIN EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS IN ASIA.**

In carrying out programs of educational and cultural exchange in Hong Kong, China, Vietnam, Cambodia, Tibet, Burma, and East Timor, the Director of the United States Information Agency shall take appropriate steps to provide opportunities for participation in such programs to human rights and democracy leaders of such countries and persons who are nationals but not residents of such countries.

**SEC. 2405. EDUCATIONAL AND CULTURAL EXCHANGES AND SCHOLARSHIPS FOR TIBETANS AND BURMESE.**

(a) ESTABLISHMENT OF EDUCATIONAL AND CULTURAL EXCHANGE FOR TIBETANS.—The Director of the United States Information Agency shall establish programs of educational and cultural exchange between the United States and the people of Tibet. Such programs shall include opportunities for training and, as the Director considers appropriate, may include the assignment of personnel and resources abroad.

(b) SCHOLARSHIPS FOR TIBETANS AND BURMESE.—

(1) For each of the fiscal years 1996 and 1997, at least 30 scholarships shall be made available to Tibetan students and professionals who are outside Tibet, and at least 15 scholarships shall be made available to Burmese students and professionals who are outside Burma.

(2) WAIVER.—Paragraph (1) shall not apply to the extent that the Director of the United States Information Agency determines that there are not enough qualified students to fulfill such allocation requirement.

(3) SCHOLARSHIP DEFINED.—For the purposes of this section, the term "scholarship" means an amount to be used for full or partial support of tuition and fees to attend an

educational institution, and may include fees, books, and supplies, equipment required for courses at an educational institution, living expenses at a United States educational institution, and travel expenses to and from, and within, the United States.

**SEC. 2406. AVAILABILITY OF VOICE OF AMERICA AND RADIO MARTI MULTILINGUAL COMPUTER READABLE TEXT AND VOICE RECORDINGS.**

(a) IN GENERAL.—Notwithstanding section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461–1a) and the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461), the Director of the United States Information Agency is authorized to make available, upon request, to the Linguistic Data Consortium of the University of Pennsylvania computer readable multilingual text and recorded speech in various languages. The Consortium shall, directly or indirectly as appropriate, reimburse the Director for any expenses involved in making such materials available.

(b) TERMINATION.—Subsection (a) shall cease to have effect 5 years after the date of the enactment of this Act.

**SEC. 2407. RETENTION OF INTEREST.**

Notwithstanding any other provision of law, with the approval of the National Endowment for Democracy, grant funds made available by the National Endowment for Democracy may be deposited in interest-bearing accounts pending disbursement and any interest which accrues may be retained by the grantee and used for the purposes for which the grant was made.

**SEC. 2408. USIA OFFICE IN PRISTINA, KOSOVA.**

(a) ESTABLISHMENT OF OFFICE.—The Director of the United States Information Agency shall seek to establish an office in Pristina, Kosova, for the following purposes:

(1) Disseminating information about the United States.

(2) Promoting discussions on human rights, democracy, rule of law, and conflict resolution.

(3) Facilitating United States private sector involvement in educational and cultural activities in Kosova.

(4) Advising the United States Government with respect to public opinion in Kosova.

(b) REPORT TO CONGRESS.—Not later than April 1 of each year until subsection (a) has been fully implemented, the Director of the United States Information Agency shall submit a detailed report on developments relating to the implementation of subsection (a) to the appropriate congressional committees.

## CHAPTER 2—INTERNATIONAL BROADCASTING

**SEC. 2431. EXPANSION OF BROADCASTING BOARD OF GOVERNORS.**

Section 304(b) of the United States International Broadcasting Act of 1994 (22 U.S.C. 6203) is amended—

(1) in paragraph (1) by striking "9" and inserting "11";

(2) in paragraph (1)(A) by striking "8" and inserting "10"; and

(3) in paragraph (3) by striking "4" and inserting "5".

**SEC. 2432. PLAN FOR RADIO FREE ASIA.**

Section 309(c) of the United States International Broadcasting Act (22 U.S.C. 6208(c)) is amended to read as follows:

"(c) SUBMISSION OF PLAN.—Not later than 90 days after the date of the enactment of the Foreign Relations Authorization Act, Fiscal Years 1996 and 1997, the Director of the United States Information Agency shall submit to the Congress a detailed plan for the establishment and operation of Radio Free Asia in accordance with this section. Such plan shall include the following:

"(1) A description of the manner in which Radio Free Asia would meet the funding limitations provided in subsection (d)(4).

"(2) A description of the numbers and qualifications of employees it proposes to hire.

"(3) How it proposes to meet the technical requirements for carrying out its responsibilities under this section.".

**SEC. 2433. PILOT PROJECT FOR FREEDOM BROADCASTING TO ASIA.**

(a) AUTHORITY.—The Director of the United States Information Agency shall make grants for broadcasting to the People's Republic of China, Burma, Cambodia, Laos, North Korea, Tibet, and Vietnam. Such broadcasting shall provide accurate and timely information, news, and commentary about events in the respective countries of Asia and elsewhere, and shall be a forum for a variety of opinions and voices from within Asian nations whose people do not fully enjoy freedom of expression.

(b) PURPOSE.—The purpose of such grants shall be to provide such broadcasting on an interim basis during the period before Radio Free Asia becomes fully operational.

(c) APPLICATIONS.—In considering applications for grants, the Director of the United States Information Agency shall give strong preference to entities which (1) take advantage of the expertise of political and religious dissidents and pro-democracy and human rights activists from within the countries to whom broadcasting is directed, including exiles from these countries; and (2) take advantage of contracts or similar arrangements with existing broadcast facilities so as to provide immediate broadcast coverage with low overhead.

(d) PLAN.—Not later than 30 days after the date of the enactment of this Act, the Director of the United States Information Agency shall submit to the appropriate congressional committees a plan for implementing this section which shall include details concerning timetable for implementation, grant criteria, and grant application procedures. The procedures and timetable should be designed to ensure that grantees will begin broadcasting not later than 120 days after the date of the enactment of this Act.

# TITLE XXV—INTERNATIONAL ORGANIZATIONS AND COMMISSIONS

## CHAPTER 1—GENERAL PROVISIONS

**SEC. 2501. INTERNATIONAL BOUNDARY AND WATER COMMISSION.**

The Act of May 13, 1924 (49 Stat. 660, 22 U.S.C. 277–277f), is amended in section 3 (22 U.S.C. 277b) by adding at the end the following new subsection:

"(d) Pursuant to the authority of subsection (a) and in order to facilitate further compliance with the terms of the Convention for Equitable Distribution of the Waters of the Rio Grande, May 21, 1906, United States-Mexico, the Secretary of State, acting through the United States Commissioner of the International Boundary and Water Commission, may make improvements to the Rio Grande Canalization Project, originally authorized by the Act of August 29, 1935 (49 Stat. 961). Such improvements may include all such works as may be needed to stabilize the Rio Grande in the reach between the Percha Diversion Dam in New Mexico and the American Diversion Dam in El Paso.".

## CHAPTER 2—UNITED NATIONS AND AFFILIATED AGENCIES AND ORGANIZATIONS

**SEC. 2521. REFORM IN BUDGET DECISIONMAKING PROCEDURES OF THE UNITED NATIONS AND ITS SPECIALIZED AGENCIES.**

(a) ASSESSED CONTRIBUTIONS.—Of amounts authorized to be appropriated for "Assessed Contributions to International Organizations" by this Act, the President may withhold 20 percent of the funds appropriated for the United States assessed contribution to the United Nations or to any of its specialized agencies for any calendar year if the United Nations or any such agency has failed to implement or to continue to implement consensus-based decisionmaking procedures on budgetary matters which assure that sufficient attention is paid to the views of the United States and other member states that are the major financial contributors to such assessed budgets.

(b) NOTICE TO CONGRESS.—The President shall notify the Congress when a decision is made to withhold any share of the United States assessed contribution to the United Nations or its specialized agencies pursuant to subsection (a) and shall notify the Congress when the decision is made to pay any previously withheld assessed contribution. A notification under this subsection shall include appropriate consultation between the President (or the President's representative) and the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(c) CONTRIBUTIONS FOR PRIOR YEARS.—Subject to the availability of appropriations, payment of assessed contributions for prior years may be made to the United Nations or any of its specialized agencies notwithstanding subsection (a) if such payment would further United States interests in that organization.

(d) REPORT TO CONGRESS.—Not later than February 1 of each year, the President shall submit to the appropriate congressional committees a report concerning the amount of United States assessed contributions paid to the United Nations and each of its specialized agencies during the preceding calendar year.

**SEC. 2522. LIMITATION ON CONTRIBUTIONS TO THE UNITED NATIONS OR UNITED NATIONS AFFILIATED ORGANIZATIONS.**

The United States shall not make any voluntary or assessed contribution—

(1) to any affiliated organization of the United Nations which grants full membership as a state to any organization or group that does not have the internationally recognized attributes of statehood, or

(2) to the United Nations, if the United Nations grants full membership as a state in the United Nations to any organization or group that does not have the internationally recognized attributes of statehood,

during any period in which such membership is effective.

**SEC. 2523. REPORT ON UNICEF.**

Not later than December 31, 1995, the Secretary of State shall transmit to the appropriate congressional committees a report on (1) the progress of UNICEF toward effective financial, program, and personnel management; (2) the progress of UNICEF in shifting its health, child survival, and maternal survival programs toward efficient and low-overhead contractors, with particular emphasis on nongovernmental organizations; and (3) the extent to which UNICEF has demonstrated its commitment to its traditional

mission of child health and welfare and resisted pressure to become involved in functions performed by other United Nations agencies.

**SEC. 2524. UNITED NATIONS BUDGETARY AND MANAGEMENT REFORM.**

(a) IN GENERAL.—The United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.) is amended by adding at the end the following new section:

"SEC. 10. (a) WITHHOLDING OF CONTRIBUTIONS RELATED TO THE ROLE OF THE INSPECTOR GENERAL OF THE UNITED NATIONS.—

"(1) ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1996 and for each subsequent fiscal year, 20 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under subsection (b).

"(2) ASSESSED CONTRIBUTIONS FOR UNITED NATIONS PEACEKEEPING.—For fiscal year 1996 and for each subsequent fiscal year, 50 percent of the amount of funds made available for that fiscal year for United States assessed contributions for United Nations peacekeeping activities shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under subsection (b).

"(3) VOLUNTARY CONTRIBUTIONS FOR UNITED NATIONS PEACEKEEPING.—For fiscal year 1996 and for each subsequent fiscal year, the United States may not pay any voluntary contribution to the United Nations for international peacekeeping activities unless a certification for that fiscal year has been made under subsection (b).

"(b) CERTIFICATION.—The certification referred to in subsection (a) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, of each of the following:

"(1) The United Nations has an independent office of Inspector General to conduct and supervise objective audits, inspections, and investigations relating to programs and operations of the United Nations.

"(2) The United Nations has an Inspector General who was appointed by the Secretary General with the approval of the General Assembly and whose appointment was made principally on the basis of the appointee's integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigation.

"(3) The Inspector General is authorized to—

"(A) make investigations and reports relating to the administration of the programs and operations of the United Nations;

"(B) have access to all records, documents, and other available materials relating to those programs and operations;

"(C) have direct and prompt access to any official of the United Nations; and

"(D) have access to all records and officials of the specialized agencies of the United Nations.

"(4) The United Nations has fully implemented, and made available to all member states, procedures that effectively protect the identity of, and prevent reprisals against, any staff member of the United Nations making a complaint or disclosing information to, or cooperating in any investigation or inspection by, the United Nations Inspector General.

"(5) The United Nations has fully implemented procedures that ensure compliance with recommendations of the United Nations Inspector General.

"(6) The United Nations has required the United Nations Inspector General to issue an annual report and has ensured that the annual report and all other reports of the Inspector General are made available to the General Assembly without modification.

"(7) The United Nations has provided, and is committed to providing, sufficient budgetary resources to ensure the effective operation of the United Nations Inspector General.".

(b) WITHHOLDING OF CONTRIBUTIONS RELATED TO CONTRACTING OF THE UNITED NATIONS.—The United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.) is further amended by adding at the end the following new section:

"SEC. 11. (a) WITHHOLDING OF CONTRIBUTIONS RELATED TO TIMELY NOTICE OF CONTRACT OPPORTUNITIES AND CONTRACT AWARDS.—

"(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1997 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

"(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the United Nations has implemented a system requiring (A) prior notification for the submission of all qualified bid proposals on all United Nations procurement opportunities over $100,000 and (B) a public announcement of the award of any contract over $100,000. To the extent practicable, notifications shall be made in the Commerce Business Daily.

"(b) WITHHOLDING OF CONTRIBUTIONS RELATED TO DISCRIMINATION AGAINST COMPANIES WHICH CHALLENGE CONTRACT AWARDS.—

"(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1997 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

"(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the procurement regulations of the United Nations prohibit punitive actions such as the suspension of contract eligibility for contractors who challenge contract awards or complain about delayed payments.

"(c) WITHHOLDING OF CONTRIBUTIONS RELATED TO ESTABLISHMENT OF A UNITED NATIONS CONTRACT REVIEW PROCESS.—

"(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1998 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

"(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the United Nations has established a contract review process for contracts over $100,000 and a process to assure unsuccessful bidders a timely opportunity to challenge awards for contracts over $100,000 such bidders consider to have been made improperly.".

(c) PROCUREMENT INFORMATION.—Section 4(d) of the United Nations Participation Act of 1945 (22 U.S.C. 287b(d)), as amended by section 407 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236) is amended in paragraph (2)(B) by inserting before the period ", including local procurement contracts".

## TITLE XXVI—FOREIGN POLICY PROVISIONS

## CHAPTER 1—MISCELLANEOUS FOREIGN POLICY PROVISIONS

**SEC. 2601. TAIWAN RELATIONS ACT.**

(a) APPLICABILITY.—Section 3 of the Taiwan Relations Act (22 U.S.C. 3302) is amended by adding at the end the following new subsection:

"(d) The provisions of subsections (a) and (b) supersede any provision of the Joint Communique of the United States and China of August 17, 1982.".

(b) VISITS TO THE UNITED STATES BY OFFICIALS OF THE GOVERNMENT OF THE REPUBLIC OF CHINA ON TAIWAN.—Section 4 of the Taiwan Relations Act (22 U.S.C. 3303) is amended by adding at the end the following new subsection:

"(e) The Congress finds and declares that there are no legitimate foreign policy grounds for preventing members of the government chosen by the people of Taiwan from making private visits to the United States. Accordingly, notwithstanding any other provision of law, no official of the government of the Republic of China on Taiwan may be excluded from the United States on the basis of a determination by the Secretary of State that the entry or proposed activities in the United States of such individual would have potentially serious adverse foreign policy consequences for the United States.".

**SEC. 2602. BOSNIA GENOCIDE JUSTICE ACT.**

(a) SHORT TITLE.—This section may be cited as the "Bosnia Genocide Justice Act".

(b) POLICY.—

(1) IN GENERAL.—Consistent with international law, it is the policy of the United States to bring to justice persons responsible for genocide, war crimes, crimes against humanity and other serious violations of international humanitarian law committed in the territory of the former Yugoslavia since 1991.

(2) SENSE OF CONGRESS.—The Congress urges the President—

(A) to collect or assist appropriate organizations and individuals to collect relevant data on these crimes committed in the former Yugoslavia;

(B) to share such data with the War Crimes Tribunal for the former Yugoslavia established by the Security Council of the United Nations;

(C) to assist United Nations efforts to investigate, prosecute, and try those responsible for genocide, war crimes, crimes against humanity and other serious violations of international humanitarian law committed in the territory of the former Yugoslavia since 1991;

(D) to submit to the Congress implementing legislation to enable compliance with requests and orders of the tribunal; and

(E) to support the ongoing work of the Tribunal through adequate financial contributions to the United Nations Voluntary Fund

for the War Crimes Tribunal for the former Yugoslavia for 1996 and 1997.

(c) REPORTING REQUIREMENT.—Beginning 6 months after the date of enactment of this Act, and every 6 months thereafter during fiscal years 1996 and 1997, the President shall submit a report describing the steps taken to implement the provisions of this section to the appropriate congressional committees.

**SEC. 2603. EXPANSION OF COMMISSION ON SECURITY AND COOPERATION IN EUROPE.**

Section 3(a) of the Act entitled "An Act to establish a Commission on Security and Cooperation in Europe", approved June 3, 1976 (22 U.S.C. 3003) is amended—

(1) in subsection (a) by striking "twenty-one" and inserting "twenty-nine"; and

(2) by striking paragraphs (1) and (2) and inserting the following:

"(1) Thirteen Members of the House of Representatives appointed by the Speaker of the House of Representatives. Seven Members shall be selected from the majority party and six Members shall be selected, after consulation with the minority leader of the House, from the minority party.

"(2) Thirteen Members of the Senate appointed by the President of the Senate. Seven Members shall be selected from the majority party of the Senate, after consultation with the majority leader, and six Members shall be selected, after consultation with the minority leader of the Senate, from the minority party.".

**CHAPTER 2—RELATING TO THE UNITED STATES-NORTH KOREA AGREED FRAMEWORK AND THE OBLIGATIONS OF NORTH KOREA UNDER THAT AND PREVIOUS AGREEMENTS WITH RESPECT TO THE DENUCLEARIZATION OF THE KOREAN PENINSULA AND DIALOGUE WITH THE REPUBLIC OF KOREA**

**SEC. 2641. FINDINGS.**

The Congress makes the following findings:

(1) The United States-Democratic People's Republic of Korea Agreed Framework (hereafter in this chapter referred to as the "Agreed Framework"), entered into on October 21, 1994, between the United States and North Korea, requires North Korea to stop and eventually dismantle its graphite-moderated nuclear reactor program and related facilities, and comply fully with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons, in exchange for alternative energy sources, including interim supplies of heavy fuel oil for electric generators and more proliferation-resistant light water reactor technology.

(2) The Agreed Framework also commits North Korea to "consistently take steps to implement the North-South Joint Declaration on the Denuclearization of the Korean Peninsula" and "engage in North-South" dialogue with the Republic of Korea.

(3) The Agreed Framework does not indicate specific criteria for full normalization of relations between the United States and North Korea, and does not link the sequencing of actions in the Agreed Framework with any time-frame for carrying out the provisions of the North-South Joint Declaration on the Denuclearization of the Korean Peninsula and carrying out the dialogue between North Korea and the Republic of Korea.

(4) The commitment by North Korea to carry out the letter and spirit of the Agreed Framework has been put into doubt by actions of North Korea since October 21, 1994, including the suspected diversion of United States heavy fuel oil in apparent contravention of the agreed purpose of the interim fuel deliveries, the refusal to accept light water reactors from the Republic of Korea, the harsh denunciations of the Government of the Republic of Korea, and other actions contrary to the commitment by North Korea to engage in a dialogue with such Government, and the continued conduct of provocative, offensive oriented military exercises.

(5) The nuclear threat posed by North Korea is just one of a number of security concerns of the United States arising out of the policies of North Korea.

**SEC. 2642. CLARIFICATION OF NUCLEAR NONPROLIFERATION OBLIGATIONS OF NORTH KOREA UNDER THE AGREED FRAMEWORK.**

It is the sense of the Congress that in discussions or negotiations with the Government of North Korea pursuant to the implementation of the United States-Democratic People's Republic of Korea Agreed Framework entered into on October 21, 1994, the President should uphold the following minimum conditions relating to nuclear nonproliferation:

(1) All spent fuel from the graphite-moderated nuclear reactors and related facilities of North Korea should be removed from the territory of North Korea as is consistent with the Agreed Framework.

(2) The International Atomic Energy Agency should have the freedom to conduct any and all inspections that it deems necessary to fully account for the stocks of plutonium and other nuclear materials in North Korea, including special inspections of suspected nuclear waste sites, before any nuclear components controlled by the Nuclear Supplier Group Guidelines are delivered for a light water reactor for North Korea.

(3) The dismantlement of all declared graphite-based nuclear reactors and related facilities in North Korea, including reprocessing units, should be completed in accordance with the Agreed Framework and in a manner that effectively bars in perpetuity any reactivation of such reactors and facilities.

(4) The United States should suspend actions described in the Agreed Framework if North Korea reloads its existing 5 megawatt nuclear reactor or resumes construction of nuclear facilities other than those permitted to be built under the Agreed Framework.

**SEC. 2643. ROLE OF THE REPUBLIC OF KOREA UNDER THE AGREED FRAMEWORK.**

It is further the sense of the Congress that the Republic of Korea should play the central role in the project to provide light water reactors to North Korea under the Agreed Framework.

**SEC. 2644. FURTHER STEPS TO PROMOTE UNITED STATES SECURITY AND POLITICAL INTERESTS WITH RESPECT TO NORTH KOREA.**

It is further the sense of the Congress that, after the date of the enactment of this Act, the President should not take further steps toward upgrading diplomatic relations with North Korea beyond opening liaison offices or relaxing trade and investment barriers imposed against North Korea without—

(1) action by the Government of North Korea to engage in a North-South dialogue with the Government of the Republic of Korea;

(2) significant progress toward implementation of the North-South Joint Declaration on the Denuclearization of the Korean Peninsula; and

(3) progress toward the achievement of several long-standing United States policy objectives regarding North Korea and the Korean Peninsula, including—

(A) reducing the number of military forces of North Korea along the Demilitarized Zone and relocating such military forces away from the Demilitarized Zone;

(B) prohibiting any movement by North Korea toward the deployment of an intermediate range ballistic missile system; and

(C) prohibiting the export by North Korea of missiles and other weapons of mass destruction, including related technology and components.

**SEC. 2645. RESTRICTIONS ON ASSISTANCE TO NORTH KOREA AND THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION.**

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.) is amended by adding at the end the following new section:

**"SEC. 620G. ASSISTANCE TO NORTH KOREA AND THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION.**

"No assistance may be provided under this Act or any other provision of law to North Korea or the Korean Peninsula Energy Development Organization unless—

"(1) such assistance is provided in accordance with all requirements, limitations, and procedures otherwise applicable to the provision of such assistance for such purposes; and

"(2) the President—

"(A) notifies the congressional committees specified in section 634A(a) of this Act prior to the obligation of such assistance in accordance with the procedures applicable to reprogramming notifications under that section, irrespective of the amount of the proposed obligation of such assistance; and

"(B) determines and reports to such committees that the provision of such assistance is vital to the national interests of the United States.".

(b) EFFECTIVE DATE.—Section 620G of the Foreign Assistance Act of 1961, as added by subsection (a), applies with respect to assistance provided to North Korea or the Korean Peninsula Energy Development Organization on or after the date of the enactment of this Act.

**CHAPTER 3—BURMA**

**SEC. 2651. UNITED STATES POLICY CONCERNING THE DICTATORSHIP IN BURMA.**

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President should take steps to encourage the United Nations Security Council to—

(1) impose an international arms embargo on Burma;

(2) affirm support for human rights and the protection of all Karen, Karenni, and other minorities in Burma;

(3) condemn Burmese officials responsible for crimes against humanity;

(4) take steps to encourage multilateral assistance programs for refugees from Burma in Thailand and India; and

(5) reduce United Nations activities in Burma, including UNDP (United Nations Development Program), UNICEF (United Nations Children's Fund), UNFPA (United Nations Family Planning Agency), World Health Organization (WHO), Food and Agriculture Organization (FAO), and UNIDCP (United Nations International Drug Control Program) activities.

(b) REDUCTION IN DIPLOMATIC PRESENCE.—It is the sense of the Congress that the President should reduce the diplomatic presence of the United States in Burma by reducing the total number of the members of the Foreign Service stationed in Burma on the date of enactment of this Act.

## CHAPTER 4—TORTURE

**SEC. 2661. DEFINITIONS.**

(a) TORTURE.—As used in this chapter, the term "torture" means any act by which severe pain or suffering, whether physical or mental, is intentionally inflicted on a person for such purposes as obtaining from the person or a third person information or a confession, punishing the person for an act the person or a third person has committed or is suspected of having committed, or intimidating or coercing the person or a third person, or for any reason based on discrimination of any kind, when such pain or suffering is inflicted by, at the instigation of, or with the consent or acquiescence of a public official or other person acting in an official capacity. It does not include pain or suffering arising only from, inherent in, or incidental to lawful sanctions.

(b) SUBSTANTIAL GROUNDS FOR BELIEVING.—As used in this chapter, the term "substantial grounds for believing" means substantial evidence.

(c) IN DANGER OF BEING SUBJECTED TO TORTURE.—As used in this chapter, the term "in danger of being subjected to torture" means circumstances in which a reasonable person would fear subjection to torture.

(d) INVOLUNTARILY RETURN.—As used in this chapter, the term "involuntarily return" means to take action by which it is reasonably foreseeable that a person will be required to return to a country against the person's will, regardless of whether such return is induced by physical force and regardless of whether the person is physically present in the United States.

**SEC. 2662. UNITED STATES POLICY WITH RESPECT TO THE INVOLUNTARY RETURN OF PERSONS SUBJECTED TO TORTURE.**

No funds authorized to be appropriated by this Act are authorized to be available to expel, extradite, or otherwise involuntarily return a person to a country in which there are substantial grounds for believing the person would be in danger of being subjected to torture, or to support, promote, or assist such involuntary return.

## TITLE XXVII—CONGRESSIONAL STATEMENTS

**SEC. 2701. INTER-AMERICAN ORGANIZATIONS.**

Taking into consideration the long-term commitment by the United States to the affairs of this Hemisphere and the need to build further upon the linkages between the United States and its neighbors, the Secretary of State, in allocating the level of resources for international organizations, should pay particular attention to funding levels of the Inter-American organizations.

**SEC. 2702. TERRITORIAL INTEGRITY OF BOSNIA AND HERZEGOVINA.**

(a) FINDINGS.—The Congress makes the following findings:

(1) The sovereign and independent state of Bosnia-Herzegovina was formally recognized by the United States of America on April 7, 1992.

(2) The sovereign and independent state of Bosnia-Herzegovina was admitted as a full participating State of the Conference on Security and Cooperation in Europe on April 30, 1992.

(3) The sovereign and independent state of Bosnia-Herzegovina was admitted as a Member state of the United Nations on May 22, 1992.

(4) The United States has declared its determination to respect and put into practice the Declaration on Principles Guiding Relations between Participating States contained in the Final Act of the Conference on Security and Cooperation in Europe.

(5) Each of the principles has been violated during the course of war in Bosnia-Herzegovina: sovereign equality and respect for the rights inherent in sovereignty, refraining from the threat or use of force; inviolability of frontiers; territorial integrity of States; peaceful settlement of disputes; nonintervention in internal affairs; respect for human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief; equal rights and self-determination of peoples; cooperation among States; and fulfillment in good faith of obligations under international law.

(6) Principle II of the Final Act commits the participating States to "refrain from any manifestation of force for the purpose of inducing another participating State to renounce the full exercise of its sovereign rights".

(7) Principle III of the Final Act commits the participating States to "refrain from any demand for, or act of, seizure and usurpation of part or all of the territory of any participating State".

(8) Principle IV of the Final Act commits the participating States to "respect the territorial integrity of each of the participating States" and "refrain from any action inconsistent with the purposes and principles of the Charter of the United Nations against the territorial integrity, political independence or the unity of any participating State".

(9) The Charter of Paris for a New Europe commits the participating States "to cooperate in defending democratic institutions against activities which violate the independence, sovereign equality, or territorial integrity of the participating States".

(10) The Helsinki Document 1992 reaffirms "the validity of the guiding principles and common values of the Helsinki Final Act and the Charter of Paris, embodying responsibilities of States towards each other and of governments towards their own people" which serve as the "collective conscience of our community".

(11) The Charter of the United Nations calls upon Member states to respect the territorial integrity and political independence of any state in keeping with the Purposes of the United Nations.

(12) The sovereign and independent state of Bosnia-Herzegovina has been and continues to be subjected to armed aggression Bosnian Serb forces, Croatian Serb forces, and others in violation of Final Act and the Charter.

(13) Unchecked armed aggression and genocide threatens the lives of innocent civilians as well as the very existence of the sovereign and independent state of Bosnia-Herzegovina.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the United States should refuse to recognize the incorporation of any of the territory of Bosnia-Herzegovina into the territory of any neighboring state or the creation of any new state or states within the borders of Bosnia-Herzegovina resulting from the threat or use of force, coercion, or any other means inconsistent with international law.

**SEC. 2703. THE LAOGAI SYSTEM OF POLITICAL PRISONS.**

(a) FINDINGS.—The Congress makes the following findings:

(1) The Chinese gulag, known as the Laogai, was created as a primary means of political repression and control when the Communists assumed power in China in 1949.

(2) The Laogai has caused millions of people to suffer grave human rights abuses over the past 46 years, including countless deaths.

(3) The Laogai continues to be used to incarcerate unknown numbers of ordinary citizens for political reasons, including workers, students, intellectuals, religious believers, and Tibetans.

(4) So-called "thought reform" is a standard practice of Laogai officials, and reports of torture are routinely received by human rights organizations from Laogai prisoners and survivors.

(5) Negotiations about unfettered access to Laogai prisoners between the Chinese Government and the International Red Cross have ceased.

(6) The Laogai is in reality a huge system of forced labor camps in which political and penal criminals are slave laborers producing an array of products for export throughout the world, including the United States.

(7) The Chinese Government continues to maintain, as part of its official propaganda and in defiance of significant evidence to the contrary gathered by many human rights organizations, that the Laogai is a prison system like any other in the world.

(8) Testimony delivered before the Subcommittee on International Operations and Human Rights of the Committee on International Relations of the House of Representatives has documented human rights abuses in the Laogai which continue to this day.

(9) The American people have repeatedly expressed their abhorrence of forced labor camps systems, whether they be operated by the Nazis, Soviet Communists, or any other political ideology.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the President should—

(1) publicly condemn the continued existence of the Laogai, and call upon the Government of the People's Republic of China to dismantle it, and release all of its political prisoners; and

(2) instruct the appropriate diplomatic representatives of the United States to cause a resolution condemning the Laogai to be put before the United Nations Human Rights Commission and work for its passage.

**SEC. 2704. CONCERNING THE USE OF FUNDS TO FURTHER NORMALIZE RELATIONS WITH VIETNAM.**

It is the sense of the Congress that none of the funds authorized to be appropriated or otherwise made available by this Act may be obligated or expended to further normalize diplomatic relations between the United States and Vietnam, until Vietnam—

(1) releases all of its political and religious prisoners;

(2) accounts for American POWs and MIAs from the Vietnam War;

(3) holds democratic elections; and

(4) institutes policies which protect human rights.

**SEC. 2705. DECLARATION OF CONGRESS REGARDING UNITED STATES GOVERNMENT HUMAN RIGHTS POLICY TOWARD CHINA.**

(a) FINDINGS.—The Congress makes the following findings:

(1) According to the 1994 State Department Country Reports on Human Rights Practices there continue to be "widespread and well-documented human rights abuses in China, in violation of internationally accepted norms . . . (including) arbitrary and lengthy incommunicado detention, torture, and mistreatment of prisoners. The regime continued severe restrictions on freedoms of speech, press assembly and association, and tightened controls on the exercise of these

rights during 1994. Serious human rights abuses persisted in Tibet and other areas populated by ethnic minorities".

(2) The President, in announcing his decision on Most Favored Nation trading status for China in May 1994 stated that, "China continues to commit very serious human rights abuses. Even as we engage the Chinese on military, political, and economic issues, we intend to stay engaged with those in China who suffer from human rights abuses. The United States must remain a champion of their liberties".

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the President should take the following actions:

(1) Decline the invitation to visit China until and unless there is dramatic overall progress on human rights in China and Tibet and communicate to the Government of China that such a visit cannot take place without such progress. Indications of overall progress would include the release of hundreds of political, religious, and labor activists; an agreement to allow unhindered confidential access to prisoners by international humanitarian agencies; enactment of major legal reforms such as an end to all restrictions on the exercise of freedom of religion, revocation of the 1993 state security law, and the abolition of all so-called "counter-revolutionary" crimes; an end to forced abortion, forced sterilization, and the provision by government facilities of human fetal remains for consumption as food; and a decision to allow unrestricted access to Tibet by foreign media and international human rights monitors.

(2) Seek to develop an agreement on a multilateral strategy to promote human rights in China with other members of the G–7, beginning with the meeting of the G–7 industrial partners scheduled for June 1995 in Halifax, Nova Scotia. Such an agreement should include efforts to encourage greater cooperation by the Government of China with the human rights rapporteurs and working groups of the United Nations Human Rights Commission, as well as bilateral and multilateral initiatives to secure the unconditional release of imprisoned peaceful pro-democracy advocates such as Wei Jingsheng.

(3) Instruct the United States delegates to the United Nations Fourth World Conference on Women in September 1995 to vigorously and publicly support nongovernmental organizations that may be subjected to harassment or to restrictions or limitations on their activities, access to the media, or to channels of communication during the conference by the Government of China and to protest publicly and privately any actions by the Government of China aimed at punishing or repressing Chinese citizens who seek to peacefully express their views or communicate with foreign citizens or media during or following the United Nations Conference.

(4) Extend an invitation to the Dalai Lama to visit Washington, District of Columbia, in 1995.

(c) UNITED STATES GOVERNMENT HUMAN RIGHTS POLICY TOWARD CHINA.—It shall be the policy of the United States Government to continue to promote internationally recognized human rights and worker rights in China and Tibet. The President shall submit the following reports on the formulation and implementation of United States human rights policy toward China and the results of that policy to the International Relations Committee of the House of Representatives :

(1) Not later than 90 days after the date of enactment of this Act, the President shall report on the status of the "new United States Human Rights Policy for China" announced by the President on May 26, 1994, including an assessment of the implementation and effectiveness of the policy in bringing about human rights improvements in China and Tibet, with reference to the following specific initiatives announced on that date:

(A) High-level dialogue on human rights.

(B) Voluntary principles in the area of human rights for United States businesses operating in China.

(C) Increased contact with and support for groups and individuals in China promoting law reform and human rights.

(D) Increased exchanges to support human rights law reform in China.

(E) The practice of all United States officials who visit China to meet with the broadest possible spectrum of Chinese citizens.

(F) Increased efforts to press United States views on human rights in China at the United Nations, the United Nations Human Rights Commission, and other international organizations.

(G) A plan of international actions to address Tibet's human rights problems and to promote substantive discussions between the Dalai Lama and the Chinese Government.

(H) Efforts to use the 1995 United Nations Women's Conference in Beijing to expand freedoms of speech, association, and assembly, as well as the rights of women, in China.

(I) An information strategy for promoting human rights by expanding Chinese and Tibetan language broadcasts on the Voice of America and establishing Radio Free Asia.

(J) Encouraging the Chinese Government to permit international human rights groups to operate in and visit China.

The report required by this paragraph shall also assess the progress, if any, of the People's Republic of China toward ending forced abortion, forced sterilization, and other coercive population control practices.

(2) Not later than 120 days after the date of enactment of this Act, the President shall report on the status of Chinese Government compliance with United States laws prohibiting the importation into the United States of forced labor products, including (but not limited to) a complete assessment and report on the implementation of the Memorandum of Understanding signed by the United States and China in 1992. The report shall include (but not be limited to) the following:

(A) All efforts made by the United States Customs Service from 1992 until the date of the report to investigate forced labor exports and to conduct unannounced unrestricted inspections of suspected forced labor sites in China, and the extent to which Chinese authorities cooperated with such investigations.

(B) Recommendations of what further steps might be taken to enhance United States effectiveness in prohibiting forced labor exports to the United States from China.

**SEC. 2706. CONCERNING THE UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE.**

It is the sense of the Congress that the President, acting through the United States Permanent Representative to the United Nations, should—

(1) request the United Nations Voluntary Fund for Victims of Torture—

(A) to find new ways to support and protect treatment centers that are carrying out rehabilitative services for victims of torture; and

(B) to encourage the development of new such centers;

(2) use the voice and vote of the United States to support the work of the Special Rapporteur on Torture and the Committee Against Torture established under the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; and

(3) use the voice and vote of the United States to establish a country rapporteur or similar procedural mechanism to investigate human rights violations in a country if either the Special Rapporteur or the Committee Against Torture indicates that a systematic practice of torture is prevalent in that country.

**SEC. 2707. RECOMMENDATIONS OF THE PRESIDENT FOR REFORM OF WAR POWERS RESOLUTION.**

It is the sense of the Congress that the President should transmit to the Congress recommendations for reform of the War Powers Resolution (50 U.S.C. 1541 et seq.) in order to permit the Congress and the President to more effectively fulfill their constitutional responsibilities with respect to the deployment of United States Armed Forces abroad.

**SEC. 2708. CONFLICT IN KASHMIR.**

It is the sense of the Congress that the United States reiterates the need for all parties to the conflict in Kashmir to enter into negotiations and resolve the conflict peacefully. The Congress urges the executive branch to work with all parties to facilitate a peaceful negotiated settlement of the Kashmir conflict.

**SEC. 2709. UNITED STATES RELATIONS WITH THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA (FYROM).**

It is the sense of the Congress that the Former Yugoslav Republic of Macedonia (FYROM) should be eligible for all United States foreign assistance programs, including programs of the Export-Import Bank and the Overseas Private Investment Corporation, if the government continues to respect the rights of all ethnic minorities.

**SEC. 2710. SENSE OF THE CONGRESS RELATING TO INDONESIA.**

It is the sense of the Congress that—

(1) the United States should continue to urge progress in promotion and protection of internationally recognized human rights by the Government of Indonesia;

(2) in its bilateral relations with the Government of Indonesia, the United States should place a high priority on public and private efforts to urge the Government of Indonesia to take specific steps to remove restrictions of freedom of expression and association, to allow freedom of the press, to allow freedom of religion, to end arbitrary arrests and torture and ill-treatment, to cease official attacks on nongovernmental organizations, to end the widespread denial of worker rights, and to hold members of the military accountable for human rights abuses;

(3) with respect to the situation in East Timor, the United States should call on the Government of Indonesia to make public the complete findings of the investigations into the killings of unarmed civilians in Liquica on January 12, 1995, including the reports of the Army Council of Military Honor and the findings of the National Human Rights Commission, and that those responsible for the killings be identified and brought to justice;

(4) the United States should continue to press the Government of Indonesia to fully comply with the 1994 and 1995 recommendations of the United Nations Human Rights Commission regarding the need for a full accounting of the Dili incident of November 1991;

(5) the United States should urge the Government of Indonesia to allow independent human rights monitoring organizations and foreign journalists unhindered access to East Timor;

(6) the United States should urge the Government of Indonesia to respect free practice of religion, including Christianity, in Indonesia, including East Timor; and

(7) the President should instruct the United States delegates to the annual Indonesia aid consortium donor meeting in July 1995 to again raise concerns about human rights violations in Indonesia, including restrictions of freedom of the press, attacks on nongovernmental organizations, and widespread violations of human rights in East Timor.

**SEC. 2711. DISPLACED PERSONS.**

It is the sense of the Congress that of the amounts made available to the United Nations Development Program (and United Nations Development Program-Administered Funds), at least $20,000,000 for fiscal year 1996 and $20,000,000 for fiscal year 1997 should be available for programs and services conducted in cooperation with the International Organization for Migration, the International Committee for the Red Cross, and nongovernmental organizations, for persons who are displaced within their countries of nationality.

## DIVISION C—FOREIGN ASSISTANCE AUTHORIZATIONS

**SEC. 3001. SHORT TITLE.**

This division may be cited as the "Foreign Aid Reduction Act of 1995".

**SEC. 3002. DECLARATION OF POLICY.**

The Congress declares the following:

(1) United States leadership overseas must be maintained to support our vital national security, economic, and humanitarian interests.

(2) As part of this leadership, United States foreign assistance programs are essential to support these national interests.

(3) However, United States foreign assistance programs can be responsibly reduced while maintaining United States leadership overseas.

## TITLE XXXI—DEFENSE AND SECURITY ASSISTANCE

## CHAPTER 1—MILITARY AND RELATED ASSISTANCE

### Subchapter A—Foreign Military Financing Program

**SEC. 3101. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated for grant assistance under section 23 of the Arms Export Control Act (22 U.S.C. 2763) and for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of direct loans under such section—

(1) $3,284,440,000 for fiscal year 1996; and

(2) $3,240,020,000 for fiscal year 1997.

**SEC. 3102. ADMINISTRATIVE EXPENSES.**

Of the amounts made available for fiscal years 1996 and 1997 for assistance under the "Foreign Military Financing Program" account under section 23 of the Arms Export Control Act (22 U.S.C. 2763), not more than $24,020,000 for each such fiscal year may be made available for necessary expenses for the general costs of administration of military assistance and sales, including expenses incurred in purchasing passenger motor vehicles for replacement for use outside the United States.

**SEC. 3103. ASSISTANCE FOR ISRAEL.**

(a) MINIMUM ALLOCATION.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under the "Foreign Military Financing Program" account under section 23 of the Arms Export Control Act (22 U.S.C. 2763), not less than $1,800,000,000 for each such fiscal year shall be available only for Israel.

(b) TERMS OF ASSISTANCE.—

(1) GRANT BASIS.—The assistance provided for Israel for each fiscal year under subsection (a) shall be provided on a grant basis.

(2) EXPEDITED DISBURSEMENT.—Such assistance shall be disbursed—

(A) with respect to fiscal year 1996, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996, or by October 31, 1995, whichever is later; and

(B) with respect to fiscal year 1997, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, or by October 31, 1996, whichever is later.

(3) ADVANCED WEAPONS SYSTEMS.—To the extent that the Government of Israel requests that funds be used for such purposes, funds described in subsection (a) shall, as agreed by the Government of Israel and the Government of the United States, be available for advanced weapons systems, of which not less than $475,000,000 for each fiscal year shall be available only for procurement in Israel of defense articles and defense services, including research and development.

(c) FOREIGN MILITARY SALES.—Section 21(h) of the Arms Export Control Act (22 U.S.C. 2761(h)) is amended—

(1) in paragraph (1)(A), by inserting "or the Government of Israel" after "North Atlantic Treaty Organization"; and

(2) in paragraph (2), by striking "or to any member government of that Organization if that Organization or member government" and inserting ", any member government of that Organization, or the Government of Israel, if the Organization, member government, or Government of Israel, as the case may be,".

**SEC. 3104. ASSISTANCE FOR EGYPT.**

(a) MINIMUM ALLOCATION.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under the "Foreign Military Financing Program" account under section 23 of the Arms Export Control Act (22 U.S.C. 2763), not less than $1,300,000,000 for each such fiscal year shall be available only for Egypt.

(b) TERMS OF ASSISTANCE.—The assistance provided for Egypt for each fiscal year under subsection (a) shall be provided on a grant basis.

**SEC. 3105. LOANS FOR GREECE AND TURKEY.**

Of the amounts made available for fiscal year 1996 under section 23 of the Arms Export Control Act (22 U.S.C. 2763)—

(1) not more than $26,620,000 shall be made available for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of direct loans for Greece; and

(2) not more than $37,800,000 shall be made available for such subsidy cost of direct loans for Turkey.

**SEC. 3106. TERMS OF LOANS.**

Section 31(c) of the Arms Export Control Act (22 U.S.C. 2771(c)) is amended to read as follows:

"(c) Loans available under section 23 shall be provided at rates of interest that are not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities.".

**SEC. 3107. NONREPAYMENT OF GRANT ASSISTANCE.**

Section 23 of the Arms Export Control Act (22 U.S.C. 2763) is amended by adding at the end the following new subsection:

"(f) Notwithstanding any other provision of this section, the President shall not require repayment of any assistance provided on a grant basis under this section to a foreign country or international organization.".

**SEC. 3108. ADDITIONAL REQUIREMENTS.**

(a) AVAILABILITY OF FUNDS FOR PROCUREMENT OF DEFENSE ARTICLES, SERVICES, AND DESIGN AND CONSTRUCTION SERVICES NOT SOLD BY U.S. GOVERNMENT.—Section 23 of the Arms Export Control Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(g) Funds made available to carry out this section for a fiscal year may be made available to a foreign country or international organization for the purpose of financing the procurement of defense articles, defense services, and design and construction services that are not sold by the United States Government under this Act only—

"(1) with respect to a country that is a member country of the North Atlantic Organization, a major non-NATO ally, or Jordan for which assistance was justified under this section in the annual congressional presentation documents under section 634 of the Foreign Assistance Act of 1961 for that fiscal year; and

"(2) if such country or international organization enters into an agreement with the United States Government that specifies the terms and conditions under which such procurements shall be financed with such funds.".

(b) AUDIT OF CERTAIN PRIVATE FIRMS.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(h) For each fiscal year, the Secretary of Defense, as requested by the Director of the Defense Security Assistance Agency, shall conduct audits on a nonreimbursable basis of private firms that have entered into contracts with foreign governments under which defense articles, defense services, or design and construction services are to be procured by such firms for such governments from financing under this section for such fiscal year.".

(c) PROHIBITION ON USE OF FUNDS FOR THE TRANSPORT OF AIRCRAFT TO COMMERCIAL ARMS SALES SHOWS.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(i) Funds made available to carry out this section may not be used to facilitate the transport of aircraft to commercial arms sales shows.".

(d) NOTIFICATION REQUIREMENT WITH RESPECT TO CASH FLOW FINANCING.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(j)(1) For each country and international organization that has been approved for cash flow financing under this section, any letter of offer and acceptance or other purchase agreement, or any amendment thereto, for a procurement of defense articles, defense services, or design and construction services in excess of $100,000,000 that is to be financed in whole or in part with funds made available under this Act or the Foreign Assistance Act of 1961 shall be submitted to the congressional committees specified in section 634A(a) of the Foreign Assistance Act of

1961 in accordance with the procedures applicable to reprogramming notifications under that section.

"(2) For purposes of this subsection, the term 'cash flow financing' has the meaning given such term in the second subsection (d) of section 25.".

(e) LIMITATIONS ON USE OF FUNDS FOR DIRECT COMMERCIAL CONTRACTS.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(k) Of the amounts made available for a fiscal year to carry out this section, not more than $100,000,000 for such fiscal year may be made available for countries other than Israel and Egypt for the purpose of financing the procurement of defense articles, defense services, and design and construction services that are not sold by the United States Government under this Act.".

(f) USE OF FUNDS FOR DEMINING ACTIVITIES.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(l) Notwithstanding any other provision of law, funds made available to carry out this section may be used for demining activities, and may include activities implemented through nongovernmental and international organizations.".

**Subchapter B—Other Assistance**

**SEC. 3121. DEFENSE DRAWDOWN SPECIAL AUTHORITIES.**

(a) UNFORESEEN EMERGENCY DRAWDOWN.—Section 506(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2318(a)(1)) is amended by striking "$75,000,000" and inserting "$100,000,000".

(b) ADDITIONAL DRAWDOWN.—Section 506 of such Act (22 U.S.C. 2318) is amended—

(1) in subsection (a)(2)(A), by striking "defense articles from the stocks" and all that follows and inserting the following: "articles and services from the inventory and resources of any agency of the United States Government and military education and training from the Department of Defense, the President may direct the drawdown of such articles, services, and military education and training—

"(i) for the purposes and under the authorities of—

"(I) chapter 8 of part I (relating to international narcotics control assistance);

"(II) chapter 9 of part I (relating to international disaster assistance); or

"(III) the Migration and Refugee Assistance Act of 1962; or

"(ii) for the purpose of providing such articles, services, and military education and training to Vietnam, Cambodia, and Laos as the President determines are necessary—

"(I) to support efforts to locate and repatriate members of the United States Armed Forces and civilians employed directly or indirectly by the United States Government who remain unaccounted for from the Vietnam War; and

"(II) to ensure the safety of United States Government personnel engaged in such cooperative efforts and to support Department of Defense-sponsored humanitarian projects associated with such efforts.";

(2) in subsection (a)(2)(B), by striking "$75,000,000" and all that follows and inserting "$150,000,000 in any fiscal year of such articles, services, and military education and training may be provided pursuant to subparagraph (A) of this paragraph—

"(i) not more than $75,000,000 of which may be provided from the drawdown from the inventory and resources of the Department of Defense;

"(ii) not more than $75,000,000 of which may be provided pursuant to clause (i)(I) of such subparagraph; and

"(iii) not more than $15,000,000 of which may be provided to Vietnam, Cambodia, and Laos pursuant to clause (ii) of such subparagraph."; and

(3) in subsection (b)(1), by adding at the end the following: "In the case of drawdowns authorized by subclauses (I) and (III) of subsection (a)(2)(A)(i), notifications shall be provided to those committees at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A.".

(c) NOTICE TO CONGRESS OF EXERCISE OF SPECIAL AUTHORITIES.—Section 652 of such Act (22 U.S.C. 2411) is amended by striking "prior to the date" and inserting "before".

**SEC. 3122. STOCKPILES OF DEFENSE ARTICLES.**

(a) LIMITATION ON VALUE OF ADDITIONS.—Section 514(b)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(1)) is amended by inserting "or in the implementation of agreements with Israel" after "North Atlantic Treaty Organization".

(b) ADDITIONS IN FISCAL YEARS 1996 AND 1997.—Section 514(b)(2) of such Act (22 U.S.C. 2321h(b)(2)) is amended to read as follows:

"(2)(A) The value of such additions to stockpiles of defense articles in foreign countries shall not exceed $50,000,000 for each of the fiscal years 1996 and 1997.

"(B) Of the amount specified in subparagraph (A) for each of the fiscal years 1996 and 1997, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $10,000,000 may be made available for stockpiles in Thailand.".

(c) LOCATION OF STOCKPILES OF DEFENSE ARTICLES.—Section 514(c) of such Act (22 U.S.C. 2321h(c)) is amended to read as follows:

"(c) LOCATION OF STOCKPILES OF DEFENSE ARTICLES.—

"(1) LIMITATION.—Except as provided in paragraph (2), no stockpile of defense articles may be located outside the boundaries of a United States military base or a military base used primarily by the United States.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply with respect to stockpiles of defense articles located in the Republic of Korea, Thailand, any country that is a member of the North Atlantic Treaty Organization, any country that is a major non-NATO ally, or any other country the President may designate. At least 15 days before designating a country pursuant to the last clause of the preceding sentence, the President shall notify the congressional committees specified in section 634A(a) in accordance with the procedures applicable to reprogramming notifications under that section.".

**SEC. 3123. TRANSFER OF EXCESS DEFENSE ARTICLES.**

(a) IN GENERAL.—Section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) is amended to read as follows:

**"SEC. 516. AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.**

"(a) AUTHORIZATION.—The President is authorized to transfer excess defense articles under this section to countries for which receipt of such articles was justified pursuant to the annual congressional presentation documents for military assistance programs, or for programs under chapter 8 of part I of this Act, submitted under section 634 of this Act, or for which receipt of such articles was separately justified, for the fiscal year in which the transfer is authorized.

"(b) LIMITATIONS ON TRANSFERS.—The President may transfer excess defense articles under this section only if—

"(1) such articles are drawn from existing stocks of the Department of Defense;

"(2) funds available to the Department of Defense for the procurement of defense equipment are not expended in connection with the transfer;

"(3) the transfer of such articles will not have an adverse impact on the military readiness of the United States;

"(4) with respect to a proposed transfer of such articles on a grant basis, such a transfer is preferable to a transfer on a sales basis, after taking into account the potential proceeds from, and likelihood of, such sales, and the comparative foreign policy benefits that may accrue to the United States as the result of a transfer on either a grant or sales basis;

"(5) the President determines that the transfer of such articles will not have an adverse impact on the national technology and industrial base, and particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred; and

"(6) the transfer of such articles is consistent with the policy framework for the Eastern Mediterranean established under section 620C of this Act.

"(c) TERMS OF TRANSFERS.—

"(1) NO COST TO RECIPIENT COUNTRY.—Excess defense articles may be transferred under this section without cost to the recipient country.

"(2) PRIORITY.—Notwithstanding any other provision of law, the delivery of excess defense articles under this section to member countries of the North Atlantic Treaty Organization (NATO) on the southern and southeastern flank of NATO and to major non-NATO allies on such southern and southeastern flank shall be given priority to the maximum extent feasible over the delivery of such excess defense articles to other countries.

"(d) WAIVER OF REQUIREMENT FOR REIMBURSEMENT OF DEPARTMENT OF DEFENSE EXPENSES.—Section 632(d) shall not apply with respect to transfers of excess defense articles (including transportation and related costs) under this section.

"(e) TRANSPORTATION AND RELATED COSTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), funds available to the Department of Defense may not be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of this section.

"(2) EXCEPTION.—The President may provide for the transportation of excess defense articles without charge to a country for the costs of such transportation if—

"(A) it is determined that it is in the national interest of the United States to do so;

"(B) the recipient is a developing country receiving less than $10,000,000 of assistance under chapter 5 of part II of this Act (relating to international military education and training) or section 23 of the Arms Export Control Act (22 U.S.C. 2763; relating to the Foreign Military Financing program) in the fiscal year in which the transportation is provided;

"(C) the total weight of the transfer does not exceed 25,000 pounds; and

"(D) such transportation is accomplished on a space available basis.

"(f) ADVANCE NOTIFICATION TO CONGRESS FOR TRANSFER OF CERTAIN EXCESS DEFENSE ARTICLES.—

"(1) IN GENERAL.—The President may not transfer excess defense articles that are significant military equipment (as defined in

section 47(9) of the Arms Export Control Act) or excess defense articles valued (in terms of original acquisition cost) at $7,000,000 or more, under this section or under the Arms Export Control Act (22 U.S.C. 2751 et seq.) until 15 days after the date on which the President has provided notice of the proposed transfer to the congressional committees specified in section 634A(a) in accordance with procedures applicable to reprogramming notifications under that section.

"(2) CONTENTS.—Such notification shall include—

"(A) a statement outlining the purposes for which the article is being provided to the country, including whether such article has been previously provided to such country;

"(B) an assessment of the impact of the transfer on the military readiness of the United States;

"(C) an assessment of the impact of the transfer on the national technology and industrial base, and particularly, the impact on opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are to be transferred; and

"(D) a statement describing the current value of such article and the value of such article at acquisition.

"(g) AGGREGATE ANNUAL LIMITATION.—The aggregate value of excess defense articles transferred to countries under this section in any fiscal year may not exceed $350,000,000.

"(h) CONGRESSIONAL PRESENTATION DOCUMENTS.—Documents described in subsection (a) justifying the transfer of excess defense articles shall include an explanation of the general purposes of providing excess defense articles as well as a table which provides an aggregate annual total of transfers of excess defense articles in the preceding year by country in terms of offers and actual deliveries and in terms of acquisition cost and current value. Such table shall indicate whether such excess defense articles were provided on a grant or sale basis.

"(i) EXCESS COAST GUARD PROPERTY.—For purposes of this section, the term 'excess defense articles' shall be deemed to include excess property of the Coast Guard, and the term 'Department of Defense' shall be deemed, with respect to such excess property, to include the Coast Guard.".

(b) CONFORMING AMENDMENTS.—

(1) ARMS EXPORT CONTROL ACT.—Section 21(k) of the Arms Export Control Act (22 U.S.C. 2761(k)) is amended by striking "the President shall" and all that follows and inserting the following: "the President shall determine that the sale of such articles will not have an adverse impact on the national technology and industrial base, and particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred.".

(2) REPEALS.—The following provisions of law are hereby repealed:

(A) Section 502A of the Foreign Assistance Act of 1961 (22 U.S.C. 2303).

(B) Sections 517 through 520 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k through 2321n).

(C) Section 31(d) of the Arms Export Control Act (22 U.S.C. 2771(d)).

**SEC. 3124. NONLETHAL EXCESS DEFENSE ARTICLES FOR ALBANIA.**

Notwithstanding section 516(e) of the Foreign Assistance Act of 1961, during each of the fiscal years 1996 and 1997, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of nonlethal excess defense articles transferred under the authority of section 516 of such Act to Albania.

## CHAPTER 2—INTERNATIONAL MILITARY EDUCATION AND TRAINING

**SEC. 3141. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated $39,781,000 for each of the fiscal years 1996 and 1997 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.).

**SEC. 3142. ASSISTANCE FOR INDONESIA.**

Funds made available for fiscal years 1996 and 1997 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) may be obligated for Indonesia only for expanded military and education training that meets the requirements of clauses (i) through (iv) of the second sentence of section 541 of such Act (22 U.S.C. 2347).

**SEC. 3143. ADDITIONAL REQUIREMENTS.**

(a) GENERAL AUTHORITY.—Section 541 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347) is amended in the second sentence in the matter preceding clause (i) by inserting "and individuals who are not members of the government" after "legislators".

(b) TEST PILOT EXCHANGE TRAINING.—Section 544 of such Act (22 U.S.C. 2347c) is amended—

(1) by striking "In carrying out this chapter" and inserting "(a) In carrying out this chapter"; and

(2) by adding at the end the following new subsection:

"(b) The President may provide for the attendance of foreign military and civilian defense personnel at test pilot flight schools in the United States without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one basis each fiscal year between those United States test pilot flight schools and comparable flight test pilot schools of foreign countries.".

(c) ASSISTANCE FOR CERTAIN FOREIGN COUNTRIES.—Chapter 5 of part II of such Act (22 U.S.C. 2347 et seq.) is amended by adding at the end the following new section:

**"SEC. 546. ASSISTANCE FOR CERTAIN FOREIGN COUNTRIES.**

"Of the amounts made available for a fiscal year for assistance under this chapter, not more than $300,000 for such fiscal year may be made available for assistance on a grant basis for any high-income foreign country for military education and training of military and related civilian personnel of such country if such country agrees to provide for the transportation and living allowances of such military and related civilian personnel.".

## CHAPTER 3—ANTITERRORISM ASSISTANCE

**SEC. 3151. AUTHORIZATION OF APPROPRIATIONS.**

(a) IN GENERAL.—There are authorized to be appropriated $20,000,000 for fiscal year 1996 and $25,000,000 for fiscal year 1997 to carry out chapter 8 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa et seq.).

(b) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

**SEC. 3152. ANTITERRORISM TRAINING ASSISTANCE.**

(a) IN GENERAL.—Section 571 of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa) is amended by striking "Subject to the provisions of this chapter" and inserting "Notwithstanding any other provision of law that restricts assistance to foreign countries (other than sections 502B and 620A of this Act)".

(b) LIMITATIONS.—Section 573 of such Act (22 U.S.C. 2349aa-2) is amended—

(1) in the heading, by striking "specific authorities and";

(2) by striking subsection (a);

(3) by redesignating subsections (b) through (f) as subsections (a) through (e), respectively; and

(4) in subsection (c) (as redesignated)—

(A) by striking paragraphs (1) and (2);

(B) by redesignating paragraphs (3) through (5) as paragraphs (1) through (3), respectively; and

(C) by amending paragraph (2) (as redesignated) to read as follows:

"(2)(A) Except as provided in subparagraph (B), funds made available to carry out this chapter shall not be made available for the procurement of weapons and ammunition.

"(B) Subparagraph (A) shall not apply to small arms and ammunition in categories I and III of the United States Munitions List that are integrally and directly related to antiterrorism training provided under this chapter if, at least 15 days before obligating those funds, the President notifies the appropriate congressional committees specified in section 634A of this Act in accordance with the procedures applicable to reprogramming notifications under such section.

"(C) The value (in terms of original acquisition cost) of all equipment and commodities provided under this chapter in any fiscal year may not exceed 25 percent of the funds made available to carry out this chapter for that fiscal year.".

(c) ANNUAL REPORT.—Section 574 of such Act (22 U.S.C. 2349aa-3) is hereby repealed.

(d) TECHNICAL CORRECTIONS.—Section 575 (22 U.S.C. 2349aa-4) and section 576 (22 U.S.C. 2349aa-5) of such Act are redesignated as sections 574 and 575, respectively.

**SEC. 3153. RESEARCH AND DEVELOPMENT EXPENSES.**

Funds made available for fiscal years 1996 and 1997 to carry out chapter 8 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa et seq.; relating to antiterrorism assistance) may be made available to the Technical Support Working Group of the Department of State for research and development expenses related to contraband detection technologies or for field demonstrations of such technologies (whether such field demonstrations take place in the United States or outside the United States).

## CHAPTER 4—NARCOTICS CONTROL ASSISTANCE

**SEC. 3161. AUTHORIZATION OF APPROPRIATIONS.**

(a) IN GENERAL.—There are authorized to be appropriated $213,000,000 for each of the fiscal years 1996 and 1997 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2291 et seq.).

(b) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

**SEC. 3162. ADDITIONAL REQUIREMENTS.**

(a) POLICY AND GENERAL AUTHORITIES.—Section 481(a) of the Foreign Assistance Act (22 U.S.C. 2291(a)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively; and

(B) by inserting after subparagraph (C) the following new subparagraph:

"(D) International criminal activities, particularly international narcotics trafficking, money laundering, and corruption, endanger political and economic stability and democratic development, and assistance for the prevention and suppression of international criminal activities should be a priority for the United States."; and

(2) in paragraph (4), by adding before the period at the end the following: ", or for other related anticrime purposes".

(b) CONTRIBUTIONS AND REIMBURSEMENT.—Section 482(c) of that Act (22 U.S.C. 2291a(c)) is amended—

(1) by striking "CONTRIBUTION BY RECIPIENT COUNTRY.—To" and inserting "CONTRIBUTIONS AND REIMBURSEMENT.—(1) To"; and

(2) by adding at the end the following new paragraphs:

"(2)(A) The President is authorized to accept contributions from other foreign governments to carry out the purposes of this chapter. Such contributions shall be deposited as an offsetting collection to the applicable appropriation account and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.

"(B) At the time of submission of the annual congressional presentation documents required by section 634(a), the President shall provide a detailed report on any contributions received in the preceding fiscal year, the amount of such contributions, and the purposes for which such contributions were used.

"(3) The President is authorized to provide assistance under this chapter on a reimbursable basis. Such reimbursements shall be deposited as an offsetting collection to the applicable appropriation and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.".

(c) IMPLEMENTATION OF LAW ENFORCEMENT ASSISTANCE.—Section 482 of such Act (22 U.S.C. 2291a) is amended by adding at the end the following new subsections:

"(f) TREATMENT OF FUNDS.—Funds transferred to and consolidated with funds appropriated pursuant to this chapter may be made available on such terms and conditions as are applicable to funds appropriated pursuant to this chapter. Funds so transferred or consolidated shall be apportioned directly to the bureau within the Department of State responsible for administering this chapter.

"(g) EXCESS PROPERTY.—For purposes of this chapter, the Secretary of State may use the authority of section 608, without regard to the restrictions of such section, to receive nonlethal excess property from any agency of the United States Government for the purpose of providing such property to a foreign government under the same terms and conditions as funds authorized to be appropriated for the purposes of this chapter.".

(d) REPORTING REQUIREMENTS.—(1) Section 489 of such Act (22 U.S.C. 2291h) is amended—

(A) in the section heading, by striking "for fiscal year 1995";

(B) by striking "(a) INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT.—"; and

(C) by striking subsections (b) and (c).

(2) Section 489A of such Act (22 U.S.C. 2291i) is hereby repealed.

(e) CERTIFICATION REQUIREMENTS.—(1) Section 490 of such Act (22 U.S.C. 2291j) is amended—

(A) in the section heading by striking "for fiscal year 1995"; and

(B) by striking subsection (i).

(2) Section 490A of such Act (22 U.S.C. 2291k) is hereby repealed.

**SEC. 3163. NOTIFICATION REQUIREMENT.**

(a) IN GENERAL.—The authority of section 1003(d) of the National Narcotics Control Leadership Act of 1988 (21 U.S.C. 1502(d)) may be exercised with respect to funds authorized to be appropriated pursuant to the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and with respect to the personnel of the Department of State only to the extent that the appropriate congressional committees have been notified 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of that Act (22 U.S.C. 2394).

(b) DEFINITION.—For purposes of this section, the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

**SEC. 3164. WAIVER OF RESTRICTIONS FOR NARCOTICS-RELATED ECONOMIC ASSISTANCE.**

For each of the fiscal years 1996 and 1997, narcotics-related assistance under part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) may be provided notwithstanding any other provision of law that restricts assistance to foreign countries (other than section 490(e) or section 502B of that Act (22 U.S.C. 2291j(e) and 2304)) if, at least 15 days before obligating funds for such assistance, the President notifies the appropriate congressional committees (as defined in section 481(e) of that Act (22 U.S.C. 2291(e))) in accordance with the procedures applicable to reprogramming notifications under section 634A of that Act (22 U.S.C. 2394).

## CHAPTER 5—NONPROLIFERATION AND DISARMAMENT FUND

**SEC. 3171. NONPROLIFERATION AND DISARMAMENT FUND.**

(a) IN GENERAL.—There are authorized to be appropriated $25,000,000 for each of the fiscal years 1996 and 1997 to carry out bilateral and multilateral nonproliferation and disarmament activities for the independent states of the former Soviet Union, countries other than the independent states of the former Soviet Union, and international organizations under section 504 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (22 U.S.C. 5854).

(b) SUPERSEDES OTHER LAWS.—Funds made available for fiscal years 1996 and 1997 under the authority of section 504 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (22 U.S.C. 5854) may be used notwithstanding any other provision of law.

(c) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

## CHAPTER 6—OTHER PROVISIONS

**SEC. 3181. STANDARDIZATION OF CONGRESSIONAL REVIEW PROCEDURES FOR ARMS TRANSFERS.**

(a) THIRD COUNTRY TRANSFERS UNDER FMS SALES.—Section 3(d)(2) of the Arms Export Control Act (22 U.S.C. 2753(d)(2)) is amended—

(1) in subparagraph (A), by striking ", as provided for in sections 36(b)(2) and 36(b)(3) of this Act";

(2) in subparagraph (B), by striking "law" and inserting "joint resolution"; and

(3) by adding at the end the following:

"(C) If the President states in his certification under subparagraph (A) or (B) that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, thus waiving the requirements of that subparagraph, the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate immediate consent to the transfer and a discussion of the national security interests involved.

"(D)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(b) THIRD COUNTRY TRANSFERS UNDER COMMERCIAL SALES.—Section 3(d)(3) of such Act (22 U.S.C. 2753(d)(3)) is amended—

(1) by inserting "(A)" after "(3)";

(2) in the first sentence—

(A) by striking "at least 30 calendar days"; and

(B) by striking "report" and inserting "certification"; and

(3) by striking the last sentence and inserting the following: "Such certification shall be submitted—

"(i) at least 15 calendar days before such consent is given in the case of a transfer to a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

"(ii) at least 30 calendar days before such consent is given in the case of a transfer to any other country,

unless the President states in his certification that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States. If the President states in his certification that such an emergency exists (thus waiving the requirements of clause (i) or (ii), as the case may be, and of subparagraph (B)) the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that consent to the proposed transfer become effective immediately and a discussion of the national security interests involved.

"(B) Consent to a transfer subject to subparagraph (A) shall become effective after the end of the 15-day or 30-day period specified in subparagraph (A) (i) or (ii), as the case may be, only if the Congress does not enact, within that period, a joint resolution prohibiting the proposed transfer.

"(C)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(c) COMMERCIAL SALES.—Section 36(c)(2) of such Act (22 U.S.C. 2753(c)(2)) is amended by amending subparagraphs (A) and (B) to read as follows:

"(A) in the case of a license for an export to the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand, shall not be issued until at least 15 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 15-day period, enacts a joint resolution prohibiting the proposed export; and

"(B) in the case of any other license, shall not be issued until at least 30 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 30-day period, enacts a joint resolution prohibiting the proposed export.".

(d) COMMERCIAL MANUFACTURING AGREEMENTS.—Section 36(d) of such Act (22 U.S.C. 2753(d)) is amended—

(1) by inserting "(1)" after "(d)";

(2) by striking "for or in a country not a member of the North Atlantic Treaty Organization"; and

(3) by adding at the end the following:

"(2) A certification under this subsection shall be submitted—

"(A) at least 15 days before approval is given in the case of an agreement for or in a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

"(B) at least 30 days before approval is given in the case of an agreement for or in any other country;

unless the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States.

"(3) If the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States, thus waiving the requirements of paragraph (4), he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate approval of the agreement and a discussion of the national security interests involved.

"(4) Approval for an agreement subject to paragraph (1) may not be given under section 38 if the Congress, within the 15-day or 30-day period specified in paragraph (2) (A) or (B), as the case may be, enacts a joint resolution prohibiting such approval.

"(5)(A) Any joint resolution under paragraph (4) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(B) For the purpose of expediting the consideration and enactment of joint resolutions under paragraph (4), a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(e) GOVERNMENT-TO-GOVERNMENT LEASES.—

(1) CONGRESSIONAL REVIEW PERIOD.—Section 62 of such Act (22 U.S.C. 2796a) is amended—

(A) in subsection (a), by striking "Not less than 30 days before" and inserting "Before";

(B) in subsection (b)—

(i) by striking "determines, and immediately reports to the Congress" and inserting "states in his certification"; and

(ii) by adding at the end of the subsection the following: "If the President states in his certification that such an emergency exists, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that the lease be entered into immediately and a discussion of the national security interests involved."; and

(C) by adding at the end of the section the following:

"(c) The certification required by subsection (a) shall be transmitted—

"(1) not less than 15 calendar days before the agreement is entered into or renewed in the case of an agreement with the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand; and

"(2) not less than 30 calendar days before the agreement is entered into or renewed in the case of an agreement with any other organization or country.".

(2) CONGRESSIONAL DISAPPROVAL.—Section 63(a) of such Act (22 U.S.C. 2796b(a)) is amended—

(A) by striking "(a)(1)" and inserting "(a)";

(B) by striking out the "30 calendar days after receiving the certification with respect to that proposed agreement pursuant to section 62(a)," and inserting in lieu thereof "the 15-day or 30-day period specified in section 62(c) (1) or (2), as the case may be,"; and

(C) by striking paragraph (2).

(f) EFFECTIVE DATE.—The amendments made by this section apply with respect to certifications required to be submitted on or after the date of the enactment of this Act.

**SEC. 3182. STANDARDIZATION OF THIRD COUNTRY TRANSFERS OF DEFENSE ARTICLES.**

Section 3 of the Arms Export Control Act (22 U.S.C. 2753) is amended by inserting after subsection (a) the following new subsection:

"(b) The consent of the President under paragraph (2) of subsection (a) or under paragraph (1) of section 505(a) of the Foreign Assistance Act of 1961 (as it relates to subparagraph (B) of such paragraph) shall not be required for the transfer by a foreign country or international organization of defense articles sold by the United States under this Act if—

"(1) such articles constitute components incorporated into foreign defense articles;

"(2) the recipient is the government of a member country of the North Atlantic Treaty Organization, the Government of Australia, the Government of Japan, or the Government of New Zealand;

"(3) the United States-origin components are not—

"(A) significant military equipment (as defined in section 47(9));

"(B) defense articles for which notification to Congress is required under section 36(b); and

"(C) identified by regulation as Missile Technology Control Regime items; and

"(4) the foreign country or international organization provides notification of the transfer of the defense articles to the United States Government not later than 30 days after the date of such transfer.".

**SEC. 3183. INCREASED STANDARDIZATION, RATIONALIZATION, AND INTEROPERABILITY OF ASSISTANCE AND SALES PROGRAMS.**

Paragraph (6) of section 515(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i(a)(6)) is amended by striking "among members of the North Atlantic Treaty Organization and with the Armed Forces of Japan, Australia, and New Zealand".

**SEC. 3184. REPEAL OF PRICE AND AVAILABILITY REPORTING REQUIREMENT RELATING TO PROPOSED SALE OF DEFENSE ARTICLES AND SERVICES.**

(a) IN GENERAL.—Section 28 of the Arms Export Control Act (22 U.S.C. 2768) is hereby repealed.

(b) CONFORMING AMENDMENT.—Section 36(b) of such Act (22 U.S.C. 2776(b)) is amended by striking paragraph (4) of such section.

**SEC. 3185. DEFINITION OF SIGNIFICANT MILITARY EQUIPMENT.**

Section 47 of the Arms Export Control Act (22 U.S.C. 2794) is amended—

(1) in paragraph (7), by striking "and" at the end;

(2) in paragraph (8), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(9) 'significant military equipment' means articles—

"(A) for which special export controls are warranted because of the capacity of such articles for substantial military utility or capability; and

"(B) identified on the United States Munitions List.".

**SEC. 3186. REQUIREMENTS RELATING TO THE SPECIAL DEFENSE ACQUISITION FUND.**

(a) ELIMINATION OF ANNUAL REPORT.—

(1) IN GENERAL.—Section 53 of the Arms Export Control Act (22 U.S.C. 2795b) is hereby repealed.

(2) CONFORMING AMENDMENT.—Section 51(a)(4) of such Act (22 U.S.C. 2795(a)(4)) is amended—

(A) by striking "(a)"; and

(B) by striking subparagraph (B).

(b) RETURN OF CERTAIN AMOUNTS IN FUND TO THE TREASURY.—During fiscal year 1996 the President shall return $6,281,000 to the miscellaneous receipts account of the Treasury from collections into the Special Defense Acquisition Fund pursuant to section 51(b) of the Arms Export Control Act in addition to the amount of such collections to be returned for such fiscal year as indicated in the President's budget of the United States Government for fiscal year 1996.

**SEC. 3187. COST OF LEASED DEFENSE ARTICLES THAT HAVE BEEN LOST OR DESTROYED.**

Section 61(a)(4) of the Arms Export Control Act (22 U.S.C. 2796(a)(4)) is amended by striking "and the replacement cost" and all that follows and inserting the following: "and, if the articles are lost or destroyed while leased—

"(A) in the event the United States intends to replace the articles lost or destroyed, the replacement cost (less any depreciation in the value) of the articles; or

"(B) in the event the United States does not intend to replace the articles lost or destroyed, an amount not less than the actual value (less any depreciation in the value) specified in the lease agreement.".

**SEC. 3188. DESIGNATION OF MAJOR NON-NATO ALLIES.**

(a) DESIGNATION.—

(1) NOTICE TO CONGRESS.—Chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

**"SEC. 517. DESIGNATION OF MAJOR NON-NATO ALLIES.**

"(a) NOTICE TO CONGRESS.—The President shall notify the Congress in writing at least 30 days before—

"(1) designating a country as a major non-NATO ally for purposes of this Act and the

Arms Export Control Act (22 U.S.C. 2751 et seq.); or

"(2) terminating such a designation.

"(b) INITIAL DESIGNATIONS.—Australia, Egypt, Israel, Japan, the Republic of Korea, and New Zealand shall be deemed to have been so designated by the President as of the effective date of this section, and the President is not required to notify the Congress of such designation of those countries.".

(2) DEFINITION.—Section 644 of such Act (22 U.S.C. 2403) is amended by adding at the end the following:

"(q) 'Major non-NATO ally' means a country which is designated in accordance with section 517 as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).".

(3) EXISTING DEFINITIONS.—(A) The last sentence of section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is repealed.

(B) Section 65(d) of such Act is amended—

(i) by striking "or major non-NATO"; and

(ii) by striking out "or a" and all that follows through "Code".

(b) COOPERATIVE TRAINING AGREEMENTS.—Section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is amended in the first sentence by striking "similar agreements" and all that follows through "other countries" and inserting "similar agreements with countries".

**SEC. 3189. CERTIFICATION THRESHOLDS.**

(a) INCREASE IN DOLLAR THRESHOLDS.—The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended—

(1) in section 3(d) (22 U.S.C. 2753(d))—

(A) in paragraphs (1) and (3), by striking "$14,000,000" each place it appears and inserting "$25,000,000"; and

(B) in paragraphs (1) and (3), by striking "$50,000,000" each place it appears and inserting "$75,000,000";

(2) in section 36 (22 U.S.C. 2776)—

(A) in subsections (b)(1), (b)(5)(C), and (c)(1), by striking "$14,000,000" each place it appears and inserting "$25,000,000";

(B) in subsections (b)(1), (b)(5)(C), and (c)(1), by striking "$50,000,000" each place it appears and inserting "$75,000,000"; and

(C) in subsections (b)(1) and (b)(5)(C), by striking "$200,000,000" each place it appears and inserting "$300,000,000"; and

(3) in section 63(a) (22 U.S.C. 2796b(a))—

(A) by striking "$14,000,000" and inserting "$25,000,000"; and

(B) by striking "$50,000,000" and inserting "$75,000,000".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to certifications submitted on or after the date of the enactment of this Act.

**SEC. 3190. COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES AND SERVICES.**

(a) COSTING BASIS.—Section 22 of the Arms Export Control Act (22 U.S.C. 2762) is amended by adding at the end the following:

"(d) COMPETITIVE PRICING.—Procurement contracts made in implementation of sales under this section for defense articles and defense services wholly paid from funds made available on a nonrepayable basis shall be priced on the same costing basis with regard to profit, overhead, independent research and development, bid and proposal, and other costing elements, as is applicable to procurements of like items purchased by the Department of Defense for its own use.".

(b) EFFECTIVE DATE AND IMPLEMENTING REGULATIONS.—Section 22(d) of the Arms Export Control Act, as added by subsection (a)—

(1) shall take effect on the 60th day following the date of the enactment of this Act;

(2) shall be applicable only to contracts made in implementation of sales made after such effective date; and

(3) shall be implemented by revised procurement regulations, which shall be issued prior to such effective date.

**SEC. 3191. DEPLETED URANIUM AMMUNITION.**

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

**"SEC. 620H. DEPLETED URANIUM AMMUNITION.**

"(a) PROHIBITION.—Except as provided in subsection (b), none of the funds made available to carry out this Act or any other Act may be made available to facilitate in any way the sale of M-833 antitank shells or any comparable antitank shells containing a depleted uranium penetrating component to any country other than—

"(1) a country that is a member of the North Atlantic Treaty Organization;

"(2) a country that has been designated as a major non-NATO ally (as defined in section 644(q)); or

"(3) Taiwan.

"(b) EXCEPTION.—The prohibition contained in subsection (a) shall not apply with respect to the use of funds to facilitate the sale of antitank shells to a country if the President determines that to do so is in the national security interest of the United States.".

**SEC. 3192. END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES.**

(a) IN GENERAL.—The Arms Export Control Act (22 U.S.C.2751 et seq.) is amended by inserting after chapter 3 the following new chapter:

**"CHAPTER 3A—END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES**

**"SEC. 40A. END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES.**

"(a) ESTABLISHMENT OF MONITORING PROGRAM.—

"(1) IN GENERAL.—In order to improve accountability with respect to defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), the Secretary of State shall establish a program which provides for the end-use monitoring of such articles and services.

"(2) REQUIREMENTS OF PROGRAM.—To the extent practicable, such program—

"(A) shall provide for the end-use monitoring of defense articles and defense services in accordance with the standards that apply for identifying high-risk exports for regular end-use verification developed under section 38(g)(7) of this Act (commonly referred to as the 'Blue Lantern' program); and

"(B) shall be designed to provide reasonable assurance that—

"(i) the recipient is complying with the requirements imposed by the United States Government with respect to use, transfers, and security of defense articles and defense services; and

"(ii) such articles and services are being used for the purposes for which they are provided.

"(b) CONDUCT OF PROGRAM.—In carrying out the program established under subsection (a), the Secretary shall ensure that the program—

"(1) provides for the end-use verification of defense articles and defense services that incorporate sensitive technology, defense articles and defense services that are particularly vulnerable to diversion or other misuse, or defense articles or defense services whose diversion or other misuse could have significant consequences; and

"(2) prevents the diversion (through reverse engineering or other means) of technology incorporated in defense articles.

"(c) MONITORING RESPONSIBILITIES.—

"(1) IN GENERAL.—Pursuant to subsection (a), sections 3 and 38 of this Act, and sections 505, 622, and 623 of the Foreign Assistance Act of 1961, the Secretary of State, in consultation with the Secretary of Defense and officials of appropriate other Federal agencies, shall provide for the monitoring of defense articles and defense services described in subsection (a).

"(2) ADDITIONAL PERSONNEL.—Upon the request of the Secretary of State, the Secretary of Defense or the Secretary of the Treasury, as the case may be, shall provide to the agency primarily responsible for the licensing of exports under this section, on a nonreimbursable basis, personnel with appropriate expertise to assist in the end-use monitoring and enforcement functions under this section and section 38 of this Act.

"(d) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of the Foreign Aid Reduction Act of 1995, and annually thereafter as a part of the annual congressional presentation documents submitted under section 634 of the Foreign Assistance Act of 1961, the President shall transmit to the Congress a report describing the actions taken to implement this section.

"(e) THIRD COUNTRY TRANSFERS.—For purposes of this section, defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) includes defense articles and defense services that are transferred to a third country or other third party.".

(b) EFFECTIVE DATES.—Section 40A of the Arms Export Control Act, as added by subsection (a), applies with respect to defense articles and defense services provided before or after the date of the enactment of this Act.

**SEC. 3193. BROKERING ACTIVITIES RELATING TO COMMERCIAL SALES OF DEFENSE ARTICLES AND SERVICES.**

(a) IN GENERAL.—Section 38(b)(1)(A) of the Arms Export Control Act (22 U.S.C. 2778(b)(1)(A)) is amended—

(1) in the first sentence, by striking "As prescribed in regulations" and inserting "(i) As prescribed in regulations"; and

(2) by adding at the end the following new clause:

"(ii)(I) As prescribed in regulations issued under this section, every person (other than an officer or employee of the United States Government acting in official capacity) who engages in the business of brokering activities with respect to the manufacture, export, import, or transfer of any defense article or defense service designated by the President under subsection (a)(1), or in the business of brokering activities with respect to the manufacture, export, import, or transfer of any foreign defense article or defense service (as defined in subclause (IV)), shall register with the United States Government agency charged with the administration of this section, and shall pay a registration fee which shall be prescribed by such regulations.

"(II) Such brokering activities shall include the financing, transportation, freight forwarding, or the taking of any other action that facilitates the manufacture, export, or import of a defense article or defense service.

"(III) No person may engage in the business of brokering activities without a license, issued in accordance with this Act, except that no license shall be required for

such activities undertaken by or for an agency of the United States Government—

"(aa) for official use by an agency of the United States Government; or

"(bb) for carrying out any foreign assistance or sales program authorized by law and subject to the control of the President by other means.

"(IV) For purposes of this clause, the term 'foreign defense article or defense service' includes any non-United States defense article or defense service of a nature described on the United States Munitions List regardless of whether such article or service is of United States origin or whether such article or service contains United States origin components.".

(b) EFFECTIVE DATE.—Section 38(b)(1)(A)(ii) of the Arms Export Control Act, as added by subsection (a), shall apply with respect to brokering activities engaged in on or after the date of the enactment of this Act.

## TITLE XXXII—ECONOMIC ASSISTANCE

## CHAPTER 1—ECONOMIC SUPPORT ASSISTANCE

**SEC. 3201. ECONOMIC SUPPORT FUND.**

Section 532(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2346a(a)) is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter $2,356,378,000 for fiscal year 1996 and $2,283,478,000 for fiscal year 1997.".

**SEC. 3202. ASSISTANCE FOR ISRAEL.**

(a) MINIMUM ALLOCATION.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not less than $1,200,000,000 for each such fiscal year shall be available only for Israel.

(b) TERMS OF ASSISTANCE.—

(1) CASH TRANSFER.—The total amount of funds allocated for Israel for each fiscal year under subsection (a) shall be made available on a grant basis as a cash transfer.

(2) EXPEDITED DISBURSEMENT.—Such funds shall be disbursed—

(A) with respect to fiscal year 1996, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996, or by October 31, 1995, whichever is later; and

(B) with respect to fiscal year 1997, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, or by October 31, 1996, whichever is later.

(3) ADDITIONAL REQUIREMENT.—In exercising the authority of this subsection, the President shall ensure that the amount of funds provided as a cash transfer to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

**SEC. 3203. ASSISTANCE FOR EGYPT.**

(a) MINIMUM ALLOCATION.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not less than $815,000,000 for each such fiscal year shall be available only for Egypt.

(b) ADDITIONAL REQUIREMENT.—In exercising the authority of this section, the President shall ensure that the amount of funds provided as a cash transfer to Egypt does not cause an adverse impact on the total level of nonmilitary exports from the United States to Egypt.

**SEC. 3204. INTERNATIONAL FUND FOR IRELAND.**

(a) FUNDING.—

(1) IN GENERAL.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not more than $29,600,000 for fiscal year 1996 and not more than $19,600,000 for fiscal year 1997 shall be available for the United States contribution to the International Fund for Ireland in accordance with the Anglo-Irish Agreement Support Act of 1986 (Public Law 99-415).

(2) AVAILABILITY.—Amounts made available under paragraph (1) are authorized to remain available until expended.

(b) ADDITIONAL REQUIREMENTS.—

(1) PURPOSES.—Section 2(b) of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99-415; 100 Stat. 947) is amended by adding at the end the following new sentences: "United States contributions shall be used in a manner that effectively increases employment opportunities in communities with rates of unemployment significantly higher than the local or urban average of unemployment in Northern Ireland. In addition, such contributions shall be used to benefit individuals residing in such communities.".

(2) CONDITIONS AND UNDERSTANDINGS.—Section 5(a) of such Act is amended—

(A) in the first sentence—

(i) by striking "The United States" and inserting the following:

"(1) IN GENERAL.—The United States";

(ii) by striking "in this Act may be used" and inserting the following: "in this Act—

"(A) may be used";

(iii) by striking the period and inserting "; and"; and

(iv) by adding at the end the following:

"(B) may be provided to an individual or entity in Northern Ireland only if such individual or entity is in compliance with the principles of economic justice."; and

(B) in the second sentence, by striking "The restrictions" and inserting the following:

"(2) ADDITIONAL REQUIREMENTS.—The restrictions".

(3) PRIOR CERTIFICATIONS.—Section 5(c)(2) of such Act is amended—

(A) in subparagraph (A), by striking "principle of equality" and all that follows and inserting "principles of economic justice; and"; and

(B) in subparagraph (B), by inserting before the period at the end the following: "and will create employment opportunities in regions and communities of Northern Ireland suffering the highest rates of unemployment".

(4) ANNUAL REPORTS.—Section 6 of such Act is amended—

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3), by striking the period and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(4) each individual or entity receiving assistance from United States contributions to the International Fund has agreed in writing to comply with the principles of economic justice.".

(5) DEFINITIONS.—Section 8 of such Act is amended—

(A) in paragraph (1), by striking "and" at the end;

(B) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

"(3) the term 'Northern Ireland' includes the counties of Antrim, Armagh, Derry, Down, Tyrone, and Fermanagh; and

"(4) the term 'principles of economic justice' means the following principles:

"(A) Increasing the representation of individuals from underrepresented religious groups in the workforce, including managerial, supervisory, administrative, clerical, and technical jobs.

"(B) Providing adequate security for the protection of minority employees at the workplace.

"(C) Banning provocative sectarian or political emblems from the workplace.

"(D) Providing that all job openings be advertised publicly and providing that special recruitment efforts be made to attract applicants from underrepresented religious groups.

"(E) Providing that layoff, recall, and termination procedures do not favor a particular religious group.

"(F) Abolishing job reservations, apprenticeship restrictions, and differential employment criteria which discriminate on the basis of religion.

"(G) Providing for the development of training programs that will prepare substantial numbers of minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills of minority employees.

"(H) Establishing procedures to assess, identify, and actively recruit minority employees with the potential for further advancement.

"(I) Providing for the appointment of a senior management staff member to be responsible for the employment efforts of the entity and, within a reasonable period of time, the implementation of the principles described in subparagraphs (A) through (H).".

(6) EFFECTIVE DATE.—The amendments made by this subsection shall take effect 180 days after the date of the enactment of this Act.

**SEC. 3205. LAW ENFORCEMENT ASSISTANCE.**

(a) IN GENERAL.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not more than $12,000,000 for each such fiscal year shall be available for law enforcement assistance under chapter 8 of part I of such Act (22 U.S.C. 2291 et seq.).

(b) AVAILABILITY.—Amounts made available under subsection (a) are authorized to remain available until expended.

## CHAPTER 2—ASSISTANCE FOR PRIVATE SECTOR PROGRAMS AND ACTIVITIES

**SEC. 3211. PRIVATE SECTOR ENTERPRISE FUNDS.**

The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by inserting after section 601 the following new section:

**"SEC. 601A. PRIVATE SECTOR ENTERPRISE FUNDS.**

"(a) AUTHORITY.—(1) The President may provide funds and support to Enterprise Funds designated in accordance with subsection (b) that are or have been established for the purposes of promoting—

"(A) development of the private sectors of eligible countries, including small businesses, the agricultural sector, and joint ventures with United States and host country participants; and

"(B) policies and practices conducive to private sector development in eligible countries;

on the same basis as funds and support may be provided with respect to Enterprise Funds for Poland and Hungary under the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

"(2) Funds may be made available under this section notwithstanding any other provision of law.

"(b) COUNTRIES ELIGIBLE FOR ENTERPRISE FUNDS.—(1) Except as provided in paragraph (2), the President is authorized to designate a private, nonprofit organization as eligible to receive funds and support pursuant to this section with respect to any country eligible to receive assistance under part I of this Act in the same manner and with the same limitations as set forth in section 201(d) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421(d)).

"(2) The authority of paragraph (1) shall not apply to any country with respect to which the President is authorized to designate an enterprise fund under section 498B(c) or section 498C of this Act or section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421).

"(c) TREATMENT EQUIVALENT TO ENTERPRISE FUNDS FOR POLAND AND HUNGARY.—Except as otherwise specifically provided in this section, the provisions contained in section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421) (excluding the authorizations of appropriations provided in subsection (b) of that section) shall apply to any Enterprise Fund that receives funds and support under this section. The officers, members, or employees of an Enterprise Fund that receive funds and support under this section shall enjoy the same status under law that is applicable to officers, members, or employees of the Enterprise Funds for Poland and Hungary under section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421).

"(d) REPORTING REQUIREMENT.—Notwithstanding any other provision of this section, the requirement of section 201(p) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421(p)), that an Enterprise Fund shall be required to publish an annual report not later than January 31 each year, shall not apply with respect to an Enterprise Fund that receives funds and support under this section for the first twelve months after it is designated as eligible to receive such funds and support.

"(e) FUNDING.—

"(1) IN GENERAL.—Amounts made available for a fiscal year to carry out chapter 1 of part I of this Act (relating to development assistance) and to carry out chapter 4 of part II of this Act (relating to the economic support fund) shall be available for such fiscal year to carry out this section, in addition to amounts otherwise available for such purposes.

"(2) AFRICAN DEVELOPMENT.—In addition to amounts available under paragraph (1) for a fiscal year, amounts made available for such fiscal year to carry out chapter 10 of part I of this Act (relating to the Development Fund for Africa) shall be available for such fiscal year to carry out this section with respect to countries in Africa.".

**SEC. 3212. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.**

(a) IN GENERAL.—Section 108 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151f) is amended to read as follows:

**"SEC. 108. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.**

"(a) FINDINGS AND POLICY.—The Congress finds and declares that—

"(1) the development of micro- and small enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system;

"(2) it is, therefore, in the best interests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process;

"(3) the support of private enterprise can be served by programs providing credit, training, and technical assistance for the benefit of micro- and small enterprises; and

"(4) programs that provide credit, training, and technical assistance to private institutions can serve as a valuable complement to grant assistance provided for the purpose of benefiting micro- and small private enterprise.

"(b) PROGRAM.—To carry out the policy set forth in subsection (a), the President is authorized to provide assistance to increase the availability of credit to micro- and small enterprises lacking full access to credit, including through—

"(1) loans and guarantees to credit institutions for the purpose of expanding the availability of credit to micro- and small enterprises;

"(2) training programs for lenders in order to enable them to better meet the credit needs of micro- and small entrepreneurs; and

"(3) training programs for micro- and small entrepreneurs in order to enable them to make better use of credit and to better manage their enterprises.".

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—(A) There is authorized to be appropriated to carry out section 108 of the Foreign Assistance Act of 1961, in addition to funds otherwise available for such purposes, $2,000,000 for each of the fiscal years 1996 and 1997. Funds authorized to be appropriated under this subsection shall be made available for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, for activities under section 108 of the Foreign Assistance Act of 1961.

(B) In addition, there are authorized to be appropriated $500,000 for each of the fiscal years 1996 and 1997 for the cost of training programs and administrative expenses to carry out such section.

(2) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.

**SEC. 3213. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.**

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new section:

**"SEC. 129. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.**

"(a) AUTHORIZATION.—(1) In carrying out this part, the administrator of the agency primarily responsible for administering this part is authorized to provide grant assistance for programs of credit and other assistance for microenterprises in developing countries.

"(2) Assistance authorized under paragraph (1) shall be provided through the following organizations that have a capacity to develop and implement microenterprise programs:

"(A) United States and indigenous private and voluntary organizations.

"(B) United States and indigenous credit unions and cooperative organizations.

"(C) Other indigenous governmental and nongovernmental organizations.

"(3) Approximately 50 percent of assistance authorized under paragraph (1) shall be used for poverty lending programs which—

"(A) meet the needs of the very poor members of society, particularly poor women; and

"(B) provide loans of $300 or less in 1995 United States dollars to such poor members of society.

"(4) The administrator of the agency primarily responsible for administering this part shall strengthen appropriate mechanisms, including mechanisms for central microenterprise programs, for the purpose of—

"(A) providing technical support for field missions;

"(B) strengthening the institutional development of the intermediary organizations described in paragraph (2); and

"(C) sharing information relating to the provision of assistance authorized under paragraph (1) between such field missions and intermediary organizations.

"(b) MONITORING SYSTEM.—In order to maximize the sustainable development impact of the assistance authorized under subsection (a)(1), the administrator of the agency primarily responsible for administering this part shall establish a monitoring system that—

"(1) establishes performance goals for such assistance and expresses such goals in an objective and quantifiable form, to the extent feasible;

"(2) establishes performance indicators to be used in measuring or assessing the achievement of the goals and objectives of such assistance; and

"(3) provides a basis for recommendations for adjustments to such assistance to enhance the sustainable development impact of such assistance, particularly the impact of such assistance on the very poor, particularly poor women.".

**CHAPTER 3—DEVELOPMENT ASSISTANCE**

**Subchapter A—Development Assistance Authorities**

**SEC. 3221. AUTHORIZATIONS OF APPROPRIATIONS.**

(a) IN GENERAL.—There are authorized to be appropriated the following amounts for the following purposes (in addition to amounts otherwise available for such purposes):

(1) DEVELOPMENT ASSISTANCE FUND.—$858,000,000 for each of the fiscal years 1996 and 1997 to carry out sections 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d).

(2) DEVELOPMENT FUND FOR AFRICA.—$629,214,000 for each of the fiscal years 1996 and 1997 to carry out chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.).

(3) ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—$643,000,000 for fiscal year 1996 and $650,000,000 for fiscal year 1997 to carry out programs under chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.) and other related programs.

(4) ASSISTANCE FOR EAST EUROPEAN COUNTRIES.—$325,000,000 for fiscal year 1996 and $275,000,000 for fiscal year 1997 for economic assistance for Eastern Europe and the Baltic states under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

(5) INTER-AMERICAN FOUNDATION.—$20,000,000 for fiscal year 1996 and $10,000,000 for fiscal year 1997 to carry out section 401 of

the Foreign Assistance Act of 1969 (22 U.S.C. 290f).

(6) AFRICAN DEVELOPMENT FOUNDATION.—$10,000,000 for fiscal year 1996 and $5,000,000 for fiscal year 1997 to carry out the African Development Foundation Act (22 U.S.C. 290h et seq.).

(b) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

**SEC. 3222. CHILD SURVIVAL ACTIVITIES, VITAMIN A DEFICIENCY PROGRAM, AND RELATED ACTIVITIES.**

(a) CHILD SURVIVAL ACTIVITIES.—

(1) IN GENERAL.—(A) Of the amounts made available to carry out the provisions of law described in paragraph (2) for fiscal years 1996 and 1997, not less than $280,000,000 for each such fiscal year shall be made available only for activities which have a direct measurable impact on rates of child morbidity and mortality, with a particular emphasis on delivery of community-based primary health care and health education services which benefit the poorest of the poor.

(B) Of the amounts made available under subparagraph (A) for a fiscal year, not less than $30,000,000 for such fiscal year shall be provided to private and voluntary organizations under the PVO Child Survival grants program carried out by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961.

(2) PROVISIONS OF LAW.—The provisions of law described in this paragraph are the following:

(A) Sections 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d; relating to the development assistance fund).

(B) Chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.; relating to the Development Fund for Africa).

(C) Chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund).

(D) The "Multilateral Assistance Initiative for the Philippines" program.

(3) SPECIAL RULE.—Amounts made available under sections 103 through 106 of the Foreign Assistance Act of 1961 for the Vitamin A Deficiency Program, part I of such Act for iodine and iron fortification programs and for iron supplementation programs for pregnant women, chapter 9 of part I of such Act for international disaster assistance, section 104(c) of such Act for international AIDS prevention and control, and any other provision of law for migration and refugee assistance, shall not be included in the aggregate amounts described in paragraph (1) for purposes of the requirements contained in such paragraph.

(b) VITAMIN A DEFICIENCY PROGRAM AND RELATED ACTIVITIES.—Of the amounts made available to carry out sections 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d) for fiscal years 1996 and 1997, not less than $25,000,000 for each such fiscal year shall be made available for the Vitamin A Deficiency Program and for activities relating to iodine deficiency and other micronutrients.

(c) UNDP/WHO TROPICAL DISEASE PROGRAM.—Of the amounts made available to carry out section 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d) for fiscal years 1996 and 1997, not less than $15,000,000 for each such fiscal year shall be made available for the United Nations Development Program/World Health Organization Special Program for Research and Training in Tropical Diseases.

**SEC. 3223. ASSISTANCE FOR FAMILY PLANNING.**

(a) RESTRICTION ON USE OF FUNDS FOR VOLUNTARY POPULATION PLANNING.—Section 104(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(b)) is amended by inserting after the first sentence the following new sentence: "Such assistance shall be available only for voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services."

(b) PROHIBITION ON USE OF FUNDS FOR VOLUNTARY POPULATION PLANNING TO ORGANIZATIONS OR PROGRAMS SUPPORTING OR PARTICIPATING IN THE MANAGEMENT OF ABORTION OR INVOLUNTARY STERILIZATION PROGRAMS.—Section 104(b) of such Act (22 U.S.C. 2151b(b)), as amended by subsection (a), is further amended—

(1) in the first sentence, by striking "In order to" and inserting "(1) In order to"; and

(2) by adding at the end the following new paragraph:

"(2) None of the funds made available to carry out this subsection may be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization.".

(c) PROHIBITION ON DISCRIMINATION WITH RESPECT TO GRANTS FOR NATURAL FAMILY PLANNING.—Section 104(b) of such Act (22 U.S.C. 2151b(b)), as amended by subsections (a) and (b), is further amended by adding at the end the following new paragraph:

"(3) In providing grants for natural family planning under this subsection, the administrator of the agency primarily responsible for administering this part shall not discriminate against applicants because of any religious or conscientious commitment by such applicants to offer only natural family planning services.".

(d) CLARIFICATION WITH RESPECT TO PROHIBITION ON USE OF FUNDS FOR ABORTIONS.—Section 104(f)(1) of such Act (22 U.S.C. 2151b(f)(1)) is amended—

(1) by striking "None of the funds" and inserting "(A) None of the funds"; and

(2) by adding at the end the following new subparagraph:

"(B) For purposes of this paragraph, the term 'motivate' shall not be construed to prohibit the provision, consistent with local law, of information and counseling concerning all pregnancy options, including abortion.".

**SEC. 3224. ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.**

(a) CONDITIONS ON ASSISTANCE.—Section 498A(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a(b)) is amended—

(1) in paragraph (4), by striking "or" at the end;

(2) by redesignating paragraph (5) as paragraph (10); and

(3) by inserting after paragraph (4) the following new paragraphs:

"(5) for the Government of Russia, unless the President certifies to the Congress that such Government—

"(A) is pursuing, without preconditions, an immediate and permanent ceasefire, and is pursuing a negotiated settlement to the conflict in the Russian Federation Republic of Chechnya;

"(B) is taking steps to provide unhindered access to the region of Chechnya and surrounding areas of the Russian Federation by elected officials of the Russian Federation and by independent Russian media;

"(C) is cooperating with the Organization for Security and Cooperation in Europe and other appropriate international organizations in undertaking steps to investigate and prosecute any and all individuals, including members of the Russian armed forces and internal security agencies, who may be responsible for atrocities, war crimes, or crimes against humanity in the region of Chechnya;

"(D) is cooperating with the Assistance Group of the Organization on Security and Cooperation in Europe established in Chechnya in fulfilling that mission's mandate;

"(E) is cooperating in assuring the unhindered delivery of humanitarian assistance to the civilian population in Chechnya;

"(F) has made the fullest possible accounting of all persons currently detained by Russian military or security forces as a result of the conflict in Chechnya and has allowed access to those individuals by the International Committee of the Red Cross;

"(G) is taking steps to repatriate refugees and displaced persons wishing to return to Chechnya; and

"(H) is taking steps to hold free and fair elections in Chechnya, based on the principles of the Organization on Security and Cooperation in Europe and conducted in the presence of foreign and domestic observers;

except that this paragraph shall not apply to the provision of such assistance for purposes of humanitarian, disaster, and refugee relief or assisting democratic political reform and rule of law activities, provision of technical assistance for safety upgrade of civilian nuclear power plants, and assisting in the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

"(6) for the government of any independent state that has agreed to provide nuclear reactor components to Iran, unless the President determines that the sale of such components to Iran includes safeguards that are consistent with the national security objectives of the United States and the concerns of the United States with respect to nonproliferation of nuclear weapons technology, except that this paragraph shall not apply to the provision of such of assistance for purposes of—

"(A) humanitarian, disaster, and refugee relief; or

"(B) assisting democratic political reform, rule of law activities, and the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

"(7) for the government of any independent state that the President determines directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, except that this paragraph shall not apply to the provision of such assistance for purposes of—

"(A) humanitarian, disaster, and refugee relief; or

"(B) assisting democratic political reform, rule of law activities, and the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

"(8) for the purpose of enhancing the military capability of any independent state, except that this paragraph shall not apply to demilitarization, defense conversion or nonproliferation programs, or programs to support troop withdrawal including through the support of an officer resettlement program, and technical assistance for the housing sector;

"(9) for the Government of Russia if the President determines that Government—

"(A) is not making progress in implementing comprehensive economic reforms based on market principles, including fostering private ownership, the repayment of commercial debt, the respect of commercial contracts, the equitable treatment of foreign private investment; or

"(B) applies or transfers assistance provided under this chapter to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures; or".

(b) ASSISTANCE THROUGH THE PRIVATE SECTOR.—Section 498B(a) of such Act (22 U.S.C. 2295b(a)) is amended to read as follows:

"(a) ASSISTANCE THROUGH THE PRIVATE SECTOR.—Assistance under this chapter shall be provided, to the maximum extent feasible, through the private sector, including private and voluntary organizations and other nongovernmental organizations functioning in the independent states of the former Soviet Union.".

(c) WAIVER OF CERTAIN PROVISIONS.—Section 498B(j)(1) of such Act (22 U.S.C. 2295b(j)(1)) is amended in the matter preceding subparagraph (A)—

(1) by striking "for fiscal year 1993 by this chapter" and inserting "to carry out this chapter"; and

(2) by striking "appropriated for fiscal year 1993".

**SEC. 3225. DEVELOPMENT FUND FOR LATIN AMERICA AND THE CARIBBEAN.**

Part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new chapter:

**"CHAPTER 12—DEVELOPMENT FUND FOR LATIN AMERICA AND THE CARIBBEAN**

**"SEC. 499. STATEMENT OF POLICY.**

"The Congress declares the following:

"(1) The historic, economic, political, and geographic relationships among the countries of the Western Hemisphere are unique and of continuing special significance.

"(2) Following the historic Summit of the Americas and the passage of the North American Free Trade Agreement, the countries of the Western Hemisphere have moved steadfastly toward economic and political integration.

"(3) The interests of the countries of the Western Hemisphere are more interrelated than ever, and sound economic, social, and democratic progress in each of the countries continues to be of importance to all countries, and lack of it in any country may have serious repercussions in others.

"(4) For the peoples of Latin America and the Caribbean to progress within the framework of social justice, respect for human rights, political democracy, and market-oriented economies, there is a compelling need for the achievement of social and economic advancement and the consolidation of political democracy and the rule of law adequate to meet the legitimate aspirations of the individual citizens of the countries of Latin America and the Caribbean for a better way of life.

"(5) The prosperity, security, and well-being of the United States is linked directly to peace, prosperity, and democracy in Latin America and the Caribbean.

"(6) Democratic values are dominant throughout Latin America and the Caribbean region and nearly all governments in such region have come to power through democratic elections.

"(7) Nonetheless, existing democratic governments and their supporting institutions remain fragile and face critical challenges, including, in particular, the consolidation of civilian control of such governments and institutions, including control of the military, the consolidation or establishment of independent judicial institutions and of the rule of law, and where appropriate, the decentralization of government.

"(8) In adherence to free market principles, it is essential to promote economic growth with equity—enlarging employment and decisionmaking opportunities and the provision of basic social services for traditionally marginalized groups, such as indigenous minorities, women, and the poor—and to protect and promote workers rights.

"(9) By supporting the purposes and objectives of sustainable development and applying such purposes and objectives to Latin America and the Caribbean, the Development Fund for Latin America and the Caribbean can advance the national interests of the United States and can directly improve the lives of the poor, encourage broad-based economic growth while protecting the environment, build human capital and knowledge, support participation in democracy, and promote peace and justice in Latin America and the Caribbean.

**"SEC. 499A. AUTHORIZATION OF ASSISTANCE.**

"(a) IN GENERAL.—The President is authorized to provide assistance for Latin America and the Caribbean to promote democracy, sustainable development, and economic growth in Latin America and the Caribbean.

"(b) TERMS AND CONDITIONS.—Assistance under this chapter shall be provided on such terms and conditions as the President may determine.

**"SEC. 499B. AVAILABILITY OF AMOUNTS.**

"(a) IN GENERAL.—Of the amounts made available to carry out the provisions of law described in subsection (b) for fiscal year 1996 and for each succeeding fiscal year, not less than an amount requested by the President and approved by the Congress in appropriations Acts shall be made available to carry out this chapter.

"(b) PROVISIONS OF LAW.—The provisions of law described in this subsection are the following:

"(1) Sections 103 through 106 of this Act (relating to the development assistance fund).

"(2) Chapter 8 of this part (relating to international narcotics control).

"(3) Chapter 4 of part II of this Act (relating to the economic support fund).

"(4) Chapter 5 of part II of this Act (relating to international military education and training).

"(5) Titles II and III of the Agricultural Trade Development and Assistance Act of 1954.

"(6) The 'Foreign Military Financing Program' under section 23 of the Arms Export Control Act (22 U.S.C. 2763).

"(c) AVAILABILITY.—Amounts made available under this section are authorized to remain available until expended.".

**SEC. 3226. EFFECTIVENESS OF UNITED STATES DEVELOPMENT ASSISTANCE.**

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2251 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

**"SEC. 130. EFFECTIVENESS OF UNITED STATES DEVELOPMENT ASSISTANCE.**

"(a) REPORTS.—Not later than December 31, 1996, and December 31 of each third year thereafter, the President shall transmit to the Congress a report which analyzes, on a country-by-country basis, the impact and effectiveness of the United States development assistance provided during the preceding three fiscal years. Each report shall include the following for each recipient country:

"(1) An analysis of the impact of United States development assistance during the preceding three fiscal years on development in that country, with a discussion of the United States interests that were served by the assistance. Such analysis shall be done on a sector-by-sector basis to the extent possible and shall identify any economic policy reforms which were promoted by the assistance. Such analysis shall—

"(A) include a description, quantified to the extent practicable, of the specific objectives the United States sought to achieve in providing development assistance for that country; and

"(B) specify the extent to which those objectives were not achieved, with an explanation of why they were not achieved.

"(2) A description of the amount and nature of development assistance provided by other donors during the preceding three fiscal years, set forth by development sector to the extent possible.

"(3) A discussion of the commitment of the host government to addressing the country's needs in each development sector, including a description of the resources devoted by that government to each development sector during the preceding three fiscal years.

"(4) A description of the trends, both favorable and unfavorable, in each development sector.

"(5) Statistical and other information necessary to evaluate the impact and effectiveness of United States development assistance on development in the country.

"(b) LISTING OF MOST AND LEAST SUCCESSFUL ASSISTANCE PROGRAMS.—Each report required by this section shall identify—

"(1) those five countries in which United States development assistance has been most successful; and

"(2) those five countries in which United States development assistance has been least successful.

For each country listed pursuant to paragraph (2), the report shall explain why the assistance was not more successful and shall specify what the United States has done as a result.

"(c) REPORT TO BE A SEPARATE DOCUMENT.—Each report required by this section shall be submitted to the Congress as a separate document.

"(d) DEFINITION.—As used in this section, the terms 'United States development assistance' and 'development assistance' means assistance under this chapter.".

**SEC. 3227. FUNDING FOR PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES.**

(a) IN GENERAL.—For each of the fiscal years 1996 and 1997, the President shall allocate an aggregate amount to private and voluntary organizations and cooperatives under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and the Support for East European Democracy (SEED) Act of 1989 which, at a minimum, is equal to the aggregate amount allocated to such organizations and cooperatives under such Acts for fiscal year 1994.

(b) DEFINITION.—For purposes of this section, the term "private and voluntary organization" means a private nongovernmental organization which—

(1) is organized under the laws of a country;

(2) receives funds from private sources;

(3) operates on a not-for-profit basis with appropriate tax-exempt status if the laws of the country grant such status to not-for-profit organizations;

(4) is voluntary in that it receives voluntary contributions of money, time, or in-kind support from the public; and

(5) is engaged or intends to be engaged in voluntary, charitable, development, or humanitarian assistance activities.

**SEC. 3228. SENSE OF THE CONGRESS RELATING TO UNITED STATES COOPERATIVES AND CREDIT UNIONS.**

It is the sense of the Congress that—

(1) United States cooperatives and credit unions can provide an opportunity for people in developing countries to participate directly in democratic decisionmaking for their economic and social benefit through ownership and control of business enterprises and through the mobilization of local capital and savings; and

(2) such organizations should be utilized in fostering democracy, free markets, community-based development, and self-help projects.

**Subchapter B—Operating Expenses**

**SEC. 3231. OPERATING EXPENSES GENERALLY.**

Section 667(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2427(a)(1)) is amended to read as follows:

"(1) $465,774,000 for fiscal year 1996 and $419,196,000 for fiscal year 1997 for necessary operating expenses of the agency primarily responsible for administering part I of this Act (other than the office of the inspector general of such agency); and".

**SEC. 3232. OPERATING EXPENSES OF THE OFFICE OF THE INSPECTOR GENERAL.**

Section 667(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2427(a)), as amended by this Act, is further amended—

(1) by redesignating paragraph (2) as paragraph (3);

(2) by striking "and" at the end of paragraph (1); and

(3) by inserting after paragraph (1) the following:

"(2) $35,206,000 for fiscal year 1996 and $31,685,000 for fiscal year 1997 for necessary operating expenses of the office of the inspector general of such agency; and".

**CHAPTER 4—PUBLIC LAW 480**

**SEC. 3241. LEVELS OF ASSISTANCE FOR TITLE II.**

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1)(E), by striking "for fiscal year 1995" and inserting "for each of the fiscal years 1995 through 1997"; and

(2) in paragraph (2)(E), by striking "for fiscal year 1995" and inserting "for each of the fiscal years 1995 through 1997".

**SEC. 3242. AUTHORIZATION OF APPROPRIATIONS FOR TITLE III.**

No funds are authorized to be appropriated for either of the fiscal years 1996 and 1997 for the provision of agricultural commodities under title III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727 et seq.).

**CHAPTER 5—HOUSING GUARANTEE PROGRAM**

**SEC. 3251. AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE EXPENSES.**

(a) IN GENERAL.—(1) Subject to paragraph (2), there are authorized to be appropriated $7,000,000 for fiscal year 1996 and $6,000,000 for fiscal year 1997 for administrative expenses to carry out guaranteed loan programs under sections 221 and 222 of the Foreign Assistance Act of 1961 (22 U.S.C. 2181 and 2182).

(2) Amounts authorized to be appropriated under paragraph (1) may be made available only for—

(A) administrative expenses incurred with respect to guaranties issued before the date of the enactment of this Act; or

(B) expenses incurred with respect to activities related to the collection of amounts paid by the United States in the discharge of liabilities under guaranties issued under section 222 of the Foreign Assistance Act of 1961 (22 U.S.C. 2182).

(b) AVAILABILITY.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

**SEC. 3252. ADDITIONAL REQUIREMENTS.**

(a) EXPIRATION OF AUTHORITY.—Section 222(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2182(a)) is amended by striking the third sentence and inserting the following: "No guaranties may be issued under this section on or after the date of the enactment of the Foreign Aid Reduction Act of 1995.".

(b) CANCELLATION OF CERTAIN EXISTING GUARANTIES.—Section 222 of such Act (22 U.S.C. 2182) is amended—

(1) by redesignating subsection (k) as subsection (d); and

(2) by adding at the end the following new subsection:

"(e) The President shall cancel all guaranties issued under this section with respect to which eligible investors have not (before the date of the enactment of the Foreign Aid Reduction Act of 1995) applied such guaranties to loans for projects under this title.".

(c) PROHIBITION ON ASSISTANCE FOR ENTITIES IN DEFAULT AND CERTAIN OTHER ENTITIES.—Section 620 of such Act (22 U.S.C. 2370) is amended by inserting after subsection (u) the following new subsection:

"(v)(1) Subject to paragraph (2), no assistance shall be furnished under this Act to any entity that—

"(A) fails to make timely payments on loans with respect to which guaranties have been issued under title III of chapter 2 of part I of this Act (relating to housing and other credit guaranty programs); or

"(B) causes amounts (including amounts for administrative expenses) to be paid by the United States in the discharge of liabilities under guaranties issued under such title, unless such entity has reimbursed the United States for such amounts.

"(2) The President may waive the prohibition in paragraph (1) with respect to an entity if the President determines that it is in the national interest of the United States to furnish assistance under this Act to such entity.".

**CHAPTER 6—PEACE CORPS**

**SEC. 3261. PEACE CORPS.**

Section 3(b) of the Peace Corps Act (22 U.S.C. 2502(b)) is amended to read as follows:

"(b)(1) There are authorized to be appropriated to carry out the purposes of this Act $219,745,000 for each of the fiscal years 1996 and 1997.

"(2) Amounts authorized to be appropriated under paragraph (1)—

(1) with respect to fiscal year 1996 are authorized to remain available until September 30, 1997; and

(2) with respect to fiscal year 1997 are authorized to remain available until September 30, 1998.".

**SEC. 3262. ACTIVITIES OF THE PEACE CORPS IN THE FORMER SOVIET UNION.**

(a) IN GENERAL.—Of the amounts made available for fiscal years 1996 and 1997 to carry out chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.; relating to assistance for the independent states of the former Soviet Union), not more than $11,600,000 for each such fiscal year shall be available for activities of the Peace Corps in the independent states of the former Soviet Union (as defined in section 3 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992).

(b) AVAILABILITY.—Amounts made available under subsection (a)—

(1) with respect to fiscal year 1996 are authorized to remain available until September 30, 1997; and

(2) with respect to fiscal year 1997 are authorized to remain available until September 30, 1998.

**SEC. 3263. PROHIBITION ON USE OF FUNDS FOR ABORTIONS.**

Section 15 of the Peace Corps Act (22 U.S.C. 2514) is amended by adding at the end the following new subsection:

"(e) Funds made available for the purposes of this Act may not be used to pay for abortions.".

**CHAPTER 7—INTERNATIONAL DISASTER ASSISTANCE**

**SEC. 3271. AUTHORITY TO PROVIDE RECONSTRUCTION ASSISTANCE.**

Section 491 of the Foreign Assistance Act of 1961 (22 U.S.C. 2292) is amended—

(1) in subsection (b), by striking "and rehabilitation" and inserting ", rehabilitation, and reconstruction"; and

(2) in subsection (c), by striking "and rehabilitation" and inserting ", rehabilitation, and reconstruction".

**SEC. 3272. AUTHORIZATIONS OF APPROPRIATIONS.**

Section 492(a) of such Act (22 U.S.C. 2292a(a)) is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out section 491, in addition to funds otherwise available for such purposes, $200,000,000 for each of the fiscal years 1996 and 1997.".

**CHAPTER 8—OTHER PROVISIONS**

**SEC. 3281. EXEMPTION FROM RESTRICTIONS ON ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.**

Section 123(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(e)) is amended to read as follows:

"(e)(1) Subject to paragraph (3), restrictions contained in this Act or any other provision of law with respect to assistance for a country shall not be construed to restrict assistance under this chapter, chapter 10, or chapter 11 of this part in support of programs of nongovernmental organizations.

"(2) The President shall take into consideration, in any case in which a restriction on assistance for a country would be applicable but for this subsection, whether assistance for programs of nongovernmental organizations is in the national interest of the United States.

"(3) Whenever the authority of this subsection is used to furnish assistance for a program of a nongovernmental organization, the President shall notify the congressional committees specified in section 634A(a) of this Act in accordance with procedures applicable to reprogramming notifications under that section. Such notification shall describe the program assisted, the assistance provided, and the reasons for furnishing such assistance.".

**SEC. 3282. FUNDING REQUIREMENTS RELATING TO UNITED STATES PRIVATE AND VOLUNTARY ORGANIZATIONS.**

(a) IN GENERAL.—Section 123(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(g)) is amended to read as follows:

"(g) Funds made available to carry out this chapter or chapter 10 of this part may not be made available to any United States private and voluntary organization, except any cooperative development organization,

that obtains less than 20 percent of its total annual financial support for its international activities from sources other than the United States Government.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to funds made available for programs of any United States private and voluntary organization on or after the date of the enactment of this Act.

**SEC. 3283. DOCUMENTATION REQUESTED OF PRIVATE AND VOLUNTARY ORGANIZATIONS.**

Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by inserting after subsection (v) (as added by this Act) the following new subsection:

"(w) None of the funds made available to carry out this Act shall be available to any private and voluntary organization which—

"(1) fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the agency primarily responsible for administering part I of this Act; or

"(2) is not registered with the agency primarily responsible for administering part I of this Act.".

**SEC. 3284. FOREIGN GOVERNMENT PARKING FINES.**

(a) IN GENERAL.—Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2351 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

**"SEC. 620I. FOREIGN GOVERNMENT PARKING FINES.**

"(a) IN GENERAL.—An amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia, Virginia, Maryland, and New York by the government of a foreign country as of the end of a fiscal year, as certified to the President by the chief executive officer of each State or District, shall be withheld from obligation for such country out of funds available in the next fiscal year to carry out part I of this Act, until the requirement of subsection (b) is satisfied.

"(b) REQUIREMENT.—The requirement of this subsection is satisfied when the Secretary of State determines and certifies to the appropriate congressional committees that such fines and penalties are fully paid to the governments of the District of Columbia, Virginia, Maryland, and New York.

"(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—For purposes of this section, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to fines certified as of the end of fiscal year 1995 or any fiscal year thereafter.

**SEC. 3285. HUMAN RIGHTS REPORTS.**

(a) SECTION 116 REPORT.—Section 116(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) by redesignating paragraph (3) as paragraph (5); and

(3) by inserting after paragraph (2) the following new paragraphs:

"(3) the votes of each member of the United Nations Commission on Human Rights on all country-specific and thematic resolutions voted on at the Commission's annual session during the period covered during the preceding year;

"(4) the extent to which each country has extended protection to refugees, including the provision of first asylum and resettlement; and".

(b) SECTION 502B REPORT.—Section 502B(b) of such Act (22 U.S.C. 2304(b)) is amended by adding after the second sentence the following new sentence: "Each report under this section shall list the votes of each member of the United Nations Commission on Human Rights on all country-specific and thematic resolutions voted on at the Commission's annual session during the period covered during the preceding year.".

**SEC. 3286. DEOBLIGATION OF CERTAIN UNEXPENDED ECONOMIC ASSISTANCE FUNDS.**

Chapter 3 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2401 et seq.) is amended by adding at the end the following:

**"SEC. 668. DEOBLIGATION OF CERTAIN UNEXPENDED ECONOMIC ASSISTANCE FUNDS.**

"(a) REQUIREMENT TO DEOBLIGATE.—

"(1) IN GENERAL.—Except as provided in subsection (b) of this section and in paragraphs (1) and (3) of section 617(a) of this Act, at the beginning of each fiscal year the President shall deobligate and return to the Treasury, any funds described in paragraph (2) that, as of the end of the preceding fiscal year, have been obligated for a project or activity for a period of more than 3 years but have not been expended.

"(2) FUNDS.—Paragraph (1) applies to funds made available for—

"(A) assistance under chapter 1 of part I of this Act (relating to development assistance), chapter 10 of part I of this Act (relating to the Development Fund for Africa), or chapter 4 of part II of this Act (relating to the economic support fund);

"(B) assistance under the 'Multilateral Assistance Initiative for the Philippines';

"(C) assistance under the Support for East European Democracy (SEED) Act of 1989; and

"(D) economic assistance for the independent states of the former Soviet Union under this Act or under any other Act authorizing economic assistance for such independent states.

"(b) EXCEPTIONS.—The President, on a case-by-case basis, may waive the requirement of subsection (a)(1) if the President determines, and reports to the appropriate congressional committees, that—

"(1) the funds are being used for a construction project that requires more than 3 years to complete; or

"(2) the funds have not been expended because of unforeseen circumstances, and those circumstances could not have been reasonably foreseen.

"(c) COMMENTS BY INSPECTOR GENERAL.—As soon as possible after the submission of a report pursuant to subsection (b), the Inspector General of the agency primarily responsible for administering part I of this Act shall submit to the appropriate congressional committees such comments as the Inspector General considers appropriate with regard to the determination described in that report.

"(d) APPROPRIATE CONGRESSIONAL COMMITTEES.—As used in this section, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.".

## TITLE XXXIII—REGIONAL PROVISIONS

**SEC. 3301. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS PROVIDING ASSISTANCE TO CUBA.**

(a) IN GENERAL.—Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by adding at the end the following new subsection:

"(y)(1) No assistance may be provided under this Act (other than humanitarian assistance and assistance for refugees) for a fiscal year to any foreign government that the President determines has provided economic assistance to or engaged in nonmarket-based trade with the Government of Cuba or any entity controlled by such Government in the preceding fiscal year.

"(2) The President may waive the requirements of paragraph (1) if—

"(A) the President certifies to the congressional committees specified in section 634A of this Act (in accordance with procedures applicable to reprogramming of funds under that section) that the provision of such assistance is vital to the national security of the United States; or

"(B) the President determines and reports to the Congress that the Government of Cuba has met the requirements contained in section 1708 of the Cuban Democracy Act of 1992 (22 U.S.C. 6001 et seq.).

"(3) Not later than February 1st each year, the President shall prepare and transmit to the appropriate congressional committees a report containing a list of all foreign governments that the President has determined have provided economic assistance to or engaged in nonmarket-based trade with the Government of Cuba in the preceding fiscal year.

"(4) For purposes of this subsection—

"(A) the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate;

"(B) the term 'humanitarian assistance' means food (including the monetization of food), clothing, medicine, and medical supplies; and

"(C) the term 'nonmarket-based trade' includes exports, imports, exchanges, or other trade arrangements under which goods or services are provided on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

"(i) exports to the Government of Cuba on terms that involve a grant, concessional price, guaranty, insurance, or subsidy;

"(ii) imports from the Government of Cuba at preferential tariff rates; and

"(iii) exchange arrangements that include advance delivery of commodities, arrangements in which the Government of Cuba is not held accountable for unfulfilled exchange contracts, and arrangements under which such Government does not pay appropriate transportation, insurance, or finance costs.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the prohibition on assistance to a foreign government contained in section 620(y) of the Foreign Assistance Act of 1961, as added by subsection (a), shall apply only with respect to assistance provided in fiscal years beginning on or after the date of the enactment of this Act.

(2) EXCEPTION.—In the case of the fiscal year in which this Act is enacted, such prohibition shall apply with respect to the obligation or expenditure of assistance on or after the date of the enactment of this Act.

**SEC. 3302. ASSISTANCE FOR NICARAGUA.**

(a) RESTRICTIONS.—Amounts made available for fiscal years 1996 and 1997 for assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.; relating to development assistance) or chapter 4 of part II of such Act (22 U.S.C. 2346 et seq.; relating to the economic support fund), including any unobligated balances of prior appropriations, may only be made available to the Government of Nicaragua if the Secretary of State determines and certifies to the appropriate congressional committees that—

(1) a full and independent investigation has been completed of the weapons caches discovered after the May 23, 1993, Santa Rosa arms cache explosion, including an investigation of passports, identity papers, and other documents found at weapons sites indicating the existence of a terrorist or kidnapping ring and whether the terrorist network was involved in the February 1993 World Trade Center bombing;

(2) prosecutions have been initiated against all individuals, including government officials and members of the armed forces or security forces of Nicaragua, identified in the investigation described in paragraph (1);

(3) Nicaragua has made substantial progress in meeting the requirements set forth in section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (relating to expropriation of United States property);

(4) substantial progress has been made in the timely implementation of all recommendations made by the Tripartite Commission with respect to individuals responsible for assassinations, including the immediate suspension of all individuals from the Sandinista Army and security forces who were named in such recommendations, and the expeditious prosecution of such individuals;

(5) all individuals responsible for the murders of Jean Paul Genie, Arges Sequeira, and Enrique Bermudez have been removed from the military and security forces of Nicaragua, and judicial proceedings against these individuals have been initiated;

(6) specific changes have been implemented which have resulted in verifiable civilian control over the Sandinista military, security forces, and police; and

(7) genuine, effective, and concrete reforms in the Nicaraguan judicial system have been initiated.

(b) CONTENTS OF CERTIFICATION.—

(1) IN GENERAL.—A certification made pursuant to subsection (a) shall include a detailed accounting of all evidence in support of the determinations listed in paragraphs (1) through (7) of such subsection.

(2) FORM.—A certification made pursuant to subsection (a) shall be submitted in unclassified form, and, to the extent necessary, classified form.

(c) EXCEPTION TO RESTRICTIONS.—The restrictions on the availability of funds in subsection (a) shall not apply to support for—

(1) programs facilitating the resolution of United States citizen property claims;

(2) the International Commission for Support and Verification of the Organization of American States for human rights monitoring, related assistance programs or election observation;

(3) independent human rights groups in Nicaragua;

(4) programs intended to ensure free and fair elections in Nicaragua;

(5) democracy-building programs administered through the National Endowment for Democracy and related nongovernmental groups; or

(6) programs to promote civilian control of the military.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—For purposes of this section, the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

**SEC. 3303. SENSE OF THE CONGRESS REGARDING RELATIONS WITH BURMA.**

It is the sense of the Congress that—

(1) official United States trade delegations to Burma should be indefinitely suspended;

(2) visits to Burma by senior officials of the United States Government should be minimized until Aung San Suu Kyi is released from house arrest;

(3) the Secretary of Labor should submit to the Congress a report on labor practices in Burma so that Members of Congress can better inform constituents, including stockholders and business leaders of the United States companies which transact commerce with Burma, on labor conditions in that country;

(4) the Secretary of State should submit to the Congress a report on resource exploitation and environmental degradation in Burma;

(5) no assistance should be used for cooperative counternarcotics efforts between the United States and members of the State Law and Order Restoration Committee (SLORC) regime;

(6) the United States should discourage the Association of Southeast Asian Nations (ASEAN) from including the SLORC regime in ASEAN activities;

(7) the Secretary of State should submit to the Congress a report which outlines a strategy for encouraging democratic transition in Burma; and

(8) the United States should encourage its allies to restrict the relations of such allies with Burma in accordance with this section.

**SEC. 3304. DEBT RESTRUCTURING FOR EGYPT.**

(a) FINDINGS.—The Congress makes the following findings:

(1) The Government of Egypt owes the United States Government over $6,000,000,000 from prior economic assistance credit programs.

(2) Current annual debt service payments by Egypt to the United States are approximately $270,000,000, will climb in the near future to $350,000,000, and will continue until the year 2021.

(3) Egypt's debt service to the United States results in reduced investment capital and slower economic growth in Egypt.

(4) Restructuring Egypt's debt burden, and buying down Egypt's debt, could substantially reduce over time Egypt's requirement for economic assistance.

(5) Addressing Egypt's debt burden is in the mutual interest of Egypt and the United States.

(b) REPORT.—(1) Not later than January 31, 1996, the Secretary of State and the Secretary of the Treasury shall develop and submit to the appropriate congressional committee options to restructure Egypt's debt, and buy down, over a period of time through the use of funds authorized to be appropriated under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), all outstanding debt owed by the Government of Egypt to the United States Government, including debt owed under development assistance, agriculture, Export-Import Bank, and Commodity Credit Corporation credit programs.

(2) The Secretary of State and the Secretary of the Treasury shall develop the options required by paragraph (1) in such a way as to enable the United States to reduce assistance to Egypt in the future under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund). In the development of such options, the Secretaries shall consult with the Secretary of Commerce for the purpose of determining the impact of the options required under paragraph (1) on the level of United States exports to Egypt.

(3) For purposes of this subsection, the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

**SEC. 3305. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS PROVIDING ASSISTANCE TO IRAN.**

(a) FINDINGS.—The Congress makes the following findings:

(1) Iran is engaged in an intensive effort to develop nuclear weapons and some nations have indicated that they are prepared to cooperate with Iran in the nuclear field.

(2) The possession of nuclear weapons by Iran would represent a serious threat to the peace and security of the entire Middle East region and an extremely serious challenge to United States interests in that region.

(3) The United States places the highest priority on denying to Iran the capability to produce nuclear weapons and systems for the delivery of nuclear weapons and other weapons of mass destruction.

(4) The sale or transfer to Iran by any other government or with the permission of any other government of technology that may be critical for Iran to develop or deploy nuclear weapons is a serious threat to United States interests.

(b) ADMISSION TO NATO.—It is the sense of the Congress that the United States should vigorously oppose the accession to the North Atlantic Treaty and the admission to the North Atlantic Treaty Organization of any country which sells or licenses for sale any nuclear or dual-use technology or any military weapons, equipment, ammunition or munitions of any kind, including any item included on any lists covered by the Missile Technology Control Regime, to Iran or to any country which the Secretary of State has determined repeatedly provides support for acts of international terrorism pursuant to section 6(j) of the Export Administration Act of 1979.

(c) PROHIBITION ON UNITED STATES ASSISTANCE.—No assistance authorized to be appropriated by this Act or any other Act may be provided by any agency of the United States Government to the government of any country which sells or licenses for sale any nuclear or dual-use technology or any military weapons, equipment, ammunition or munitions of any kind, including any item included on any lists covered by the Missile Technology Control Regime, to Iran or to any other country which the Secretary of State has determined repeatedly provides

support for acts of international terrorism pursuant to section 6(j) of the Export Administration Act of 1979.

(d) EXCEPTIONS.—The prohibition in subsection (c) shall not apply to—

(1) assistance provided to Russia, Belarus, Ukraine, or Kazakhstan under the authorities of the Soviet Nuclear Threat Reduction Act of 1991 (title II of Public Law 102–228; 105 Stat. 1691); and

(2) assistance provided under chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.; relating to assistance for the independent states of the former Soviet Union) for the purposes of—

(A) humanitarian, disaster, or refugee relief; or

(B) assisting democratic political reform and rule of law activities, and assisting in the creation of private sector and nongovernmental organizations that are independent of government ownership and control.

**SEC. 3306. ASSISTANCE FOR PAKISTAN.**

Section 620E(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2375(e)) is amended—

(1) by striking "No assistance shall" and inserting "(1) Except as provided in paragraph (2), no assistance shall"; and

(2) by adding at the end the following new paragraph:

"(2)(A) Assistance in support of nongovernmental organizations or microenterprises under chapter 1 of part I of this Act (relating to development assistance) and assistance under the provisions of law described in subparagraph (B) may be made available for Pakistan.

"(B) The provisions of law described in this subparagraph are the following:

"(i) Title IV of chapter 2 of part I of this Act (relating to the Overseas Private Investment Corporation).

"(ii) Chapter 8 of part I of this Act (relating to international narcotics control).

"(iii) Chapter 5 of part II of this Act (relating to international military education and training).

"(iv) Chapter 8 of part II of this Act (relating to antiterrorism assistance).

"(v) Any provision of law under which assistance is available to carry out the following activities:

"(I) Aviation safety.

"(II) Immigration and customs procedures.

"(III) Peacekeeping.

"(IV) Promotion of trade and investment interests of the United States.

"(C) Assistance described in subparagraph (B)(iii) may be made available for Pakistan under this paragraph for fiscal year 1997 and each subsequent fiscal year only if the President certifies to the Congress for such fiscal year that the Government of Pakistan is fully cooperating with United States counter-narcotics assistance programs and policies.".

**SEC. 3307. RETURN OF MILITARY EQUIPMENT OF PAKISTAN.**

It is the sense of the Congress that—

(1) the inability of the President since October 1, 1990, to make the necessary certification under section 620E(e) of the Foreign Assistance Act of 1961 (relating to the nuclear activities of Pakistan) has prevented the delivery of military aircraft for which Pakistan made nonrefundable cash payments to contractors and unnecessarily complicated the achievement of United States foreign policy and nonproliferation objectives in South Asia;

(2) in the absence of a Presidential certification for Pakistan under section 620E(e) of such Act, the United States should make a determined effort to find a third party buyer for the such military aircraft and should reimburse Pakistan with any proceeds derived from a sale to such third party, up to the amount paid by Pakistan for such military aircraft; and

(3) with respect to other military equipment imported into the United States from Pakistan prior to May 1, 1991, for repair or modification by the Department of Defense, the return of such military equipment, including spare parts thereof, or equivalent equipment or spare parts originally owned by another country, does not constitute a transfer of military equipment under the terms of section 620E(e) of such Act, provided such military equipment or spare parts are returned in an unrepaired state or without modifications for which they were originally imported into the United States.

**SEC. 3308. ELIGIBILITY OF PANAMA UNDER ARMS EXPORT CONTROL ACT.**

The Government of the Republic of Panama shall be eligible to purchase defense articles and defense services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), except as otherwise specifically provided by law.

**SEC. 3309. FUTURE OF THE UNITED STATES MILITARY PRESENCE IN PANAMA.**

(a) FINDINGS.—The Congress makes the following findings:

(1) The Panama Canal is a vital strategic asset to the United States, its allies, and the world.

(2) The Treaty on the Permanent Neutrality and Operation of the Panama Canal signed on September 7, 1977, provides that Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure.

(3) Such Treaty also provides that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

(4) The United States instrument of ratification of such Treaty includes specific language that the two countries should consider negotiating future arrangements or agreements to maintain military forces necessary to fulfill the responsibility of the two countries of maintaining the neutrality of the Canal after 1999.

(5) The Government of Panama, in the bilateral Protocol of Exchange of instruments of ratification, expressly "agreed upon" such arrangements or agreements.

(6) The United States Navy depends upon the Panama Canal for rapid transit in times of emergency, as demonstrated during World War II, the Korean War, the Vietnam conflict, the Cuban Missile Crisis, and the Persian Gulf conflict.

(7) Drug trafficking and money laundering have proliferated in the Western Hemisphere since the Treaty on the Permanent Neutrality and Operation of the Panama Canal was signed on September 7, 1977, and such trafficking and laundering poses a grave threat to peace and security in the region.

(8) Certain facilities now utilized by the United States Armed Forces in Panama are critical to combat the trade in illegal drugs.

(9) The United States and Panama share common policy goals such as strengthening democracy, expanding economic trade, and combating illegal narcotics throughout Latin America.

(10) The Government of Panama has dissolved its military forces and has maintained only a civilian police organization to defend the Panama Canal against aggression.

(11) Certain public opinion polls in Panama suggest that many Panamanians desire a continued United States military presence in Panama.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the President should negotiate a new base rights agreement with the Government of Panama—

(A) to allow the stationing of United States Armed Forces in Panama beyond December 31, 1999; and

(B) to ensure that the United States will be able to act appropriately, consistent with the Panama Canal Treaty, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, and the resolutions of ratification thereto, for the purpose of assuring that the Panama Canal shall remain open, neutral, secure, and accessible; and

(2) the President should consult with the Congress throughout the negotiations described in paragraph (1).

**SEC. 3310. PEACE AND STABILITY IN THE SOUTH CHINA SEA.**

(a) FINDINGS.—The Congress finds the following:

(1) The South China Sea is a critically important waterway through which 25 percent of the world's ocean freight and 70 percent of Japan's energy supplies transit.

(2) The South China Sea serves as a crucial sea lane for United States Navy ships moving between the Pacific and Indian Oceans, particularly in time of emergency.

(3) There are a number of competing claims to territory in the South China Sea.

(4) The 1992 Manila Declaration adhered to by the Association of South East Asian Nations, the Socialist Republic of Vietnam, and the People's Republic of China calls for all claimants to territory in the South China Sea to resolve questions of boundaries through peaceful negotiations.

(5) The legislature of the People's Republic of China has declared the entire South China Sea to be Chinese territorial waters.

(6) The armed forces of the People's Republic of China have asserted China's claim to the South China Sea through the kidnapping of citizens of the Republic of the Philippines and the construction of military bases on territory claimed by the Philippines.

(7) These acts of aggression committed by the armed forces of the People's Republic of China against citizens of the Philippines are contrary to both international law and to peace and stability in East Asia.

(b) POLICY DECLARATIONS.—The Congress—

(1) declares the right of free passage through the South China Sea to be vital to the national security interests of the United States, its friends, and allies;

(2) declares that any attempt by a nondemocratic power to assert, through the use of force or intimidation, its claims to territory in the South China Sea to be a matter of grave concern to the United States;

(3) calls upon the Government of the People's Republic of China to adhere faithfully to its commitment under the Manila Declaration of 1992; and

(4) calls upon the President to review the defense needs of democratic countries with claims to territory in the South China Sea.

**SEC. 3311. SENSE OF THE CONGRESS REGARDING NARCOTICS CONTROL EFFORTS OF COLOMBIA.**

It is the sense of the Congress that—

(1) relations between the United States and Colombia are at a critical stage, particularly

following the President's March 1, 1995, decision to grant the Government of Colombia a national interest waiver in the 1994 narcotics certification determination;

(2) the Government of Colombia has undertaken efforts toward the elimination of drug trafficking organizations, especially the powerful "kingpins" based in Cali;

(3) important advances need to be taken to dismantle the operations of criminal enterprises in Colombia which seek to corrupt government institutions;

(4) the Government of Colombia should be encouraged to complete specific, attainable objectives in its overall narcotics control strategy, including—

(A) the arrest and prosecution of the acknowledged leaders of the Cali drug organization;

(B) the imposition of tougher sentencing of drug traffickers to ensure that such traffickers serve sentences commensurate with their crimes;

(C) the expeditious passage of legislation to criminalize money laundering;

(D) the aggressive eradication of illicit crops, including coca, opium, and marijuana;

(E) the elimination of the industrial infrastructure of the narcotics trade, including laboratories, precursor chemicals, and aircraft;

(F) the destruction of the internal narcotics distribution export system, including the use of airports, rivers, and ports for such system;

(G) the elimination of the island of San Andres as a illegal narcotics transshipment point; and

(H) the end of the current policy of the Government of Colombia under which key drug traffickers are given lenient sentences in return for their surrender;

(5) the Secretary of State should make the issue of illicit narcotics the highest foreign policy priority of the United States with respect to relations with key illicit drug transit and producing nations, such as Colombia; and

(6) the Secretary of State should request our European allies to join the United States in sending a clear message to Colombia on the importance of attaining these counternarcotics goals and objectives in the shortest possible time so that reductions in United States foreign assistance will not be necessary in the future.

**SEC. 3312. NOTIFICATION OF ARMS SALES TO SAUDI ARABIA.**

(a) NOTIFICATION.—Until the certification under subsection (b) is submitted to the Congress, section 36(b)(1) of the Arms Export Control Act shall be applied to sales of Saudi Arabia by substituting in the first sentence "0" for $50,000,000, "0" for $200,000,000, and "0" for $14,000,000.

(b) CERTIFICATION.—Subsection (a) shall cease to apply if and when the Secretary of State certifies and reports in writing to the Congress that the unpaid claims of American firms against the Government of Saudi Arabia that are described in the June 30, 1993, report by the Secretary of Defense pursuant to section 9140(c) of the Department of Defense Appropriations Act, 1993 (Public Law 102-396; 106 Stat. 1939), including the additional claims noticed by the Department of Commerce on page 2 of that report, have been resolved satisfactorily.

**SEC. 3313. ASSISTANCE FOR ZAIRE.**

(a) SECURITY ASSISTANCE.—Assistance may not be transferred to the Government of Zaire for each of the fiscal years 1996 and 1997—

(1) under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund);

(2) under chapter 5 of part II of that Act (22 U.S.C. 2347 et seq.; relating to international military education and training); or

(3) from the "Foreign Military Financing Program" account under section 23 of the Arms Export Control Act (22 U.S.C. 2763).

(b) DEVELOPMENT ASSISTANCE.—Assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.; relating to development assistance) or chapter 10 of such part (22 U.S.C. 2293 et seq.; relating to the Development Fund for Africa) for each of the fiscal years 1996 and 1997 shall not be transferred to the Government of Zaire.

## TITLE XXXIV—SPECIAL AUTHORITIES AND OTHER PROVISIONS

### CHAPTER 1—SPECIAL AUTHORITIES

**SEC. 3401. ENHANCED TRANSFER AUTHORITY.**

Section 610 of the Foreign Assistance Act of 1961 (22 U.S.C. 2360) is amended to read as follows:

**"SEC. 610. TRANSFER BETWEEN ACCOUNTS.**

"(a) GENERAL AUTHORITY.—Whenever the President determines it to be necessary for the purposes of this Act or the Arms Export Control Act (22 U.S.C. 2751 et seq.), not to exceed 20 percent of the funds made available to carry out any provision of this Act (except funds made available pursuant to title IV of chapter 2 of part I) or section 23 of the Arms Export Control Act (22 U.S.C. 2763)—

"(1) may be transferred to, and consolidated with, the funds in any other account or fund available to carry out any provision of this Act; and

"(2) may be used for any purpose for which funds in that account or fund may be used.

"(b) LIMITATION ON AMOUNT OF INCREASE.—The total amount in the account or fund for the benefit of which transfer is made under subsection (a) during any fiscal year may not be increased by more than 20 percent of the amount of funds otherwise made available.

"(c) NOTIFICATION.—The President shall notify in writing the congressional committees specified in section 634A at least fifteen days in advance of each such transfer between accounts in accordance with procedures applicable to reprogramming notifications under such section.".

**SEC. 3402. AUTHORITY TO MEET UNANTICIPATED CONTINGENCIES.**

(a) IN GENERAL.—Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 610 (22 U.S.C. 2360) the following new section:

**"SEC. 610A. AUTHORITY TO MEET UNANTICIPATED CONTINGENCIES.**

"(a) AUTHORITY.—

"(1) IN GENERAL.—In order to provide for any unanticipated contingency in the programs, projects, or activities for which assistance is provided under this Act, the President is authorized to use funds made available to carry out any provision of this Act (other than chapter 1 or chapter 10 of part I of this Act) for the purpose of providing assistance authorized by any other provision of this Act in accordance with the provisions applicable to the furnishing of such assistance.

"(2) LIMITATION.—The authority of paragraph (1) may not be used to authorize the use of more than $40,000,000 in any fiscal year.

"(b) SUPERSEDES OTHER LAWS.—Funds made available under the authority of this section may be used notwithstanding any other provision of law.

"(c) NOTIFICATION OF CONGRESS.—

"(1) NOTIFICATION.—Except as provided in paragraph (2), the President shall notify the congressional committees specified in section 634A(a) at least 15 days before obligating any funds under this section in accordance with the procedures applicable to reprogramming notifications under section 634A(a).

"(2) EXCEPTION.—The President may waive the requirement contained in paragraph (1) if the President determines that complying with such requirement would pose a substantial risk to human health or welfare. If the President exercises the waiver under the preceding sentence, the President shall notify the congressional committees specified in section 634A(a) as early as practicable, but in no event later than 3 days after the date on which the President took the action to which such notification requirement was applicable.".

(b) REPEAL.—Chapter 5 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2261; relating to contingencies) is hereby repealed.

**SEC. 3403. SPECIAL WAIVER AUTHORITY.**

Section 614 of the Foreign Assistance Act of 1961 (22 U.S.C. 2364) is amended to read as follows:

**"SEC. 614. SPECIAL WAIVER AUTHORITY.**

"(a) AUTHORITY.—The President may provide assistance and make loans under the provisions of law described in subsection (b), notwithstanding any other provision of law, if the President determines that to do so is vital to the national interests of the United States.

"(b) LAWS WHICH MAY BE WAIVED.—The provisions of law described in this subsection are—

"(1) this Act;

"(2) the Arms Export Control Act (22 U.S.C. 2751 et seq.);

"(3) any provision of law authorizing the provision of assistance to foreign countries or making appropriations for such assistance; and

"(4) any other provision of law that restricts the authority to provide assistance or make loans under a provision of law described in paragraph (1), (2), or (3).

"(c) CONSULTATION WITH CONGRESS.—Before exercising the authority under subsection (a), the President shall consult with, and shall provide a written policy justification to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

"(d) NOTIFICATION TO CONGRESS.—A determination under subsection (a) shall be effective only if the President notifies the congressional committees specified in subsection (c) in writing of that determination.

"(e) ANNUAL CEILINGS.—

"(1) IN GENERAL.—The authority of this section may not be used in any fiscal year to authorize—

"(A) more than $750,000,000 in sales or leases to be made under the Arms Export Control Act (22 U.S.C. 2751 et seq.);

"(B) the use of more than $250,000,000 of funds made available under this Act or the Arms Export Control Act; or

"(C) the use of more than $100,000,000 of foreign currencies accruing under this Act or any other provision of law.

"(2) SALES UNDER THE ARMS EXPORT CONTROL ACT.—If the authority of this section is used both to authorize a sale or lease under the Arms Export Control Act and to authorize funds to be used under this Act with respect to the financing of that sale or lease, then the use of the funds shall be counted against the limitation in paragraph (1)(B)

and the portion, if any, of the sale or lease which is not so financed shall be counted against the limitation in paragraph (1)(A).

"(3) LEASES.—For purposes of paragraph (1)(A) the replacement cost, less any depreciation in the value, of the defense articles authorized to be leased shall be counted against the limitation in that paragraph.

"(4) COUNTRY LIMITS.—(A) Not more than $75,000,000 of the $250,000,000 limitation provided in paragraph (1)(B) may be allocated to any one country in any fiscal year unless that country is a victim of active aggression.

"(B) Not more than $500,000,000 of the aggregate limitation of $1,000,000,000 provided in paragraph (1)(A) and (1)(B) may be allocated to any one country in any fiscal year.".

**SEC. 3404. TERMINATION OF ASSISTANCE.**

Section 617 of the Foreign Assistance Act of 1961 (22 U.S.C. 2367) is amended to read as follows:

**"SEC. 617. TERMINATION OF ASSISTANCE.**

"(a) IN GENERAL.—(1) In order to ensure the effectiveness of assistance provided under this Act, funds made available under this Act to carry out any program, project, or activity of assistance shall remain available for obligation for a period not to exceed 8 months after the date of termination of such assistance for the necessary expenses of winding up such programs, projects, or activities and, notwithstanding any other provision of law, funds so obligated may remain available until expended.

"(2) Funds obligated to carry out any program, project, or activity of assistance before the effective date of the termination of such assistance are authorized to be available for expenditure for the necessary expenses of winding up such programs, projects, and activities, notwithstanding any provision of law restricting the expenditure of funds, and may be reobligated to meet any other necessary expenses arising from the termination of such assistance.

"(3) The necessary expenses of winding up programs, projects, and activities of assistance include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.

"(b) LIABILITY TO CONTRACTORS.—For the purpose of making an equitable settlement of termination claims under extraordinary contractual relief standards, the President is authorized to adopt as a contract or other obligation of the United States Government, and assume (in whole or in part) any liabilities arising thereunder, any contract with a United States or third-country contractor to carry out any program, project, or activity of assistance under this Act that was subsequently terminated pursuant to law.

"(c) GUARANTEE PROGRAMS.—Provisions of this or any other Act requiring the termination of assistance under this Act shall not be construed to require the termination of guarantee commitments that were entered into before the effective date of the termination of assistance.".

## CHAPTER 2—OTHER PROVISIONS

**SEC. 3411. CONGRESSIONAL PRESENTATION DOCUMENTS.**

Section 634 of the Foreign Assistance Act of 1961 (22 U.S.C. 2394) is amended to read as follows:

**"SEC. 634. CONGRESSIONAL PRESENTATION DOCUMENTS.**

"(a) REQUIREMENT FOR SUBMISSION.—As part of the annual requests for enactment of authorizations and appropriations for foreign assistance programs for each fiscal year, the President shall prepare and transmit to the Congress annual congressional presentation documents for the programs authorized under this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).

"(b) MATERIALS TO BE INCLUDED.—The documents submitted pursuant to subsection (a) shall include—

"(1) the rationale for the allocation of assistance or contributions to each country, regional, or centrally funded program, or organization, as the case may be;

"(2) a description of how each such program or contribution supports the objectives of this Act or the Arms Export Control Act, as the case may be;

"(3) a description of planned country, regional, or centrally funded programs or contributions to international organizations and programs for the coming fiscal year; and

"(4) for each country for which assistance is requested under this Act or the Arms Export Control Act—

"(A) the total number of years since 1946 that the United States has provided assistance;

"(B) the total amount of bilateral assistance provided by the United States since 1946, including the principal amount of all loans, credits, and guarantees; and

"(C) the total amount of assistance provided to such country from all multilateral organizations to which the United States is a member, including all international financial institutions, the United Nations, and other international organizations.

"(c) GRADUATION FROM DEVELOPMENT ASSISTANCE.—

"(1) DETERMINATION.—As part of the congressional presentation documents transmitted to the Congress under this section, the Secretary of State shall make a separate determination for each country identified in such documents for which bilateral development assistance is requested, estimating the year in which each such country will no longer be receiving bilateral development assistance.

"(2) DEVELOPMENT ASSISTANCE DEFINED.—For purposes of this section, the term 'development assistance' means assistance under—

"(A) chapter 1 of part I of this Act;

"(B) chapter 10 of part I of this Act;

"(C) chapter 11 of part I of this Act; and

"(D) the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).".

**SEC. 3412. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS ENGAGED IN ESPIONAGE AGAINST THE UNITED STATES.**

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

**"SEC. 620J. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS ENGAGED IN ESPIONAGE AGAINST THE UNITED STATES.**

"(a) PROHIBITION.—None of the funds made available to carry out this Act or the Arms Export Control Act (22 U.S.C. 2751 et seq.) (other than humanitarian assistance or assistance for refugees) may be provided to any foreign government which the President determines is engaged in intelligence activities within the United States harmful to the national security of the United States.

"(b) PERIODIC REPORTS.—Beginning one year after the date of enactment of this section, and annually thereafter, the President shall prepare and transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives a report, in classified and unclassified forms, listing all foreign governments which the President determines are conducting intelligence activities within the United States harmful to the national security of the United States.

"(c) DEFINITION.—As used in this section, the term 'humanitarian assistance' means food (including the monetization of food), clothing, medicine, and medical supplies.".

**SEC. 3413. DEBT RESTRUCTURING FOR FOREIGN ASSISTANCE.**

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

**"SEC. 620K. SPECIAL DEBT RELIEF FOR POOR COUNTRIES.**

"(a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States Government by a country described in subsection (b) as a result of—

"(1) loans or guarantees issued under this Act; or

"(2) credits extended or guarantees issued under the Arms Export Control Act (22 U.S.C. 2751 et seq.).

"(b) COUNTRY DESCRIBED.—A country described in this subsection is a country—

"(1) with a heavy debt burden that is eligible to borrow from the International Development Association but not from the International Bank for Reconstruction and Development (commonly referred to as an 'IDA-only' country); and

"(2) the government of which—

"(A) does not have an excessive level of military expenditures;

"(B) has not repeatedly provided support for acts of international terrorism; and

"(C) is cooperating with the United States on international narcotics control matters;

"(3) (including the military or other security forces of such government) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

"(4) is not prohibited from receiving assistance described in section 527(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 by reason of such section.

"(c) LIMITATIONS.—The authority under subsection (a) may be exercised—

"(1) only to implement multilateral official debt relief ad referendum agreements (commonly referred to as 'Paris Club Agreed Minutes'); and

"(2) only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

"(d) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to the exercise of authority under subsection (a)—

"(1) shall not be considered assistance for purposes of any provision of law limiting assistance to a country; and

"(2) may be exercised notwithstanding section 620(r) of this Act or any comparable provision of law.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to the President for the purpose of carrying out this section $7,000,000 for each of the fiscal years 1996 and 1997.

"(2) AVAILABILITY.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.".

**SEC. 3414. DEBT BUYBACKS OR SALES FOR DEBT SWAPS.**

Part IV of the Foreign Assistance Act of 1961 (22 U.S.C. 2430 et seq.) is amended by adding at the end the following new section:

**"SEC. 711. AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES.**

"(a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

"(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, to the government of any eligible country pursuant to this Act, or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

"(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

"(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

"(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

"(3) ADMINISTRATION.—The Facility shall notify the administrator of the agency primarily responsible for administering part I of this Act of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

"(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

"(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in an account or accounts established in the Treasury for the repayment of such loan.

"(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

"(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President shall consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—For the sale, reduction, and cancellation of loans or portions thereof pursuant to this section, there are authorized to be appropriated to the President $3,000,000 for each of the fiscal years 1996 and 1997.

"(2) AVAILABILITY.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.".

**SEC. 3415. IMPACT ON JOBS IN THE UNITED STATES.**

Section 636 of the Foreign Assistance Act of 1961 (22 U.S.C. 2396) is amended by adding at the end the following new subsection:

"(j)(1) Funds made available to carry out the provisions of this Act may not be made available to provide—

"(A) any financial incentive to a business enterprise located in the United States for the purpose of inducing that enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of individuals employed in the United States by that enterprise because that enterprise would replace production in the United States with production outside the United States;

"(B) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

"(C) subject to paragraph (2), assistance for any project or activity that contributes to the violation of internationally recognized workers rights (as defined in section 502(a)(4) of the Trade Act of 1974) of workers in the foreign country, including in any designated zone or area in that country.

"(2) Paragraph (1)(C) shall not apply with respect to the provision of assistance for the informal sector, microenterprises and small-scale enterprises, and small-holder agriculture of the foreign country.".

**SEC. 3416. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.**

(a) IN GENERAL.—Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by adding at the end the following new subsection:

"(z)(1) No assistance may be provided under this Act or the Arms Export Control Act to any foreign government that provides lethal military equipment to a country, the government of which the Secretary of State has determined pursuant to section 40(d) of the Arms Export Control Act is a government that has repeatedly provided support for acts of international terrorism.

"(2) The prohibition under paragraph (1) with respect to a foreign government shall terminate 12 months after the date on which that government ceases to provide such lethal military equipment.

"(3) The President may waive the requirements of paragraph (1) if the President determines that the provision of such assistance is important to the national security interests of the United States.

"(4) Whenever the waiver of paragraph (3) is exercised, the President shall prepare and transmit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers the national interests of the United States.

"(5) For purposes of this subsection, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.".

(b) EFFECTIVE DATE.—Section 620(z) of the Foreign Assistance Act of 1961, as added by subsection (a), applies with respect to lethal military equipment provided pursuant to a contract entered into on or after the date of enactment of this Act.

**SEC. 3417. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT CONSISTENTLY OPPOSE THE UNITED STATES POSITION IN THE UNITED NATIONS GENERAL ASSEMBLY.**

(a) PROHIBITION.—United States assistance may not be provided to a country that consistently opposed the United States position in the United Nations General Assembly during the most recent session of the General Assembly.

(b) CHANGE IN GOVERNMENT.—If—

(1) the Secretary of State determines that, since the beginning of the most recent session of the General Assembly, there has been a fundamental change in the leadership and policies of the government of a country to which the prohibition in subsection (a) applies, and

(2) the Secretary believes that because of that change the government of that country will no longer consistently oppose the United States position in the General Assembly,

the Secretary may exempt that country from that prohibition. Any such exemption shall be effective only until submission of the next report under section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991. The Secretary shall submit to the Congress a certification of each exemption made under this subsection. Such certification shall be accompanied by a discussion of the basis for the Secretary's determination and belief with respect to such exemption.

(c) WAIVER AUTHORITY.—The Secretary of State may waive the requirement of subsection (a) if the Secretary determines and reports to the Congress that despite the United Nations voting pattern of a particular country, the provision of United States assistance to that country is necessary to promote United States foreign policy objectives.

(d) DEFINITIONS.—As used in this section—

(1) the term "consistently opposed the United States position" means that the country's votes in the United Nations General Assembly coincided with the United States position less than 25 percent of the time, using for this purpose the overall percentage-of-voting coincidences set forth in the annual report submitted to the Congress pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991;

(2) the term "most recent session of the General Assembly" means the most recently completed plenary session of the General Assembly for which overall percentage-of-voting coincidences is set forth in the most recent report submitted to the Congress pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991; and

(3) the term "United States assistance" means assistance under—

(A) chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund),

(B) chapter 5 of part II of that Act (relating to international military education and training), or

(C) the "Foreign Military Financing Program" account under section 23 of the Arms Export Control Act,

except that such term does not include assistance under chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control) or assistance under chapter 8 of part II of such Act (relating to antiterrorism assistance).

(e) EFFECTIVE DATE.—This section takes effect upon the date of the submission to the Congress of the report pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991, that is required to be submitted by March 31, 1996.

**SEC. 3418. LIMITATION ON ASSISTANCE TO COUNTRIES THAT RESTRICT THE TRANSPORT OR DELIVERY OF UNITED STATES HUMANITARIAN ASSISTANCE.**

(a) FINDINGS.—The Congress makes the following findings:

(1) The United States Federal budget deficit and spending constraints require the maximum efficiency in the usage of United States foreign assistance.

(2) The delivery of humanitarian assistance to people in need is consistent with the fundamental values of our Nation and is an important component of United States foreign policy.

(3) As a matter of principle and in furtherance of fiscal prudence, the United States should seek to promote the delivery of humanitarian assistance to people in need in a manner that is both timely and cost effective.

(4) Recipients of United States assistance should not hinder or delay the transport or delivery of United States humanitarian assistance to other countries.

(b) PROHIBITION ON ASSISTANCE.—Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by adding at the end the following new subsection:

"(aa)(1) Notwithstanding any other provision of law, United States assistance may not be made available for any country whose government prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance.

"(2) The prohibition on United States assistance contained in paragraph (1) shall not apply if the President determines and notifies the Congress in writing that providing such assistance to a country is in the national security interest of the United States.

"(3) A suspension or termination of United States assistance for any country under paragraph (1) shall cease to be effective when the President certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that such country is no longer prohibiting or otherwise restricting, either directly or indirectly, the transport or delivery of United States humanitarian assistance.

"(4)(A) At the time of the annual budget submission to Congress, the President shall submit a report to the Congress describing any information available to the President concerning prohibitions or restrictions, direct or indirect, on the transport or delivery of United States humanitarian assistance by the government of any country receiving or eligible to receive United States foreign assistance during the current or preceding fiscal year.

"(B) The President shall include in the report required by subparagraph (A) a statement as to whether the prohibition in paragraph (1) is being applied to each country for which the President has information available to him concerning prohibitions or restrictions, direct or indirect, on the transport or delivery of United States humanitarian assistance.

"(5) As used in this subsection, the term 'United States assistance' has the same meaning given that term in section 481(e)(4) of this Act.".

**SEC. 3419. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS, PRIVATE AND VOLUNTARY ORGANIZATIONS, AND OTHER ENTITIES THAT INHIBIT UNITED STATES-SUPPORTED DEMINING OPERATIONS AND ACTIVITIES.**

(a) PROHIBITION.—None of the funds authorized to be appropriated by this Act may be made available to any foreign government, private and voluntary organization, or any other entity which the Secretary of State determines inhibits United States-supported demining operations and activities through the imposition of discriminatory customs duties, tariffs, or any other barrier to the entry of equipment or personnel designated for use or participation in such operations and activities.

(b) EXCEPTION.—(1) The prohibition contained in subsection (a) shall not apply with respect to a foreign government, private and voluntary organization, or any other entity if the President determines and reports to the congressional committees specified in section 634A of the Foreign Assistance Act of 1961 (in accordance with procedures applicable to reprogramming notifications under that section) that the provision of assistance to such government, organization, or other entity, as the case may be, is important to the national interest of the United States.

(2) Any determination under paragraph (1) shall include a detailed justification of how the provision of assistance furthers United States national interests.

## CHAPTER 3—REPEALS

**SEC. 3421. REPEAL OF OBSOLETE PROVISIONS.**

(a) 1988 FOREIGN OPERATIONS APPROPRIATIONS ACT.—Section 537(h)(2) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as included in Public Law 100-202, is hereby repealed.

(b) 1987 FOREIGN ASSISTANCE APPROPRIATIONS ACT.—Section 539(g)(2) of the Foreign Assistance and Related Programs Appropriations Act, 1987, as included in Public Law 99-591, is hereby repealed.

(c) 1986 ASSISTANCE ACT.—The Special Foreign Assistance Act of 1986 is hereby repealed except for section 1 and section 204.

(d) 1985 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1985 is hereby repealed except for section 1, section 131, section 132, section 504, section 505, part B of title V (other than section 558 and section 559), section 1302, section 1303, and section 1304.

(e) 1985 JORDAN SUPPLEMENTAL ACT.—The Jordan Supplemental Economic Assistance Authorization Act of 1985 is hereby repealed.

(f) 1985 AFRICAN FAMINE ACT.—The African Famine Relief and Recovery Act of 1985 is hereby repealed.

(g) 1983 ASSISTANCE ACT.—The International Security and Development Assistance Authorization Act of 1983 is hereby repealed.

(h) 1983 LEBANON ASSISTANCE ACT.—The Lebanon Emergency Assistance Act of 1983 is hereby repealed.

(i) 1981 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1981 is hereby repealed except for section 1, section 709, and section 714.

(j) 1980 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1980 is hereby repealed except for section 1, section 110, section 316, and title V.

(k) 1979 DEVELOPMENT ASSISTANCE ACT.—The International Development Cooperation Act of 1979 is hereby repealed.

(l) 1979 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1979 is hereby repealed.

(m) 1979 SPECIAL SECURITY ASSISTANCE ACT.—The Special International Security Assistance Act of 1979 is hereby repealed.

(n) 1978 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1978 is hereby repealed, except for section 1, title IV, and section 603(a)(2).

(o) 1978 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1978 is hereby repealed.

(p) 1977 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1977 is hereby repealed except for section 1, section 132(b), and section 133.

(q) 1977 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1977 is hereby repealed.

(r) 1976 SECURITY ASSISTANCE ACT.—The International Security Assistance and Arms Export Control Act of 1976 is hereby repealed except for section 1, section 201(b), section 212(b), section 601, and section 608.

(s) 1975 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1975 is hereby repealed.

(t) 1975 BIB ACT.—Public Law 94-104 is hereby repealed.

(u) 1974 ASSISTANCE ACT.—The Foreign Assistance Act of 1974 is hereby repealed.

(v) 1973 EMERGENCY ASSISTANCE ACT.—The Emergency Security Assistance Act of 1973 is hereby repealed.

(w) 1973 ASSISTANCE ACT.—The Foreign Assistance Act of 1973 is hereby repealed.

(x) 1971 ASSISTANCE ACT.—The Foreign Assistance Act of 1971 is hereby repealed.

(y) 1971 SPECIAL ASSISTANCE ACT.—The Special Foreign Assistance Act of 1971 is hereby repealed.

(z) 1969 ASSISTANCE ACT.—The Foreign Assistance Act of 1969 is hereby repealed except for the first section and part IV.

(aa) 1968 ASSISTANCE ACT.—The Foreign Assistance Act of 1968 is hereby repealed.

(bb) 1964 ASSISTANCE ACT.—The Foreign Assistance Act of 1964 is hereby repealed.

(cc) LATIN AMERICAN DEVELOPMENT ACT.—The Latin American Development Act is hereby repealed.

(dd) 1959 MUTUAL SECURITY ACT.—The Mutual Security Act of 1959 is hereby repealed.

(ee) 1954 MUTUAL SECURITY ACT.—Sections 402 and 417 of the Mutual Security Act of 1954 are hereby repealed.

(ff) DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1982 and 1983.—Section 109 of the Department of State Authorization Act, Fiscal Years 1982 and 1983, is hereby repealed.

(gg) DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1984 AND 1985.—Sections 1004 and 1005(a) of the Department of State Authorization Act, Fiscal Years 1984 and 1985, are hereby repealed.

(hh) SAVINGS PROVISION.—Except as otherwise provided in this Act, the repeal by this Act of any provision of law that amended or repealed another provision of law does not affect in any way that amendment or repeal.

## TITLE XXXV—EFFECTIVE DATE

**SEC. 3501. EFFECTIVE DATE.**

Except as otherwise provided in this Act, this division, and the amendments made by

this division, shall take effect on the date of the enactment of this Act or October 1, 1995, whichever occurs later.

# EXTENSIONS OF REMARKS

## SMALL BUSINESS TAX FLEXIBILITY ACT OF 1995

### HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. SHAW. Mr. Speaker, today I am introducing a bill that will lead to fairer tax treatment of small businesses and will help relieve the compressed workload forced on CPA's by enactment of the Tax Reform Act of 1986 [TRA '86].

Prior to passage of TRA '86, S corporations, partnerships, and personal service corporations, like today's C corporations, were allowed to pick any fiscal year they wished. Often these entities chose a year ending other than December 31 because their natural business year ended at some other time. For example, retailers could choose January 31 or July 31, after all the holiday or white sale figures were in; and suppliers of ski equipment could select May 31 after the ski season ended.

Congress abruptly halted the fiscal-year election for these entities because it needed revenue to pay for an amendment to the low-income housing credit as part of TRA '86. That law accelerated income to the U.S. Treasury by requiring fiscal year S corporations, partnerships, and personal service corporations to adopt calendar years for tax purposes thus flowing through earnings to owners at an earlier date and speeding up tax payments to the IRS.

The loss of the election for some small businesses that are formed as S corporations and partnerships has proven to be a major disruption to their business operations because the calendar year end can fall in the middle of their busiest seasons. Taking time out to comply with this arbitrary requirement hamstrings their ability to maximize production, generate revenues, and create jobs. In addition, because these businesses also adopted the calendar year for financial reporting, they had to close their books as of December 31; and their independent accountants were faced with the need to undertake year-end audits and credit compliance reviews for shareholders and creditors in the same few months as required for the preparation of tax returns. Consequently, these entities have found their accountants are least available at the time they are most needed.

As a CPA, I can personally speak to the havoc TRA '86 has caused the accounting profession. The 1986 tax law has spawned a practice management problem of major proportions, with many CPA firms, especially small and medium-sized ones, finding 65 to 75 percent of their annual workload falling between January 1 and April 15.

Furthermore, as Members of the U.S. House of Representatives this year, we learned firsthand the meaning of the phrase workload compression, as we raced to meet the 100-day deadline for voting on all 10 items in the Contract With America. I don't think any of us would describe the working conditions at the beginning of this Congress as ideal or even desirable. But they were similar to the conditions the accounting profession has faced since 1986—every year.

Congress attempted to provide some relief from the burdens of TRA '86 in 1987 when it enacted section 444 of the Internal Revenue Code, which permits electing entities to have a fiscal year ending in September, October or November. The price exacted in return was that the electing entity pay a deposit to the U.S. Government which approximated the amount of tax to be deferred through election of the fiscal year. The calculation for the deposit—of what amounted to an interest-free loan to the Government—essentially required the amount of deferred entity income to be multiplied by the top statutory tax rate applicable to individuals, plus one percentage point. In 1988, therefore, when the top individual rate was 28 percent, the deposit would have been calculated at 29 percent.

The current situation illustrates the limited value of section 444. The great majority of S corporations and partnerships on fiscal years in 1986, and those coming into existence thereafter, which would have elected fiscal years are now operating on a calendar year.

Furthermore, the 1993 increase in individual tax rates exacerbated the situation. By the administration's own projections, approximately 1.2 percent of individual taxpayers are expected to be in the 36 percent bracket and only 0.3 percent in the 39.6 percent brackets. Yet, because of the mechanics of section 444, the deposit presently payable on deferred income is at a 40.6 percent rate, even though most owners of electing entities will themselves be in the 31 or 36 percent brackets. Simple financial self-interest dictates, then, that many affected entities terminated the fiscal year election.

The stumbling block to greater relief in the past has always been revenue neutrality. The legislation I am introducing today overcomes that problem. It's designed to maintain the cash flow to the U.S. Treasury, but still be an affordable option for S corporations and partnerships. The bill also would return to S corporations and partnerships the right to elect any fiscal year and would ease the compressed workload facing the accounting profession.

A description of the bill is included below, but briefly it would ensure a steady cash flow by requiring S corporations and partnerships electing a fiscal year to pay quarterly estimated taxes to the IRS on behalf of their owners. Certain statutory rates will be required to be paid on the business's quarterly income, instead of determining an individual owner's tax bracket. The statutory rates are determined by revenue needs, but this bill provides a de minimis rule for the smallest companies. Those businesses with a tax liability of less than $5,000 on the defined income of the business will not be required to make an estimated payment. Businesses with income defined above the de minimis level but less than $250,000 per owner will be required to pay estimated tax of 34 percent. For entities with incomes above that level, where the owners are themselves likely to be in the 39.6 percent bracket, the estimated tax rate will be 39.6 percent. Owners will take credit for the entity-paid estimated tax on their income tax returns, which will eliminate the non-interest-bearing loan approach of present law.

I urge my colleagues to cosponsor this bill. We have a rare opportunity to support legislation under which everyone wins.

The detailed description of the bill follows:

GENERAL PROVISION

Under current law, a partnership or S corporation, except where an election is made under present Internal Revenue Code section 444, must use a tax year which ends December 31st. As a result of making an election under new Code section 444, an entity would be able to use any fiscal year it desired. (Present section 444, which permits the use of a September, October or November tax year, would be renumbered as section 445.)

The election would be made by the 15th day of the third month of the first 12-month year using the new fiscal year end. For example, a 1995 calendar year entity wishing to change to a June 30 year in 1996 would file its election by September 15, 1996.

EFFECT ON ENTITY

Because of the nature of fiscal year pass-through entities, a deferral of tax is created on the tax returns of the owners. To alleviate the negative revenue impact of this deferral, the entity would make quarterly payments of estimated tax timed with the earning of income, the first of which would be due by the due date of the election. The entity income used in making the calculations is the amount currently reported on 1994 Schedule K, line 23(a) of the partnership return or 1994 Schedule K, line 23 of the S Corporation return. This amount is the aggregate of entity income less deductions without accounting for the character of each separately stated item on Schedule K.

Anti-abuse measures are included to prevent post-December 31 payments to partners or S Corporation shareholders to reduce the entity level tax (for example, an S corporation electing a May 31 year end, and "zeroing out" its line 23 income by salary payments in May).

In order to provide revenue neutrality, a 2-rate estimated tax system will be required. Most entities will pay estimated taxes for their owners at a flat 34% rate. However, those whose owners will, themselves, likely pay individual tax at the 39.6% top statutory rate will have to make entity-level estimated tax payments at 39.6%. These "high average income entities" are those where the prior year average entity income of owners with at least a 2-percent interest in the entity is $250,000 or more. They also include

partnerships whose prior year income is at least $10,000,000.

The entity may use one of three methods to calculate the quarterly estimated tax payments. The first method is similar to that for high-income individuals, and bases the tax payments on 110% of the prior year income. That income is multiplied by the statutory estimated tax rate, then multiplied by 110%, then divided by 4 to obtain a quarterly estimated payment amount.

The second method allows the entity to calculate estimated tax based on the current year income. Estimated current year income is multiplied by the same 34% or 39.6% statutory tax rate and divided into four quarterly estimated payments.

The third method uses similar calculations to calculate its payments based upon annualized current year quarterly income, similar to the rules presently applicable to individuals or C corporations.

The payments of tax are due on the 15th day of the 3rd, 5th, 8th, and 12th months of the taxable year of the entity.

In addition, the entity makes a one-time payment with its fiscal year election that applies to the short period created (if any) by moving from a calendar year to a fiscal year. This payment is at the same statutory rate and is based on short period income.

The election terminates if the owners of more than half the entity's equity consent to such revocation, or when the entity itself terminates. ("Inadvertent terminations" of an S corporation however, will not terminate the election.) Subsequent re-elections may not be made by that same entity for 5 tax years unless the entity obtains consent from the Internal Revenue Service. Rules will also be provided under regulations for successor entities.

A penalty for underpayment will be due from the entity if it does not make the required level of estimated tax payments. The penalty is based on the amount of underpayment and continues until appropriate payment is made or until the April 15th that the owners report their share of entity income. At that point, the owners become liable for the tax and any existing underpayment penalties that may be imposed. An exception to the entity level penalty is provided which parallels the analogous exception for individual taxpayers (casualty, unusual circumstances, etc.)

EFFECT ON OWNER

The quarterly estimated payments made by the entity are "passed through" to the owners of the entity as a credit on their individual tax returns. Since the entity is making these payments on behalf of the owners, they may reduce their quarterly estimated payments for their shares of the entity level payment. When they receive an annual information report from the entity (Schedule K-1), it will list their share of fiscal year income as well as their annual share of the credit. The amount of the credit allocated to each owner is based upon his or her share of the entity income (no special allocations of the credit are allowed). The credit is reported on an owner's individual income tax return as if it were estimated taxes paid by the owner.

In making their own quarterly estimated payments, the owners may rely on amounts reported by the entity as paid, even if errors occur or payments are not made, so that penalties accrue only at the entity level. If payments are overpaid or underpaid compared with those reported to the owners, such amounts are treated as any other tax due or overpaid under Subtitle A of the Internal Revenue Code.

TIERED STRUCTURES

No election may be made by an entity that is part of a tiered structure under this proposal. Additionally, if an entity becomes part of a tiered structure the election is terminated. The tiered structure rules do not apply, however, if all of the owners are partnerships and S corporations that elect the same fiscal year.

ALTERNATIVE TAX YEARS

Nothing in this provision will affect an entity's right to a fiscal year that exists under current law; for example, under the natural business year tests. The provision also allows for retention of fiscal years by any entities that currently use a fiscal year under Rev. Proc. 87-32.

OLD SECTION 444

The new provision would preclude any new elections under the old section 444. However, existing 444 elections would be allowed to continue if the entity so desired. Alternatively, an entity with an existing section 444 election, may elect instead under this new provision thereby entitling it to a refund of its current 444 required payments, or a credit of such required payments toward its new estimated tax payment requirements.

DE MINIMIS AND REASONABLE CAUSE EXCEPTION

The provision provides for an exception to payment of any entity level tax if such tax would be below $5,000. The provision also provides for the relief of section 7519 penalties if reasonable cause can be shown.

## THE RIGHT ROAD

### HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. PACKARD. Mr. Speaker, today we begin an historic journey. For the first time in a generation, we will lay out a road map toward a balanced budget. Americans understand this is a trip we all must take. If we fail in this mission, frankly, this country is through. I mean we are headed the way of Mexico into economic collapse.

The Nation is currently $5 trillion in debt spiraling toward a debt of $8 trillion by 2010. We spend almost half of our budget on interest alone—half. Soon we will spend more on the interest on the debt than anything else—including entitlements and defense combined. The American dream is starting to evolve into the American nightmare.

For a Nation that prides itself on leaving a better country for our children, we are instead leaving a legacy of fiscal and moral bankruptcy. Some of you may know that I have a relatively large family—seven children and, as of a couple of weeks ago, 31 grandchildren.

Since I began my service in Congress, I have always measured everything I do by one standard—what legacy am I leaving to them and to our Nation's children and grandchildren?

Washington's lack of discipline is crushing our opportunity and leaving our children with a devastating debt. We cannot continue down this destructive path.

In fact, my new grandchild, born just a couple of weeks ago, will pay nearly $200,000 over her lifetime. I cannot leave this legacy to her, and I am sure most Americans do not want to leave this legacy to their children and grandchildren. People outside Washington know this and have asked us to lead them down a new road—toward a balanced budget. I say, let's get going.

## GREAT LAKES INITIATIVE STATEMENT

### HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. BONIOR. Mr. Speaker, I rise today to express my strong concern over any attempts to further weaken the Great Lakes Initiative. I understand there are those who would still like to make States' participation voluntary. That would completely undermine one of the key initiatives that has been taken to improve water quality in the Great Lakes region. I would strongly oppose those efforts.

The Transportation and Infrastructure Committee worked out a compromise on this issue. Like every compromise, it doesn't make everybody happy. I believe it is still too ambiguous. It's an open invitation to lawsuits. And will ultimately weaken the GLI. But it is a true compromise.

Further efforts to weaken the GLI would go too far. It would turn the clock back. For those of us who live in the region, the Great Lakes have a profound effect on who we are as a people and how we live our lives.

The Great Lakes provide our drinking water, they provide our largest recreational resource, they are tremendously important to our economy, and they shape our quality of life. They are our Yellowstone, our Grand Canyon, our Everglades. The Great Lakes ought to be protected like the national treasure they are. Unfortunately, a handful of polluter interests seem to have a burning desire to weaken the landmark Great Lakes Initiative, which will provide uniform water quality standards for all of the Great Lakes States. For that reason alone, I would oppose the current clean water bill.

Beyond the GLI, however, events in Lake St. Clair taught many of us in Michigan how important our environment is for our quality of life and for our economy. In Michigan, clean water is jobs. Without clean water, we lose thousands of jobs in our State.

Sport fishing in that lake alone is estimated at $140 million annually. Nonfishing boaters and beachgoers spend more than $1 billion each year on boats, accessories, marina slips, gas, restaurants and other items. Last year's ban on swimming cost the most popular beach in the Detroit area $500,000. This wasn't just a quality of life problem—our economic benefits of the lake were destroyed last year.

During most of the summer, profits at local marinas were down. Many local businesses were devastated. In just 2 months time, losses to local businesses ran into the millions of dollars. Our biggest concern is that it could happen again. In fact, with this type of legislation here before us today, it could happen anywhere and everywhere.

In this bill, written by lobbyists for some of this country's most notorious polluters, we say

to Americans—we don't care about the water you drink, we don't care about the pollution of your beaches, and we don't care about one of the most important recreational and economic resources you have.

That's not common sense. We must protect our water—not polluter interests. We should be strengthening our standards—not weakening them. We should be debating ways to emulate model regulatory programs like the GLI—not gutting them.

The GLI is a shining example of current regulatory approaches. It gives maximum flexibility to the States. In 1986, the Governors of all eight Great Lakes States entered into discussions with the EPA. They literally sat at the table and drafted model regulations to raise our water quality standards. On March 13 of this year, the EPA accepted the Governors' suggestions and issued a final rule on the Great Lakes Initiative.

Any efforts to undo all of this hard work would be inconsistent with the long-term bipartisan effort to provide uniform water quality standards among Great Lakes States. It will say that those 9 years of negotiating and careful thought are merely voluntary guidelines.

Under the GLI, a specific numeric criteria has been set to protect aquatic life, wildlife, and human health in our region. The GLI sets limits on PCB's, dioxin, DDT, benzene, and chlordane just to name a few. It offers guidance yes, but guidance is useless unless it is implemented.

People in my State remember, and are suffering even today from PCB's. Mothers who ate a lot of fish from the lakes during pregnancy are seeing their infants developing at a slower rate than others. Higher rates of cancer have occurred in communities whose drinking water comes from the Great Lakes. Preliminary research indicates that PCB's and other pollutants may be linked with breast cancer in women. People want their water to be protected from toxins and pollutants.

All the GLI is trying to do is to ensure that every State in the region has the same water quality standards. It simply levels the playing field for all eight States. We don't want one state undercutting another and driving our standards to lower and lower levels. If we make it voluntary, we undercut the whole purpose of the GLI. We will start the downward spiral of pollution and toxic contamination of our lakes all over again. For those of us near Lake St. Clair, last summer we got a reminder of what that could be like. We don't want to go back.

We are talking about 95 percent of this Nation's fresh water. We are talking about lakes that provide 23 million people with their drinking water. We are talking about a multibillion dollar economic resource. We are talking about a national treasure.

The American people thought we reached a consensus—that we should protect our water. We have made progress. In the Great Lakes region, the GLI was an important part of that progress. Let's not turn back the clock. Let's move forward to make our water cleaner and safer. I urge my colleagues to support clean water and to support the GLI.

## NAMING PS 165 THE EDITH BERGTRAUM SCHOOL

### HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. ACKERMAN. Mr. Speaker, I rise today to join with my constituents in the Fifth Congressional District of New York and with the many friends of the Bergtraum family as they gather on May 19 to honor the memory of the renowned educator Edith K. Bergtraum, and to name Public School 165 in her memory.

Edith was both a personal friend and a dedicated member of the community. Her level of involvement and dedication created a yardstick by which all such activity can be measured.

A long-time activist in the Kew Gardens Hills and Flushing communities, Edith was a product of the New York City school system as well as a graduate of Hunter College of the City University of New York. Her sense of community brought her beyond the boundaries of her neighborhood; she quickly assumed leadership roles in the Kew Gardens Hills Jewish Center, the Queens County Democratic Committee, and the Mayor's Commission on the Status of Women.

Yet it was in the field of education that Edith had her most significant impact. She began her educational career when PS 165 opened and her son entered the first grade in a school that had 3,000 children but only 1,000 seats. With the support of her husband, Murry Bergtraum (a most powerful advocate for the schools children of New York City who would later become president of the city's board of education), Edith quickly and effectively joined the ongoing fight for the rights and education of children.

When Murry became the first president of the PS 165 Parents-Teachers Association, Edith assumed a seat on the executive board. Their joint efforts to alleviate the overcrowding in the school were successful, as three more elementary schools—PS 200, 201, and 219—were constructed nearby. When her children moved onto Junior High School 218 and Forest Hills High School, Edith followed, enriching these schools with the same dynamism that she brought to PS 165.

As her involvement grew, so did recognition of her capabilities. In 1974, Edith was elected to Community School Board 25, a position she held for 19 years. During this period, she was elected president of the local school board. She also somehow found the time to serve on citywide educational committees on special education, personnel and budget. In 1993, she was named the Queens borough representative on the search committee to select a new schools chancellor.

Mr. Speaker, as the people of Community School District 25 and those throughout New York City gather on May 19 to honor Edith K. Bergtraum, it is my hope that we will continue to be inspired and dedicated to the education of our children by following the most unique example she has set.

I call on all my colleagues in the House of Representatives to join me now in expressing our thanks and congratulations for Edith's good works to her family: her son, Howard Bergtraum, and daughter-in-law, Susan Bergtraum, and their children, Matthew, Jordan, and Andrea Bergtraum; Edith's daughter, Judy Bergtraum; and Edith's daughter, Marcia Bergtraum-Williams, and son-in-law, Dan Williams, and their children, Harel and Marc Williams; Edith's brother and sister-in-law, Stanley and Bernice Bergtraum; and Edith's sister and brother-in-law, Nat and Janice Sommer.

With the dedication of the Edith Bergtraum School, we ensure that the people of New York will long remember a dynamic educator, a compassionate humanitarian, and a special friend.

## ELIMINATE THE MARRIAGE PENALTY FOR THE EXCLUSION OF GAIN ON THE SALE OF A PRINCIPAL RESIDENCE BY AN INDIVIDUAL OVER 55

### HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. NEAL of Massachusetts. Mr. Speaker, today, I introduced legislation to correct an inequity in on our current tax system. Under current law, an individual over the age of 55 is allowed a one-time exclusion of capital gain on the sale of a principal residence. This one-time exclusion invokes a marriage penalty. This legislation would eliminate the marriage penalty for the one-time exclusion of gain on the sale of a principal residence.

For example, two individuals over the age of 55 who decide to marry and sell their homes would only receive an exclusion of $125,000. Whereas, if they did not marry and sold their homes they each would be able to receive an exclusion for $125,000. This legislation addresses this problem. The legislation eliminates the marriage penalty by disregarding elections made before the date of marriage or elections made on homes sold after the date of marriage, but purchased before the marriage.

Fairness is an important element of tax policy. The current policy on the one-time exclusion assists individuals who are approaching retirement and it is a valuable exclusion. Our Tax Code should be fair and not discriminate against basic values such as marriage. The decision to marry should not be based on financial reasons.

I urge you to correct this inequity and support this legislation.

## 5715 YEARS OF EXPERIENCE IN ONE ROOM

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. STARK. Mr. Speaker, I rise today to share with my colleagues news of a special gathering that will take place on Thursday, May 18, in Castro Valley, CA. Over 50 senior citizens, each over 100 years old, will join together at Eden Medical Center for the sixth

annual 100+ celebration. As best I can calculate it, 5715 years of experience and memories will be shared by 56 people at this unique gathering.

Every one of us has looked to an elder, perhaps a grandparent or great-grandparent, at different times during our lives for the wise counsel that only experience can provide. Their wit and wisdom speak of lessons learned; their knowing smiles are a reflection on decades of experience. I know my own mother, who is just 86 years old, has taught this incorrigible son an encyclopedia of lessons!

While I cannot be there on Thursday, I want to join Eden Hospital in honoring our local centenarians. The most senior of these senior citizens are 106, including Vera Sherman and Anna Simons. There are also five 105 year-olds, including Abdul Khaliqi, Antonio Nieto, Marie Sobieski, Mary Souza, and Ethel Stenson.

Nicolasa Alcon, Elizabeth Denny, Etta Osborn, Epifania Saldana, Eva Thornton, Catherine Walker, and Lily Wilkinson are 104 this year. The 103 year-olds who will be there on Thursday are: Giorgina Angeli, Michael Branden, Lillian Garfais, Mamie McGriff, and Antonio Nava. The presence of the 102 year-olds will be filled by Anna Galvin, Jim Hendricks, Hinda Jackson, Helen Leandro, Eugenia Liorentzevitch, Erminia Oberti, Fred Vonbrethorst, Frances Wayne, and Grace Zoellner.

Marion Boone, Olga Cherepanoff, Josephine Corona, Hazel Garad, Olive Gurney, Marianne Hill, Dale Kune, Kristina Langas, Helen Minore, Marian Morken, Eva Ortiz, Irene Pearson, Liilie Seay, Mary Silva, Ernestine Smedman, Leo Valentine, and Marguerite Zugnoni, at 101, are the sophomores of this class. The freshmen, young at only 100, are: Jane Barkley, Augusta Burlingame, Alice "Pete" Clark, Althea Cummings, Leone Gardelius, Ollie Holmes, Clara Moreland, Sumako Oka, Mamie Person, Edith Irene Wasley, and Elizabeth Wershkull.

Mr. Speaker, I hope my colleagues will join me in honoring these centenarians, especially during Older Americans Months, 1995. Their long and full lives have been a source of inspiration to their friends, family, and us all. I wish them all good health and good cheer.

## THE INTRODUCTION OF THE HISTORIC HOMEOWNERSHIP ASSISTANCE ACT

### HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. SHAW. Mr. Speaker, all across America, in the small towns and great cities of this country, our heritage as a nation—the physical evidence of our past—is at risk. In virtually every corner of this land, homes in which grandparents and parents grew up, communities and neighborhoods that nurtured vibrant families, schools that were good places to learn and churches and synagogues that were filled on days of prayer, have suffered the ravages of abandonment and decay.

In the decade from 1980 to 1990, Chicago lost 41,000 housing units through abandonment, Philadelphia 10,000, and St. Louis 7,000. The story in our older small communities has been the same, and the trend continues. It is important to understand that it is not just the buildings that we are losing. It is the sense of our past, the vitality of our communities and the shared values of those precious places.

We need not stand hopelessly by as passive witnesses to the loss of these irreplaceable historic resources. We can act, and to that end I am introducing today, with my colleagues Mrs. KENNELLY, Mr. MCCRERY, Mr. NEAL, Mr. ZIMMER, Mrs. JOHNSON of Connecticut, Mr. GEPHARDT, Mr. GOSS, Mr. MOAKLEY, Mr. HUTCHINSON, Mr. TORKILDSEN, Mrs. MALONEY, Mr. RICHARDSON, Mr. HINCHEY, Mr. CLYBURN, and Mr. NADLER, the Historic Homeownership Assistance Act.

This legislation is patterned after the existing Historic Rehabilitation Investment tax credit. That legislation has been enormously successful in stimulating private investment in the rehabilitation of buildings of historic importance all across the country. Through its use we have been able to save and re-use a rich and diverse array of historic buildings: landmarks such as Union Station in Washington, DC, the Fox Paper Mills, a mixed-used project that was once a derelict in Appleton, WI, and the Rosa True School, an eight-unit low/moderate income rental project in an historic school building in Portland, ME. In my own State of Florida, since 1974, the existing Historic Rehabilitation Investment tax credit has resulted in 325 rehabilitation projects, leveraging $238 million in private investment. These projects range from the restoration of art deco hotels in historic Miami Beach, bringing economic rebirth to this once decaying area, to the development of multifamily housing in the Springfield Historic District in Jacksonville.

The legislation that I am introducing today builds on the familiar structure of the existing tax credit, but with a different focus and more modes, scope and cost. It is designed to empower the one major constituency that has been barred from using the existing credit—homeowners. Only those persons who rehabilitate or purchase a newly rehabilitated home and occupy it as their principal residence would be entitled to the credit that this legislation would create. There would be no passive losses, no tax shelters, and no syndications under this bill.

Like the existing investment credit, the bill would provide a credit to homeowners equal to 20 percent of the qualified rehabilitation expenditures made on an eligible building that is used as a principal residence by the owner. Eligible buildings would be those that are listed on the National Register of Historic Places, are contributing buildings in National Register Historic Districts or in nationally certified State or local historic districts, or are individually listed on a nationally certified State or local register. As is the case with the existing credit, the rehabilitation work would have to be performed in compliance with the Secretary of the Interior's standards for rehabilitation, although the bill would clarify the directive that the standards be interpreted in a manner that takes into consideration economic and technical feasibility.

The bill also makes provision for lower-income homebuyers who may not have sufficient Federal income tax liability to use a tax credit. It would permit such persons to receive a historic rehabilitation mortgage credit certificate which they can use with their bank to obtain a lower interest rate on their mortgage.

The credit would be available for condominiums and co-ops, as well as single-family buildings. If a building were to be rehabilitated by a developer for sale to a homeowner, the credit would pass through to the homeowner. Since one purpose of the bill is to provide incentives for middle-income and more affluent families to return to older towns and cities, the bill does not discriminate among taxpayers on the basis of income. However, it does impose a cap of $50,000 on the amount of credit which may be taken for a principal residence.

The Historic Homeownership Tax Assistance Act will make ownership of a rehabilitated older home more affordable for homeowners of modest incomes. It will encourage more affluent families to claim a stake in older towns and neighborhoods. It affords fiscally stressed cities and towns a way to put abandoned buildings back on the tax roles, while strengthening their income and sales tax bases. It offers developers, realtors, and homebuilders a new realm of economic opportunity in revitalizing decaying buildings.

Mr. Speaker, this bill is no panacea. Although its goals are great, its reach will be modest. But it can make a difference, and an important difference, in communities large and small all across this Nation. The American dream of owning one's home is a powerful force. This bill can help it come true for those who are prepared to make a personal commitment to join in the rescue of our priceless heritage. By their actions they can help to revitalize decaying resources of historic importance, create jobs and stimulate economic development, and restore to our older towns and cities a lost sense of purpose and community.

I ask unanimous consent that the text of the bill and an explanation of its provisions be printed in the RECORD.

## HONORING THE SOCORRO HIGH SCHOOL NJROTC UNIT

### HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. COLEMAN. Mr. Speaker, I rise today to give special recognition to a group of students from my congressional district, the members of Socorro High School's Naval Junior ROTC unit.

This unit has developed into one of the best NJROTC units in the country. It has placed first in area 11 in 3 of the last 4 years. The unit has also received the highest grade out of 360 high schools in the Nation. Under the able guidance and direction of Commander William J. Woodward, USN Ret., the cadets of our NJROTC unit have learned how to succeed in competitive situations and prevail in times of adversity.

Mr. Speaker, I also want to recognize the tremendous support in the community of Socorro, TX for the unit. During one of the unit's ceremonial evaluations, numerous civic, fraternal, and military leaders were present as well as approximately 900 sixth through eighth graders from local elementary and middle schools. The facilities the unit uses are among the best in area 11. Classrooms, office and storage areas are spacious, well organized and very well maintained. It is very obvious that the cadets, school, and the community take a great deal of pride in the NJROTC program.

I also ask my colleagues to pay tribute to Commander Woodward's assistants: Sgt. Major Robert D. Way, USMC Ret., and Chief Petty officer Oscar R. Martinez, USN Ret. Both these individuals have provided countless hours of support and guidance enhancing the aspirations of the cadets of the unit.

Mr. Speaker, it is with great pride that I recognize the students, parents, teachers, and school administrators involved with the Socorro High School NJROTC unit. I ask my colleagues to join me in saluting them and wishing them well in their future endeavors.

## NATIONAL SENIOR CENTER WEEK

### HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. SCHUMER. Mr. Speaker, I rise today to announce that the week of May 14–21, 1995, has been designated National Senior Center Week. The 335 senior centers in New York City will join with the over 10,000 senior centers nationally and the National Council on Aging's National Institute of Senior Centers as sponsors of the week. The Council of Senior Centers and Services is coordinating the Senior Center Week Celebration in New York City.

In addition to the importance of providing meals for seniors living on tight budgets, senior centers are vital meeting places that serve the educational and social needs of our Nation's seniors. The sense of community experienced by an isolated older person of any income level or as a place to proudly bring younger family members adds immeasurably to the quality of life and emotional and physical well-being. I also know the value of senior centers from personal experience—they were a great benefit to my grandparents.

By naming this week National Senior Center Week, we are acknowledging the vital work that goes on every day to create a safe haven for seniors. I know all my colleagues in the House of Representatives will join me in applauding their efforts and wishing all our senior centers many more years of success.

## TRIBUTE TO DR. RICHARD J. ZANINI

### HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mrs. KENNELLY. Mr. Speaker, I rise today to honor an outstanding educator, Dr. Richard J. Zanini of Wethersfield, CT, who is retiring in June. During his 35 years of service Dr. Zanini served as a teacher, a program specialist, a supervisor, and assistant superintendent. For the last 13 years, he has served as superintendent of schools in Wethersfield.

Dr. Zanini was educated at the University of Massachusetts and at the University of Connecticut, where he received his Ph.D. in 1969. After serving in the army, he began teaching history and social studies in Connecticut in the early 1960's. He then helped shape Federal education policy as a program specialist at the U.S. Department of Education in Washington for 2 years before returning to the classroom.

In 1972, Dr. Zanini became the assistant superintendent of schools in Hebron, Andover, and Marlborough. He served in a similar role in the Wethersfield school system for 5 years before becoming the superintendent in 1982.

During Dr. Zanini's tenure in Wethersfield, several schools have been recognized for excellence. Wethersfield High School became a 4-year high school and won statewide recognition in 1983 and again in 1994. Silas Deane Junior High School received wide acclaim, including designation as an exemplary school by the U.S. Department of Education in 1991 and the kindergarten center received national accreditation in 1993.

Despite difficult economic times, Dr. Zanini hired outstanding administrators, teachers, and support staff, and ensured buildings were repaired in a timely manner. He always treated colleagues, parents, and students with respect and professionalism. We will all miss this respected leader who has worked so hard on behalf of students for so long.

Dr. Zanini's leadership, attention to detail, thorough knowledge of State and Federal regulations, and his vision have served the Wethersfield district—and all his previous districts and schools—well. We thank him for his dedicated service and wish him the best upon his retirement.

## SOUTH DAKOTA VOICE OF DEMOCRACY WINNER

### HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. JOHNSON of South Dakota. Mr. Speaker, Ms. Becky Fischer of Eureka, SD, was recently selected as a State winner in the Voice of Democracy broadcast script writing contest conducted each year by the Veterans of Foreign Wars of the United States and its ladies auxiliary. The contest theme for this year was "My Vision for America," and of the more than 126,000 secondary school students who participated in this year's contest, Becky was also named a winner at the national level. Mr. Speaker, I'm inserting Becky's winning script in the CONGRESSIONAL RECORD. She deserves to be commended for her exceptional efforts in writing this script and participating in this contest. Becky's insights and enthusiasm will serve as a model to others her age:

MY VISION FOR AMERICA

Picture a small child, and in his busy little hands, a fragile, crystal antique vase. Unless this child has been properly educated in the handling, care, and value of this vase, the owner of this treasure would be extremely nervous. Americans are permitting every child in the United States to grasp a vase—this "vase" is our future. These children must be prepared today to meet and conquer the challenges of tomorrow. The future of America is held in the hands of the children; therefore, my vision for America includes a brighter, bolder, well-educated society achieved by what the children are experiencing today.

In order to fulfill my vision for America, we must take care of the children. Teaching children to take care of their bodies by following wise health habits will build their strength and endurance. If a child is not physically strong enough to hold the vase, it could drop and shatter. If the children of America are not physically sound, dreams for America's future could be crushed.

We must also take care of America's children emotionally. A child must possess a strong sense of self-confidence, believing in himself and his ability to contribute to society. Henry Ford said, "Don't find fault—Find a remedy." We must build a child's self esteem. Consider I Thessalonians 5:11, "Therefore encourage one another and build each other up * * *" If a child believes he can accomplish his goals, whether it be carrying a priceless antique or creating a better future for America, he will be prepared to meet these goals.

A strong education in our schools and homes is also necessary for every American child to secure my vision for America. Teachers and schools play a vital role in the education of a child. With continued excellence in our nation's schools, opportunities are unlimited for a child to learn, adjust to change, and meet new challenges. By nature, a child has an open mind and a willingness to ask questions. A child will develop his own vision for America through a solid education.

Parents and family have the chief responsibility for educating our children though. Children model themselves largely on their parents. A parent must act like the type of person they want their child to become since things parents do and say strongly influence a child. If parents teach a child how to support the vase by their own example, that child will be able to hold the vase with confidence. If a parent enstills a positive attitude in a child regarding the American spirit, that child will look to this country's future with energy and enthusiasm.

My vision for America can be achieved in various ways. By setting a good example, children will have footsteps to follow. Along with their own experiences, future decisions these children make will be determined by what they have learned from our examples in their past. To preserve the safety of the "vase," we have the opportunity and the responsibility to set a good example.

Every American citizen must participate in preparing the children for a successful future. Henry Wadsworth Longfellow said, "Give what you have, to someone it may be better than you dare think." Our nation is composed of unique individuals, each with their own talents. We need to focus these varied talents on the children; they need each and every one of us. All of us together will help prepare these children for the future.

In conclusion, we are all now holding the "vase," but we must pass it on to the children of America. If we continue to take care of the children, physically and emotionally,

provide a superior education for them in the schools and in our homes, and set good examples, we are contributing together to prepare our children for tomorrow. The future of America is held in the hands of the children; therefore, my vision for America includes a brighter, bolder, well-educated society achieved by what the children are experiencing today.

## TRIBUTE TO DR. RICHARD ALAN YANIKOSKI

### HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to Dr. Richard Alan Yanikoski who will be inaugurated on May 19, 1995, as president of Xavier University located in the Third Congressional District of Illinois. Dr. Yanikoski was selected after a nationwide search conducted by the university's board of Trustees attracted distinguished candidates from all regions of the country. Dr. Yanikoski is the 12th president of the 148-year-old college, the oldest higher education institution in the city of Chicago.

Dr. Richard Yanikoski has served in the field of higher education for over 19 years. Previously, Dr. Yanikoski held the position of director of the Harry F. and Elaine M. Chaddick Institute and served as associate professor and director of DePaul University's Public Services Graduate Program. Other positions previously held at DePaul included associate vice president for academic affairs, director of institutional planning and research, evaluation coordinator, instructor and mentor of DePaul's School for New Learning. Dr. Yanikoski's additional professional experience includes his work as research assistant for Chicago's Spencer Foundation, part-time instructor for Loyola University's Program in Higher Education, and mentor for Native American Education Services College of Chicago.

A prolific writer, Dr. Yanikoski has published numerous articles in professional journals and is currently preparing his first book, "Academic Freedom in Higher Education," to be published by Greenwood Press. He has been a guest speaker, session leader, and invited panelist for over 30 professional organizations. A variety of higher education, religious, and governmental institutions have sought his expertise as a reviewer and consultant. In addition, Dr. Yanikoski has received numerous awards and distinctions in honor of his dedicated years of service to higher education. For example, Dr. Yanikoski has been recognized by the American Men and Women of Science, Who's Who in the American Education, Who's Who of Emerging Leaders in America, and Who's Who Worldwide.

The May 19, inauguration ceremony will be a gala celebration featuring an investiture of the President by James J. McDonough, chairman of the university's board of trustees. As part of the investiture ceremony, Dr. Yanikoski will be presented the university's medallion, a symbol of the office of presidency. The medallion features the seal of the university which is engraved with the Latin motto "Via Veritas Vita," which translates as "The Way, The Truth, The Life," and features a number of elements to represent the Sisters of Mercy, education and religion.

I ask my colleagues to join me in extending congratulations to Dr. Richard Alan Yanikoski as he begins his tenure as president of Saint Xavier University. I wish him the best of luck in his endeavors as president. I am confident he will maintain the high academic standards of the university and will undoubtedly add to Saint Xavier's rich tradition of providing quality post-secondary education in a religious atmosphere.

## INTRODUCTION OF PATENT AND TRADEMARK OFFICE CORPORATION ACT OF 1995

### HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. MOORHEAD. Mr. Speaker, today, I am pleased to introduce the Patent and Trademark Office Corporation Act of 1995, a bill that will enable the U.S. Patent and Trademark Office to improve the services it provides to the public. I am pleased to have as an original cosponsor the gentlewoman from Colorado [Mrs. SCHROEDER] the ranking Democrat on the Intellectual Property Subcommittee. Our legislation will convert the Patent and Trademark Office [PTO] to a freestanding Government corporation, giving it the operating and financial flexibility it lacks today as a regular Government bureau in the Department of Commerce. This added flexibility should allow the PTO to operate more like a private business and provide better service to its customers at lower cost.

The idea of making the PTO a Government corporation is not new. As early as 1989, the National Academy of Public Administration, a nonprofit organization that studies ways to improve the effectiveness of Government, recommended corporation status for the Patent and Trademark Office. The National Academy reported that flexibility in budgetary and other management matters would give the Office the capacity needed to respond more quickly and efficiently to its customers.

The PTO does not use any general tax revenues to support its operations. It collects fee revenues from the sale of products and services to inventors, companies, and other customers that support the entire cost of its operations. It expects to employ more than 5,100 people and collect and spend $643 million in 1996. As a large, fully self-supporting organization, the PTO is well-suited for Government corporation status.

The Judiciary Subcommittee on courts and Intellectual Property, which I chair, has received testimony in support of converting the Patent and Trademark Office to a Government corporation. Several user groups support this concept including the American Bar Association section of Intellectual Property Law, the American Intellectual Property Law Association, and the Intellectual Property Owners, Inc.

I understand the administration is also reviewing legislation that will recommend converting the Patent and Trademark Office to a Government corporation. In order to encourage dialogue on the specifics of this issue, we are, today, introducing legislation, which gives the authority to the Commissioner of Patents and Trademarks to manage the PTO in a business-like manner. The bill also establishes a Management Advisory Committee that will afford users a voice in how the PTO is operated. The bill maintains tight congressional oversight of the operation and requires annual reports to Congress. The proposal, while not modeled closely after any existing Government corporation, is designed to meet the unique needs of the Patent and Trademark Office and its user community. The administration's bill will be introduced at a later date.

Under our bill, the Commissioner would be appointed for a fixed 6-year term by the President, by and with the advice and consent of the Senate. The management of the PTO would be vested in the Commissioner, and the Commissioner would appoint all other employees, including a Deputy Commissioner for Patents, a Deputy Commissioner for Trademarks, and an inspector general. The PTO would be exempt from administrative or statutorily imposed limits on the number or grade of Government employees. The Patent and Trademark Office would become an independent agency outside of the Department of Commerce. There are differing views on whether the PTO benefits from being kept under the Department of Commerce, and I believe the subcommittee should explore the advantages and disadvantages of an independent agency. The fiscal year 1996 budget resolution, before Congress now, assumes the elimination of the Department of Commerce, which could have a substantial impact on the future of the Patent and Trademark Office.

Specific authority within the Patent and Trademark Office corporation would include the power to purchase, lease, construct, and manage property, the power to award contracts for facilities, services, and printing, the power to use its revenues without apportionment by the Office of Management and Budget, the power to invest and earn interest on its money, and the power to issue bonds to finance its activities. Under existing law, long-term capital improvements, including the expensive program to automate the massive patent search files, must be paid for by current PTO users, who will not necessarily receive any benefits from capital improvements. Under the bill, such improvements could be supported by bond issues.

Our bill would eliminate the practice of withholding several million dollars from the Patent and Trademark Office each year that users have paid into the patent surcharge fund. It gives the PTO access to all of its revenues, including those in the Patent and Trademark Office surcharge fund established by section 10101 of the Omnibus Budget Reconciliation Act of 1990. The authority to set the levels of major patent fees would be retained by Congress, subject to the authority of the Commissioner to adjust fees annually in response to increases in the Consumer Price Index, as under existing law.

Officers and employees of the Patent and Trademark Office would continue to be employees of the Federal Government. Our proposal specifies the features of the Federal personnel statutes, including those covering retirement and other benefits, that would continue to apply. The Commissioner would have authority to set the compensation levels for officers and employees. Present law would be retained and employees would still not have the right to strike or to bargain over wages. Transition provisions in the bill would govern the shift to corporate status.

The Commissioner would receive advice from a management advisory committee of 18 members, 6 of whom would be appointed by each of the President, the Speaker of the House, and the President pro tempore of the Senate. Committee members, appointed for 6-year terms, would represent diverse users of the Patent and Trademark Office. The board would be assisted by a staff, and would submit an annual report to the President and the House and Senate Judiciary Committees.

If this legislation is to achieve its objectives, it must be crafted very carefully, to ensure the necessary checks and balances. A public interest is involved, and this office is the only place the public can go to obtain a patent or register a trademark. The PTO is not subject to the performance pressure that arises out of corporate competition. The bill, therefore, does not privatize the PTO by giving it all of the freedom of a private company.

The PTO would continue to be a Government agency under the direction and oversight of the President and the Congress. However, the added management flexibility provided by the bill should improve the PTO's efficiency and responsiveness to the public. I look forward to working with all interested parties as we move this legislation through the Congress.

## ROB WALSH HONORED FOR EXTRAORDINARY COMMUNITY SERVICE

### HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues the efforts of an extraordinary individual who lives and works in my district, Rob Walsh.

Mr. Speaker, too often, the stories of those who make a difference in their communities are drowned out by the tragedies which split our community. Pick up any newspaper on any given day. Headlines will scream of the latest crime; columnists will lament the many foibles of our society. The quieter success stories largely go unreported, unremarked upon.

I believe it is critically important that we do a better job of telling the success stories, that we do a better job of being role models for our Nation's youth. I therefore take the House floor today to recognize the efforts of a man who has done so much for so many. I would also like to say that I am extremely pleased that Rob Walsh will be receiving the prestigious Annual Cancer Care Community Service Award this Sunday.

Before I go into Bob's many achievements, I want to take a moment to congratulate Cancer Care for its dedication to providing free and comprehensive clinical services, education, and financial assistance to patients and their families at any stage of illness. Cancer Care works cooperatively and effectively with the many hospitals and health institutions in my district and New York in general, to provide critical services to those who are most in need. I cannot say enough about the compassion and commitment of Cancer Care to its mission.

I also want to commend Cancer Care on their judgment. Each year, Cancer Care bestows it's Community Service Award to someone who makes significant contributions to the community. This year's recipient will surprise no one who has spent any time over the past 5 years in the 14th Street-Union Square area.

In 1989 Rob Walsh became the executive director of the 14th Street-Union Square Local Development Corp. and business improvement district. Rob came prepared.

Rob's service in New York City government had been as varied as it was successful. In fact, it seemed that there was no bureau of government which had not benefited from Rob's considerable energies. He had served in the mayor's office of operations as a voter assistance coordinator, the transportation department, the parks department, the personnel department, and the general services department. In addition, Rob has a master's degree in public affairs from Fordham University, where he also received his undergraduate degree.

Since taking the helm of the 14th Street-Union Square LDC/BID, Rob has overseen unprecedented efforts to revitalize a community which has fallen on hard times. During the 1980's, 14th Street had become a drug infested area, with prostitutes, and covered with graffiti. Union Square, once one of New York's greatest public spaces, was now best known for its nickname "Needle Park."

Rob Walsh, thankfully, is not a man who shrinks from a challenge. With his remarkable energy, intelligence, and can-do attitude, Rob has led the efforts to turn the neighborhood around. Stop by Union Square on a sunny spring day and you will see the difference.

New businesses move into this thriving neighborhood every day. Children and workers on their lunch break pack into beautiful and accessible Union Square. Stuyvesant Square Park is now the kind of well-maintained open space that every member of the community can enjoy. The streets are cleaner and safer and there exists the kind of communitywide pride which is so characteristic of the best neighborhoods of New York and any city.

As Rob will be the first to say, this turnaround was the product of efforts by hundreds and thousands of caring members of the community. But I am not sure it could have happened without Rob's leadership. As the "Mayor of Union Square," Rob has directed the efforts, and led the battle at the front lines. He can always be found, walking the streets, checking on his latest brainstorms.

There is, of course, much work left to be done. But Rob's commitment to the values which make this community great—affordable housing, opportunities for our kids, safe streets, and economic growth—will certainly guide his future efforts in the right direction.

I should also point out that Rob also volunteers his time to a number of important groups in our city, including New York Cares, the Vanderbilt YMCA, Beth Israel Medical Center community advisory council, Cabrini Medical Center advisory council, NYC Urban Fellows advisory board, Washington Irving High School business advisory council, and the mayor's Voluntary Action Center. And with all of his efforts, Rob remains a devoted husband to his lovely wife Terry and is a doting father to his beautiful daughter Cara, perhaps the most important job of all.

Mr. Speaker, I am grateful to Cancer Care for giving me this opportunity to tell a true New York success story. Rob Walsh deserves our most sincere thanks for all of his efforts on behalf of his community, and I hope that all of my colleagues will join me in congratulating him at this time.

## SOCIAL SECURITY PRESUMPTIVE DISABILITY FOR THE SEVERELY DISABLED INTRODUCED

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. STARK. Mr. Speaker, today I am introducing legislation that incorporates the Supplemental Security Income's [SSI] presumptive disability system into the Social Security Disability Insurance [SSDI] Program.

One of the largest continuing problems faced by the Social Security Administration [SSA] is the backlog of more than 1 million cases waiting for a disability determination. In 1995 President Clinton asked for disability investment funding in the amount of $280 million as part of the regular administrative budget. These funds were specifically earmarked for processing disability-related workloads. Congress appropriated disability investment funding in the amount of $320 million for fiscal year 1995. I support this move but we need to do more and to act more quickly.

Social Security expects to receive nearly 3 million applications for disability benefits through 1995, 70 percent more than it received 5 years ago. Social Security admits that its complicated decision process has changed little in 40 years and offers an "unacceptable" level of service to the public. An announced "reengineering" of the increasingly complex disability determination system is expected to stabilize the workload but not to result in an appreciable reduction in the backlog.

On the average, it now takes a disability applicant 5 months to get an initial decision. If benefits are denied, the applicant waits another 18 months to get an administrative law judge's decision on the appeal. Congress has heard complaints in recent years of deserving applicants waiting months for desperately needed funds and, in some cases, dying before they get a decision.

For example, in Arizona a recent disability applicant was forced to leave her secretarial job due to injuries resulting from a serious

auto accident. She applied to the Social Security Administration for disability benefits to offset the loss of her income. She did not realize that she was venturing into an understaffed, underfunded Federal program that often forces disabled people to wait months to learn whether they qualify for benefits. After a year's wait, she was successful in obtaining the benefits to which she was entitled only after hiring an attorney who specializes in such cases. These kinds of long delays are repeated in anecdote after anecdote.

For many severely disabled, there should be a faster way.

The SSI program makes an initial determination that presumes a person to be disabled if they fit certain severe disability criteria. These people begin to receive SSI benefits immediately and the SSA has a 6 month period to make the final determination of eligibility using the SSA's definition of disability.

Being able to receive SSI benefits on the basis of a presumptive disability determination provides the disabled person with much-needed money immediately. However, for a worker who has paid into Social Security and becomes disabled, there is no comparable process to identify the people that would most likely qualify for DI benefits. My legislation would remedy this by providing for determinations of presumptive disability under title II of the Social Security Act in the same manner and to the same extent as is currently applicable under title XVI of such act.

This means that if a person is found to be presumptively disabled under title II and meets the requirements for entitlement to benefits the person will begin to receive benefits, after the initial 5-month waiting period required before DI benefits can be paid, for up to 6 months while the final determination is being made. If the person is presumed eligible to receive DI benefits, then their dependents shall also begin to receive benefits.

If, in the final determination, a claimant's impairment does not meet the Social Security Administration's definition of disability, they and their dependents shall not be responsible to return the money they received during the presumptive eligibility determination period.

In some instances a person may be presumed eligible for SSI benefits before being found to be presumptively disabled under title II. In this case, the person will still be entitled to only 6 months of presumptive disability benefits. In most States, while receiving SSI benefits, a person is eligible for Medicaid. Under this proposal, claimants who would have been eligible for SSI benefits, were it not for their receipt of DI presumptive disability benefits, would be deemed eligible for SSI, making them eligible for Medicaid in those States where SSI eligibility triggers Medicaid eligibility. When the final determination for DI benefits is made, the claimant loses the Medicaid eligibility. Medicare will be provided to disabled workers and their dependents after they have been receiving disability benefits for 24 months, including the time they were receiving presumptive disability payments.

## INTRODUCTION OF DIABETES RESEARCH ACT

### HON. ELIZABETH FURSE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday May 17, 1995*

Ms. FURSE. Mr. Speaker, diabetes research is at a crossroads. Earlier this year, leading scientists and researchers from across America gathered in Washington, DC, at the Capitol Summit on Diabetes Research to release the white paper. The white paper demonstrated that diabetes research has reached a critical point, and that immediately increasing our focus could yield substantial and dramatic breakthroughs. Recent evidence indicates that a cure, or improvements in other disease management techniques, are within our reach to improve the quality of life for 14 million Americans who are affected by diabetes.

Today, along with Mr. NETHERCUTT, I am proud to introduce the Diabetes Research Act. This legislation would substantially increase the funds available for diabetes research at the National Institutes of Health. In light of the scientific revelations brought forth by leading researchers and endocrinologists, we must adopt a long-term strategy to deal with the problem of diabetes in America. As a nation, diabetes and its tragic complications cost our Nation over $100 billion every year. Everyday, thousands of people go blind, have extremity amputations, or develop heart disease as a result of diabetes. We can make a difference if we only heed the call of the people who are on the front lines fighting this dreadful disease. The Diabetes Research Act answers that call.

I believe this bill could also be called the Priorities Act of 1995. In order to balance the budget and still invest in our Nation's future, we must have an open and honest discussion with the American people about our priorities. Tomorrow I am going to introduce three bills to create budgetary savings of $1.5 billion, a portion of which could be used to pay for increased diabetes research funds. In sum, I believe diabetes research should be a priority and encourage my colleagues to follow my lead and make recommendations on how to pay for it.

My own daughter has diabetes. She is one of millions of Americans who live with this disease every day, and I am so proud of her. I am also grateful to all the national diabetes organizations that gave their insight into the development of this legislation. I urge all my colleagues here in the House to cosponsor the Diabetes Research Act, cosponsor a bill to pay for it, and then let the thousands of people with diabetes in your community know you are working for their future.

## TRIBUTE TO CREW MEMBERS OF THE SUGAR ISLAND FERRY BY THE HONORABLE BART STUPAK OF MICHIGAN

### HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. STUPAK. Mr. Speaker, I rise today to offer my sincere congratulations to the crew members of the Sugar Island ferry in Sugar Island, MI for their outstanding service to the community.

Each year, civic groups on Sugar Island choose an individual to recognize his or her contributions to the community. This year, however, the entire crew of the Sugar Island ferry was chosen to be honored for their enormous efforts for the betterment of the Sugar Island community.

The first regularly scheduled ferry to bring cars to Sugar Island was the *Service,* which began operation on July 1, 1928. On that day, 30 automobiles were transported from the island to the mainland of Michigan's Upper Peninsula. It cost 45 cents for cars and 15 cents for foot passengers to be carried across St. Mary's River. In addition to cars and trucks, the ferry also carried horse-drawn wagons during this period.

The *Service,* was in use until 1932, when it was replaced by the *Beaver.* The *Beaver* ran until 1937, when a second ferry, *Scow No. 1,* was placed into service. Later rebuilt and named *Chippewa,* that ferry was in use until a larger, steel ferry with a 12-car capacity was constructed. That ferry, the *Sugar Islander,* built in 1947, is still in use today. The Sugar Island ferry was privately-owned by the Eastern Upper Peninsula Transportation Authority in 1979.

In 1994, 252,339 vehicles were transported by the *Sugar Islander.* The ferry provides a vital link from Sugar Island to the city of Sault Ste. Marie in the Upper Peninsula. In addition to its regular service, the ferry goes out of its way to promptly transport emergency vehicles and ambulance, fire and police personnel for the benefit of Sugar Island residents.

Additionally, Mr. Speaker, the ferry is known for its outstanding service. It operates every half hour in good weather and bad, 365 days a year. The highly dedicated crew works 11-hour shifts, and I commend the crew members of the *Sugar Islander,* for their unfailingly courteous and reliable service. Specifically, I would like to congratulate the current members of the Sugar Island ferry, including: Tom Stevens, Brian Dynes, Dan Cairns, Paul McCoy, Derek Myerscough, Doug Bisdorf, Mike Patten, Tim Switzer, Don Soper, Jim Gort, Jr., and Rick Brown.

I know my colleagues join me in honoring those crew members who enrich the lives of Sugar Island residents, as well as visitors to that Northern Michigan community.

## YOUTH CANCER AWARENESS

### HON. CHARLIE ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. ROSE. Mr. Speaker, I rise today to bring to the attention of this body youth cancer awareness.

More than 5 million living Americans have a history of cancer. It is estimated that among the 1 million people diagnosed with cancer this year, half will die from this disease. In my State of North Carolina alone, over 3,200 people will be diagnosed with cancer this year.

Even more alarming is the growth in reported cases of cancer in young people. Cancer is the No. 2 killer among our youth.

In my home State of North Carolina, the month of April is "Cancer Awareness Month." North Carolina has planned a number of events to emphasize the importance of cancer awareness. I would have like to have made April "National Cancer Awareness Month." However procedural changes will not permit the offering of such a resolution.

Nonetheless, I would still like to increase the public's awareness of the degree to which cancer affects young people. The key to finding a cure for cancer is in awareness of the symptoms, the causes, and the best means to address the problems raised by cancer. Increased volunteer participation and the promotion of education and research have had a profound positive impact on discovering a cure. We need to do more in this regard.

With the help of dedicated people like Miss Leslie Cobb, a Jacksonsville, NC, teen cancer activist, who fight this terrible disease everyday, we will eventually find a cure. I urge everyone to do all they can to inform our youth about the risks of cancer.

## LORETTA PONTICELLO HONORED FOR LIFETIME OF SERVICE

### HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mrs. MALONEY. Mr. Speaker, it gives me great pleasure to stand before my distinguished colleagues today to honor Ms. Loretta Ponticello.

It has been my observation that we are so consumed with the problems and negativism that plague our Nation that we sometimes forget about those who are working to solve these problems. We ignore the heroes who are right in our midst, choosing instead to talk about the the bad news that dominates the news.

This situation needs to be corrected. That's why I take this opportunity to honor one of these heroes. She may not be featured in a movie or on television, but there can be little doubt that Loretta Ponticello is a hero to all who know her.

First, let me talk a little bit about Loretta's remarkable business career. By combining her great aptitude for business with a high standard of integrity and diligence, Ms. Ponticello has brought success wherever she has gone. After graduating from the New Jersey College for Women—now Douglas College—she worked for Chemical Bank in the foreign department. Eventually, Loretta left the bank and went on to become secretary to the president of Cooke International, and import/export firm in New York. Upon leaving Cooke International, Loretta began working for Rosenthal & Rosenthal, Inc. where she will be retiring after 26 years.

She began her career at Rosenthal as manager of the International Operations Office in their Foreign Department. Later she joined the Rosenthal Group's Law Department as an administrative manager and legal assistant and after years of service with Rosenthal & Rosenthal was appointed an officer in the company. She is one of the best liked and well respected members of the company, and her fellow workers will be sorry to see her go.

Loretta's outstanding achievement in the business world may only be overshadowed by her exemplary work in her community. For over 41 years, Loretta has been an active resident of City & Suburban's York Avenue Estate Landmark.

When eviction notices were sent to all tenants of her building, it looked as if Loretta and her neighbors would be forced to leave their homes forever. Her interest in the preservation of historic buildings in New York City persuaded her to lead the fight to make the building a New York City landmark.

Loretta helped organize fundraisers, spoke at hearings and met with legislators in New York City and Washington, DC. Her persistence was rewarded when City & Suburban was made an official New York City landmark. Ms. Betty Cooper Wallerstein, chairperson of Coalition to Save the City and Suburban, and Marie Beirne, Tenants Landmark chairperson, both agree that the landmarking of City & Suburban's York Avenue Estate could not have been accomplished without Loretta.

Now the Loretta is retiring after 26 years with Rosenthal & Rosenthal she will be able to devote even more time to her community service. She plans to be the keeper of the massive City & Suburban archives and intends to do volunteer work in the field of historic preservation. Ms. Ponticello will also continue her work with the East 79th Street Neighborhood Association, caring and working with the community that she loves.

Mr. Speaker, I am proud to honor the heroics of Loretta Ponticello today. I hope that my colleagues will join me in thanking Ms. Ponticello for her ongoing generosity, and wish her a long and happy retirement.

## ONE OF NEW YORK'S BEST—EL OLE

### HON. NYDIA M. VELAZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Ms. VELAZQUEZ. Mr. Speaker, I rise today in honor of one of New York's best and most vibrant dining establishments. I am referring to El Olé. It is New York's very own bit of Spain, and it celebrates 25 years of exemplary service this Monday, May 22.

The owners of this fabulous restaurant, Pepe and Tony Lagares arrived in the United States back in 1949. They came here from La Coruña, Spain, with their father, Don José. They spent their first years in this country working at their grandfather's restaurant, Greenwich Village's El Tropezon. In 1970, they opened El Olé, and for years worked at a grovelling pace. El Olé's reputation spread by word of mouth, and it soon built up a strong clientele. In fact, when El Olé opened its doors for the first time, it could only accommodate 28 patrons. Today, it serves many well known guests on a regular basis, and its exquisite dinning room accommodates 110.

Among the many distinguished patrons of El Olé are: Sylvester Stallone, Elizabeth Taylor, Al Pacino, Emilio Estevez, Robert DeNiro, Martin Lawrence, Jon Secada, Jane Evans, Pedro Morales, Jose Chegui Torres, Roberto Ledesma, and former Governor Cuomo and his family. This impressive list comes as no surprise. El Olé has an atmosphere that lends itself to fine dinning and pure enjoyment. But it is much more than a restaurant, it is a refuge for people of all cultures, and its walls have witnessed countless conversations on everything from politics to the arts.

From the romantic sounds of Spanish guitars to the fast swing-pace of salsa, cumbia, and merenge, El Olé's superb service and vibrant setting serve as perfect complement to this establishment's world class menu.

I applaud the Lagares brothers for their efforts, and thank them for bringing us so much. To El Olé, a happy celebration, may its tables always bear las Delicias de la madre España, and may its door always rest open for those who share a passion for culinary pleasure and a thirst for the joy of life. Olé!

## FINDING SUPPLEMENTAL SECURITY INCOME ELIGIBLE BENEFICIARIES; INTRODUCTION OF LEGISLATION TO PROVIDE INCENTIVES FOR NON-PROFIT ORGANIZATION OUTREACH

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. STARK. Mr. Speaker, the Supplemental Security Income [SSI] Program was begun to provide a safety net for our country's elderly, blind, and disabled persons with limited income and resources.

Over the years I have followed the outreach efforts of the Social Security Administration to inform potential eligible people about the SSI Program. In 1989 a Health and Human Services study indicated that that 35 percent of potentially eligible recipients were not participating in the SSI Program. Congress mandated funds to the SSA in fiscal year 1990 and 1991 for outreach projects in an effort to enroll these potential recipients.

Many outreach programs designed and carried out by local government and nonprofit organizations have been funded by these appropriated funds. Outreach programs inform the SSA staff of the most effective means of reaching potentially eligible recipients of the

SSI Program and assist recipients through the complicated application process.

Alameda County in California has been very effective in reaching Southeast Asian potential recipients through an outreach program that reaches into the community through mutual assistance groups.

In Arizona third parties using a variety of outreach techniques, including language groups, successfully funded eligible recipients and streamlined their application process by completing the many necessary forms for them.

These examples point to what maybe the most effective way of contacting these hard to reach people. The use of existing private nonprofit community groups. I suppose that one of the quickest and most economical ways of finding and signing up eligible people for the SSI Program would be to use the staffs of nonprofit organizations who already work with the poor. Many of these people are very knowledgeable about the program and have the trust of potential recipients. Help in filing out the forms and collection of the necessary documentation would greatly assist the overworked SSA staff.

In return the nonprofit organizations would receive a fixed amount of money for each person they "sign up" that was actually eligible for the SSI Program.

This idea is the basis for the legislation I am introducing today. My bill creates two demonstration projects, one in a poor urban area and one in a poor rural area, to test this idea of providing an award for successful outreach.

## THE SERB STRANGLEHOLD ON SARAJEVO

### HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. SMITH of New Jersey. Mr. Speaker, I rise today to condemn the latest Serbian onslaught directed against innocent civilians in Sarajevo, an UN-designated safe-haven. The events of the past 24 hours underscore the fact that the besieged city of Sarajevo remains in a virtual stranglehold by well-armed Serb militants. UN sources confirmed that at least 1,000 shells were fired on Sarajevo. The heavy shelling of the Bosnian capital, the worst in over a year, resulted in a score of injuries and deaths. Sporadic shelling continues today.

Some have had the audacity to argue that both sides are equally to blame for the attack, a pretext later used to deny the Bosnian Government's urgent request for protection of Sarajevo. Attempts to equate the forces of the sovereign Government of Bosnia-Herzegovina with the marauding bandits led by Radovan Karadzic, a mastermind of genocidal aggression in Bosnia, are an affront which must be resoundingly rejected. Karadzic, along with Bosnian Serb military commander Ratko Mladic and former police chief Mico Stanisic, are under active investigation by the War Crimes Tribunal for the former Yugoslavia, for their respective roles in the war launched by the Serbs in 1992.

For 3 years now, international negotiators have traveled a well-worn path to Pale, the Bosnian Serb headquarters. Nearly a year has passed since the Contact Group presented its peace plan on a take-it-or-leave-it-basis. The Bosnian Government accepted the proposal within the 2 week deadline. The plan has been repeatedly rejected by the Bosnian Serbs with relative impunity despite threats by the Contract Group that rejection would carry severe consequences. Further negotiations at this time can only be expected to bring further concessions to meet Karadzic's demands.

Yesterday's attack on Sarajevo highlights the pathetic state of affairs and utter impotence of the international community which has effectively abrogated its responsibility for enforcing Security Council resolutions in Bosnia. The shelling occurs at a time when the United Nations is reviewing its mission in Bosnia—a mission which, in my opinion, has been seriously undermined since U.N. forces began negotiating with the militants shortly after UNPROFOR's deployment. Further delay in deciding what, if any, role the U.N. can or should play in Bosnia will only make the withdrawal of UNPROFOR that much more difficult and potentially dangerous should such a determination ultimately be reached.

Mr. Speaker, the fact of the matter is that measures taken by the Security Council to date have failed to maintain international peace and security as it relates to Bosnia-Herzegovina. This being the case, it is unconscionable that that country continues to be denied its right to self-defense, in clear violation of article 51 of the U.N. Charter.

Earlier this year, I introduced H.R. 1172, legislation which lift the arms embargo against Bosnia-Herzegovina. This bill enjoys considerable bipartisan support as evidenced by the growing list of cosponsors. Mr. Speaker, I urge colleagues to support the lifting of the arms embargo, an action fully in keeping with Bosnia's inherent right to self-defense.

## COMMUNITY SPIRIT ALIVE AND WELL IN IDAHO

### HON. HELEN CHENOWETH

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mrs. CHENOWETH. Mr. Speaker, I rise today to applaud the efforts of two institutions in my district that are pioneering innovative programs to meet the credit and housing needs of the citizens of Boise. Boise Neighborhood Housing Service and Key Bank of Idaho have been nationally recognized by the Social Compact in its 1995 Outstanding Community Investment Awards Program for their efforts, which are helping to address the city's critical shortage of affordable housing options.

Social Compact is a national nonprofit organization dedicated to increasing industry investment in our at-risk neighborhoods. They lead by example, highlighting successful partnerships between financial services institutions and neighborhood nonprofit organizations that are working together to reestablish viable markets in which the financial industry can do business. By reestablishing these markets, the partnership reclaims vulnerable communities, transforming them into a neighborhood of active residents and homeowners with a real stake in their future. As a result of the annual Outstanding Community Investment Awards Program, Boise Neighborhood House Service, or NHS and Key Bank of Idaho were chosen out of 160 applicants as a model partnership, one that the rest of the industry can learn from.

When Boise NHS began 13 years ago as a small, neighborhood revitalization effort, Boise was just entering a growth period. Today, Boise is a city with soaring housing costs and high land prices. In the last 5 years alone, the cost of living in Boise increased by 139 percent, while median income rose only 33 percent. NHS has responded to Boise's affordable housing shortage by forming a lasting partnership with Key Bank of Idaho, a financial institution committed to neighborhood revitalization. Their partnership is providing solutions both for lower income families who need affordable rental housing or believe the dream of homeownership is out of their reach.

As a result of the leadership of Connie Hogland, executive director of Boise NHS, and Michael Mooney, president of Key Bank of Idaho, 77 families now live in newly constructed, affordable homes. Seven families have achieved the dream of homeownership, through the construction of Quince Cove development, financed 100 percent by Key Bank of Idaho. Key Bank has furthered its financial involvement with Boise NHS, supporting the National Neighbors Works Campaign for Homeownership, initiating a special lenders pool with other institutions to provide first mortgages to low- and moderate-income families, and providing Boise NHS with an ongoing line of credit. In Boise our citizens have a great deal of civic pride in their city and the Key Bank employees, senior managers, and even members of their board of directors also volunteer their time for community-wide events such as when the city comes together to help those that are unable to maintain the upkeep of their homes.

Efforts such as those by Boise NHS and Key Bank of Idaho deserve to be congratulated, not only for their ongoing efforts to meet immediate needs of Boise residents, but also for their innovation in finding new ways to help the city and the community, making it a vital place to live and do business.

## RESEARCH FOR OUR NATION'S FUTURE

### HON. STEVEN SCHIFF

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. SCHIFF. Mr. Speaker, I rise today to mention the importance of the basic scientific research funded under budget function 270. While this research may fall under the Energy Supply Research and Development title, this work, much of which is occurring at our national laboratories, is basic fundamental scientific research that applies to national problems in nuclear weapons and environmental cleanup.

Research efforts at the national laboratories are characterized by scientific excellence and the integration of basic research to real applications in the chemical sciences, materials sciences, and geosciences. For example, the materials science research program at the national laboratories not only demonstrates the relevance of basic science to technology, but also supports the Energy Department's primary missions. In addition, these programs take advantage of a wide range of large, capital intensive research facilities that are not usually found at universities.

Work in areas such as scientifically tailored materials combine expertise in solid state sciences, atomic-level diagnostics, materials synthesis and processes science to produce new classes of tailored materials for critical defense needs, and which can also be used by industry down the road. That national laboratories materials researchers win prizes and awards each year, indicates that their colleagues in universities and industry recognize the value of their scientific contributions.

In conclusion, I ask my colleagues to be mindful that the national laboratories are conducting original and relevant basic research in the basic energy sciences program that is of great value to our Nation's future.

## THE 44TH INTERNATIONAL CONVENTION OF THE ALLIANCE OF THE POLISH SINGERS OF AMERICA

### HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mrs. MALONEY. Mr. Speaker, I rise today to mark the 44th International Convention of the Polish Singers' Alliance of America which will take place in New York City from May 25 through May 28, 1995. As the Representative of one the Nation's strongest and most active Polish-American communities, I am proud to welcome them to New York.

Founded in 1889, the Polish Singer's Alliance is dedicated to promoting goodwill and Polish culture by performing the very best in Polish music. Every 3 years the Alliance sponsors a convention for Polish choral groups from all over North America. The convention acts to acquaint the public with the works of Polish composers, and foster a love for a country which has given so much to the rest of the world.

This year, the event is being hosted by the District VII of PSAA, based in the New York City metropolitan area, including Connecticut, Pennsylvania, and New Jersey. District VII will welcome 33 other singing groups from as far away as Arizona, and Ontario, Canada.

Together, over 1,000 people will join together to celebrate the rich history and the promising future of the Polish musical tradition. Judging from past conventions, a high point should be the choral competition. This even provides a unique opportunity for the choruses to demonstrate their talents in Polish classical, religious, and folk music.

The theme of this year's convention, Salute Free Poland, is particularly poignant. It honors not only the country's historical contributions to world culture, but recognizes Poland's long struggle to embrace freedom and democracy.

Mr. Speaker, I would request my colleagues join me in welcoming the Polish Singers Alliance of America to New York. I thank them for bringing their wonderful music to New York and for keeping this tradition alive for future generations to enjoy.

## A EULOGY TO MAX MCCARTHY

### HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. LAFALCE. Mr. Speaker, former Senator John Culver of Iowa last week delivered a eulogy to his friend and former colleague in Congress, Richard "Max" McCarthy, who died May 5 at age 67 in Arlington, VA.

Mr. McCarthy represented the Buffalo, NY, area in the House from 1965 to 1970.

Senator Culver offered a poignant tribute to Max, who had a many faceted career as "a proud veteran of two wars in two military services. A distinguished Member of Congress with a strong sense of our obligation to future generations. A diplomat wisely representing our country. A journalist who challenged and helped his readers to be better informed citizens of our democracy."

Speckled with anecdotes, the Senator's remarks captured the depth of character of this affable man we all simply called Max. The Hill published the Senator's eulogy in its May 17 edition and I would like to share it with my colleagues at this point in the RECORD:

MAX MCCARTHY: SOLDIER, CONGRESSMAN, JOURNALIST

(Eulogy by Former Sen. John Culver)

As we all know, Max grew up in Buffalo. He loved the city and its people. He knew its history and its politics. He always proudly wore that small silver Buffalo in this lapel.

One of his favorite stories about his home town recounted the election night victory statement of a mayoralty candidate of modest educational attainment who proclaimed: "I wish to thank Jesus Christ and all the other good people of Buffalo who voted for me today."

I first met Max 30 years ago when we were both newly elected members of Congress. Although small in stature he possessed a big voice and also a big heart and a big mind. He was intellectually curious and genuinely interested in people as well as ideas.

He possessed strong convictions and never was half-hearted about anything. He could ask more questions and learn more about a stranger in one conversation than anyone I ever knew, because he was such a good listener.

As we all know, Max was very fastidious and dapper concerning his dress and I used to kid him. "I wish you would start to take some pride in your personal appearance."

In his own congressional career he was ahead of his time regarding the environment and was also the author of books on subjects like chemical and biological warfare and campaign finance reform decades before others discovered them. As a close observer of foreign affairs, he was perceptive and well informed. Years before the Iranian revolution he warned me that the U.S. was wrong in supporting the Shah.

Max was proud of being Irish and a genuine authority on the history of Ireland. With affection he often recounted the comment of his father, "The Irish are not always sure of the particular cause they are fighting for, but they are willing to die for it."

But Max did know what was worth living for. After he was diagnosed, Max knew his illness was terminal.

He eventually moved into the nursing home where his life and possessions were reduced to one room. At such a time one must choose and those choices can tell us much about a person's priorities, character and values.

Like many of you here today who visited Max in that room in recent months, I recall the many photos of his family. His father and mother pictured with him as a small boy, his sisters, and the individual and group pictures of his children and grandchildren whom he loved so deeply. They reminded me of the joy he always expressed following a visit to one of them—be it in Italy, Chicago, New York City or back in Buffalo.

There was an American flag in the corner of the room. I assume it was from his congressional office. There were two framed honorable discharge certificates—one from the World War II Navy and the other from the Army for service during the Korean War. Max was devoted to his country, but like a true patriot he could be critical if he felt it as not pursuing a just course.

Then there was the book case filled with his favorite works on history and political biographies which were the subject of many memorable hours of discussion that we shared over the years. As I left him on what proved to be my final visit I asked if I could get him anything. He said he would really like a copy of a new history book, "The Age of Extremes," by Eric Hobsbawm. He had read an excellent review of it in the New York Review of Books. I got a copy to him last week and it was apparently the last book he was reading.

He had a keen interest in travel and did so widely and there were various mementos and pictures from those experiences. There was the beloved collection of opera recordings all of which Max knew by heart. A classical music station was always on the radio. Always at hand was a well-read copy of The New York Times.

On a wall hung his notice of induction to the prestigious Gridiron Club, signifying his election to a select group of the nation's finest reporters. The annual club skits, a Washington major event, gave him such satisfaction and pleasure. On a bulletin board were one or two of his recent columns from the Buffalo News that he courageously dictated each week to the very end. The last one which appeared before his death was an appeal for sanity on firearms.

There was a framed quote by one of Max's heroes, the distinguished journalist Walter Lippmann. I remember Max telling me about how thrilled he was to have been invited to Lippmann's home as a young congressman and pointed out his residence to me in Washington. Max took very seriously his responsibility as a member of the Washington press corps. Lippmann characterized that role as "no mean calling" and claimed those involved have a "right to be proud of it and be glad it is our work." Max could agree.

It is altogether fitting that Max, who served our country with distinction in so many ways, will now be laid to rest in our National Cemetery. He was a proud veteran of two wars in two military services. A distinguished member of Congress with a strong

sense of our obligation to future generations. A diplomat wisely representing our country. A journalist who challenged and helped his readers to be better informed citizens of our democracy.

A funeral ceremony is, of course, a time of sadness, but also a time of celebration and gratitude. Gratitude for the enrichment Max brought to so many of our lives and for the warm personal memories of him which we will always cherish.

## UPLIFTING AND HELPFUL GUIDANCE

### HON. SANFORD D. BISHOP, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Mr. BISHOP. Mr. Speaker, I am very thankful that I have had an opportunity during this exceptionally busy year to attend two annual conferences of the African Methodist Church in Georgia, the Southwest Georgia Conference held in Columbus and the South Georgia Conference in Albany. I am also planning to attend the third A.M.E. church conference this month, the upcoming conference in Macon. These church convocations are both uplifting from a spiritual point of view and beneficial to me as a legislator.

Resolutions adopted by the 83d session of the South Georgia Conference, presided over by the Right Reverend Donald George Kenneth Ming, are an example of how religious organizations can help guide our deliberations in incisive, thought-provoking ways. I would therefore submit the attached epistle and the four accompanying resolutions, which were developed by the committee on the state of the country:

THE 83D SESSION OF THE SOUTH GEORGIA ANNUAL CONFERENCE OF THE SIXTH EPISCOPAL DISTRICT OF THE AFRICAN METHODIST EPISCOPAL CHURCH—THE RIGHT REVEREND DONALD GEORGE KENNETH MING, PRESIDING BISHOP

MARCH 24, 1995.

To: Congressman Sandford D. Bishop, Jr. Second Congressional District for the State of Georgia.

From: The Committee on the State of the Country.

The enclosed resolutions are excerpts from the minutes of the committee assigned to review, to evaluate and to propose resolutions to resolve the continued decay of crippling ills of our society. We, therefore, the ministerial and lay delegates to this, the 83rd Session of the South Georgia Conference, presided by the Right Reverend Donald George Kenneth Ming, would like to go on record stating our concerns on these issues.

We, therefore, solicit your personal commitment to deliver these resolutions to the floor of Congress and oratorically resound our concerns in such a manner that the walls of Congress will tremble until equality and justice grip the minds and hearts of your fellow political constituents. We can no longer sit idly in the bosom of a society that will not nurture, from the breasts of prosperity, her children from ill-housing, inefficient educational systems, rural and urban wastelands, cultural deficiencies, health deformities, political annihilations, affirmation action irregularities and the criminal seige of a demoralizing society.

We, therefore, collectively, as members of your Congressional District, challenge your involvement as a vehicle which will enable us to stand in these times as we make a "Contract with America" to retain an air of dignity, of respect and of self-worth to our God, to our fellowman, and to ourselves.

Respectfully submitted,

THE COMMITTEE ON THE STATE OF THE COUNTRY.

The Right Reverend Donald George Kenneth Ming, Presiding Bishop.

Mrs. Edith White Ming, Episcopal Supervisor.

Reverend Clifford Earl Shepheard, Presiding Elder.

Reverend Johnnie Lonnie Raven, Jr., Presiding Elder.

Reverend Eugene Foster, Chairperson.

Reverend Hayward White.

Reverend W. F. Griffin.

Reverend Jaunita Parker.

Reverend Charlie Byrd.

Sister Constance Hamilton.

Brother Ralph Taylor.

Brother Stonewall Pertilla.

Dr. Evelyn G. Perry, Compiler.

THE RESOLUTIONS

We, the members of the State of the Country Committee at the 83rd Session of the South Georgia Annual Conference held at Bethel African Methodist Episcopal Church (Albany, Georgia) on March 22–26, 1995 do set forth these following resolutions, which were unanimously received and adopted by the attending delegation, to be prayerfully submitted to our nation's leaders:

RESOLUTION 1

We resolve that this conference go on record to endorse our support for affirmative action as a tool to continue to align the "American Dream" and the founding fathers' principle that "we hold these truths to be self-evident that all men are created equal, that they are endowed by their Creator with certain unalienable rights that among these are life, liberty and the pursuit of happiness." We, therefore, resolve that affirmative action is necessary to assure that the minority workforce is not given a "handout" but an "opportunity!" We, therefore, resolve that with these given opportunities minority America will be able to escalate over the barriers of economical, social and cultural horizons which have beset us in the past. Let it be clearly stated that we must procure the keys to these opportunities through affirmative action which is our "Contract with America," that if given the opportunity, we will respond educationally trained, responsibly employed, and culturally advanced. Let it be known that Black America suffers from the acute case of insufficient checking only because America refuses to deposit into her account.

RESOLUTION 2

We resolve that there is a need for welfare reformation; however, we resolve that there should be gradual steps to assure that "poor America" will be able to receive adequate housing, income and health care to sustain a minimal lifestyle of dignity. We, therefore, resolve that the process of ratification should take the following steps:

1. Five-year ratification period.
2. Gradual modification for those presently on welfare.
3. Reformation including parental training, vocational training and social skills' training.
4. Reformation that gradually restricts and deters teenage pregnancy, substance abuse and sales and a lack of self-esteem.

RESOLUTION 3

We resolve that adequate funding should be allocated so that a massive voter registration and voter education program is enacted in every Congressional District where the majority of the inhabitants are nonparticipatory voters.

RESOLUTION 4

We resolve RESOUNDINGLY that Congress would approve and support the appointment of Doctor Foster, M.D., as Surgeon General of the United States of America based upon his impeccable credentials in the medical profession. We must not allow misappropriate behavior of the past, when corrected, to be the portal for non-qualification. We must be reminded that in the gospel according to John 8:7 Jesus implies, "ye without sin, cast the first stone."

Finally, we, therefore, resolve that these resolutions be permanently engraved in the archives of the "American Dream."

Mr. Speaker, I commend the A.M.E. Church in Georgia for taking a stand on these critical issues. All of us in Congress can benefit from paying close attention to the views and positions taken by our religious institutions.

## McKINNEY EDUCATION FOR HOMELESS CHILDREN AND YOUTH

### HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 17, 1995*

Ms. SLAUGHTER. Mr. Speaker, this worthwhile program, modest yet dramatically effective, has drawn quite a bit of fire in recent days. I would like to take this opportunity to clear up some misconceptions about the program, voiced by my colleague from Arizona, [Mr. KOLBE].

My colleague objects strongly to this program for the Education of Homeless Children and Youth, because of concerns that the program is overly bureaucratic. This is simply not the case at all. The McKinney program directly funds just one Homeless Education coordinator in each State; and over half of those coordinators only work part-time on the program. More than 80 percent of all funding goes straight to the local school districts. At last count, about 500 local school districts were running homeless education programs with McKinney funding.

My colleague also quotes from a Department of Education document which states that the McKinney program "provides formula grants to States to operate an Office of Coordinator of Education for Homeless Children and Youth." The implication is that the program exists only to support bureaucrats. However, my colleague failed to read further in the program description, in which it is stated that the program also has responsibility "to develop and carry out a State plan for the education of homeless children. States also make subgrants to local educational agencies for tutoring, transportation and other services intended to enable homeless children to enroll in, attend and succeed in school." (Department of Education Fiscal Year 1996 Budget Summary and Background Information)

And that is what this program does so well—it gets funding to local school districts,

who have designed special projects tailored to their local needs. Local school districts submit applications as part of a competitive process; only the best proposals win. The States make the final decisions; the localities design their own programs; and the Federal Government lets them do what they do best. No other Federal program targets these vulnerable homeless children in this way. We must oppose any attempt to eliminate the Education for Homeless Children and Youth program; because without this program, literally hundreds of thousands of homeless children will never get to school.

I am submitting a Project Description from the Amphitheater Public Schools Education for Homeless Youth Program in Tucson and Pima County Arizona. Amphitheater's program, called "Youth on Their Own," works with high school homeless youth, and is one of two McKinney-funded homeless education programs in my colleague's district. The other program, run by the Tucson Unified School District, reaches out to elementary school-age homeless children. The Amphitheater Project Description explains better than I can how the program works, how they are using their McKinney funding, and why this McKinney funding is so valuable to local school districts all across the country.

PROJECT DESCRIPTION—ARIZONA DEPARTMENT OF EDUCATION

EDUCATION FOR HOMELESS CHILDREN AND YOUTH

1. District: Amphitheater Public Schools.

2. Contact person: Ann Young; Telephone (602) 297-4555.

3. Number of homeless children in school district (from attached survey): 317+; Number to be served by this project: 317+.

4. Project period (Maximum 15 months: From August 1993 to September 1994.

5. Describe services to be provided:

Educational assistance targeted for the homeless will be supplemental to the school program and will include a course in independent living set up to assist the students in learning the skills needed to survive on their own. A full time teacher will be hired to teach the course to an integrated student body so the homeless youths will not be isolated and stigmatized. He/she will also be responsible for assisting the students with course, college and career choices, helping in the identification and screening of homeless youth, coordinating with parents, teachers, school personnel, and private and public agencies, acting as a liaison to help the homeless enroll and succeed in school, and making home visits.

Tutorial services will be provided to assist students in reaching their academic goals.

Outreach effort to identify and assist homeless students in entering and becoming integrated into our schools, in obtaining residency status and the documentation necessary for government and social services. Assistance will be given in finding lodging with volunteer parents or on their own, medical and dental services, obtaining free breakfast and lunch, food stamps, AHCCS, SOBRA, DES, AFDC, clothing and household goods, emergency food from the food bank, part-time employment, a monthly stipend dependent upon good attendance, counseling, and mentoring.

6. Describe how the project is coordinated with the regular district educational program and integrates homeless children with non-homeless children:

Our program will advocate for children and youth to ensure their acceptance as students in the Amphitheater School District. A hotline for students who have difficulty meeting the criteria of the school district because of homelessness will be available at each school to assist the school personnel in determining homelessness status. Ongoing education of school personnel will be addressed.

The course in independent living which will address housing, nutrition, health, economic, and other basic needs will be available to all students so the homeless student will not be stigmatized. The Youth on Their Own support program also includes children who are not considered homeless under the McKinney guidelines—those living with friends and relatives on a comparatively stable basis. Every effort is made to mainstream the homeless youth so they are not isolated as a group from the school body.

7. Describe current districtwide efforts to remove barriers to the education of homeless children, pursuant to the McKinney Act (i.e. documentation and residency policies, expedited assessments, outreach, etc.). Do not include activities funded by a McKinney Homeless Assistance grant.

Amphitheater School District is making efforts to remove barriers to the education of homeless children, but the documentation and residency policies must still be evaluated on a case by case basis. It is not known how many children are helped or hampered by the present policies. Schools are to be asked to gather data as a basis for improvement efforts. An attempt will be made to enlarge the schools' influence on the out-of-school environment. The high school hired a social worker this year who has helped to expedite assessments and outreach efforts. We have volunteers working with the homeless students on a one to one basis.

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, May 18, 1995, may be found in the Daily Digest of today's RECORD.

### MEETINGS SCHEDULED

MAY 19

9:30 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Housing and Urban Development.

SD-192

Labor and Human Resources

Education, Arts and Humanities Subcommittee

To hold hearings to examine adult education programs.

SD-430

MAY 22

2:00 p.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1996 for the Architect of the Capitol, and the Government Printing Office.

SD-116

Foreign Relations

Western Hemisphere and Peace Corps Affairs Subcommittee

To hold hearings on S. 381, to strengthen international sanctions against the Castro government in Cuba, and to develop a plan to support a transition government leading to a democratically elected government in Cuba.

SD-419

Governmental Affairs

Post Office and Civil Service Subcommittee

To resume hearings on Federal pension reform, focusing on how Federal pension plans compare to private sector plans.

SD-342

MAY 23

9:30 a.m.

Agriculture, Nutrition, and Forestry

To resume hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on Federal nutrition programs.

SR-328A

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on financial management.

SD-192

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1996 for the government of the District of Columbia, focusing on the District of Columbia public schools.

SD-116

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold oversight hearings on NASA's Space Station Program.

SR-253

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold hearings on S. 620, to direct the Secretary of the Interior to convey, upon request, certain property in Federal reclamation projects to beneficiaries of the projects and to set forth a distribution scheme for revenues from reclamation project lands.

SD-366

Indian Affairs

To hold hearings on S. 479, to provide for administrative procedures to extend Federal recognition to certain Indian groups.

SR-485

10:00 a.m.
Foreign Relations
Business meeting, to mark up proposed legislation authorizing funds for foreign assistance programs.
SD–419

Judiciary
To hold hearings on the Administration's counter-terrorism intelligence gathering proposals, focusing on whether there is a need for increased wiretap and infiltration authority for Federal law enforcement.
SD–226

2:30 p.m.
Energy and Natural Resources
Parks, Historic Preservation and Recreation Subcommittee
To hold hearings to review the Department of the Interior's programs, policies and budget implications on the reintroduction of wolves in and around Yellowstone National Park.
SD–366

MAY 24

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the United States Fish and Wildlife Service, Department of the Interior.
SD–192

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings to examine international aviation policy.
SR–253

Governmental Affairs
Oversight of Government Management and the District of Columbia Subcommittee
To hold oversight hearings on aviation safety.
SD–342

10:00 a.m.
Agriculture, Nutrition, and Forestry
Research, Nutrition, and General Legislation Subcommittee
To hold hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on research and the future of U.S. agriculture.
SR–328A

2:00 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH–219

MAY 25

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 638, to authorize funds for United States insular areas.
SD–366

Rules and Administration
To hold hearings on proposed legislation authorizing funds for the Federal Election Commission.
SR–301

10:00 a.m.
Agriculture, Nutrition, and Forestry
Marketing, Inspection, and Product Promotion Subcommittee
To hold hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on Federal farm export programs.
SR–328A

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for military construction programs of the Department of Defense, focusing on Army and certain Defense agencies.
SD–192

Finance
Social Security and Family Policy Subcommittee
To hold hearings to examine the financial and business practices of the American Association of Retired Persons (AARP).
SD–215

2:00 p.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings on property line disputes within the Nez Perce Indian Reservation in Idaho.
SD–366

MAY 26

10:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the General Accounting Office, and the Office of Technology Assessment.
SD–116

JUNE 6

9:30 a.m.
Agriculture, Nutrition, and Forestry
Forestry, Conservation, and Rural Revitalization Subcommittee
To hold hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on resource conservation.
SR–328A

Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on intelligence programs.
S–407, Capitol

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of the Interior.
SD–138

Energy and Natural Resources
Energy Production and Regulation Subcommittee
To hold hearings on S. 708, to repeal section 210 of the Public Utility Regulatory Policies Act of 1978.
SD–366

2:00 p.m.
Joint Printing
To hold oversight hearings on the activities of the Government Printing Office (GPO).
1310 Longworth Building

JUNE 7

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the National Service and the Selective Service System.
SD–192

10:00 a.m.
Judiciary
Youth Violence Subcommittee
To hold hearings to examine the welfare system's effect on youth violence.
SD–226

JUNE 13

9:30 a.m.
Agriculture, Nutrition, and Forestry
Production and Price Competitiveness Subcommittee
To hold hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on commodity policy.
SR–328A

Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on health programs.
SD–192

JUNE 15

9:30 a.m.
Agriculture, Nutrition, and Forestry
Production and Price Competitiveness Subcommittee
To resume hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on commodity policy.
SR–328A

JUNE 20

9:30 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on counternarcotic programs.
SD–192

JUNE 27

9:30 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense.
SD–192