SENATE—*Monday, October 27, 1997*

The Senate met at 12 noon, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

We conclude our character counts prayers by asking for the character trait of caring that is expressed in loyal citizenship. Dear God, You have lavished Your love in the natural resources and expressed Your providential care in the blessing of our Nation. Thank You for the privilege of being citizens of this land of liberty, justice, opportunity, and promise. You call us to be loyal in our patriotism and diligent in seeking Your very best for our land.

Sovereign of America, give us a character transplant. In a time when so many say, "I couldn't care less," help us to remember how much You care for us and respond by saying, "We dare not care less." We cast all our cares on You because You care for us. May this motivate us to confront the problems of our Nation and seek Your solutions.

Gracious Father, bless the women and men who express their citizenship by serving here in this Senate. You have told us that if we pray for them You would pour out Your power. Guide these leaders as they seek to know and do Your will. Fill this Chamber with Your shalom and make us one with shared patriotism and united vision. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

Mr. HAGEL. Thank you, Mr. President.

SCHEDULE

Mr. HAGEL. This morning, the Senate will be in a period of morning business until 1:30 p.m. Following morning business, we hope to begin consideration of the pending Federal Reserve Board nominees or the Interior appropriations conference report.

Also, later in the day, we hope to make progress on amendments to S. 1173, the highway legislation. As Members are aware, a fourth cloture motion was filed to the highway bill on Friday, so there will be a cloture vote on Tuesday at a time yet to be determined.

In addition, the Senate could be asked to consider Amtrak strike legislation during this week as well. Under the previous order, at 5 p.m. today the Senate will vote on the confirmation of the Marbley of Ohio nomination to be U.S. district judge. Members are reminded that this may not necessarily be the only vote scheduled today. Members will be notified when other votes are scheduled.

MEASURES PLACED ON THE CALENDAR—SENATE JOINT RESOLUTION 37 AND H.R. 2646

Mr. HAGEL. Mr. President, I understand that there are two items that are due to be read a second time. I ask that they be read consecutively at this time.

The PRESIDENT pro tempore. The clerk will read the measures by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 37) to provide for the extension of a temporary prohibition of strikes or lockout and to provide for binding arbitration with respect to the labor dispute between Amtrak and certain of its employees.

A bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

Mr. HAGEL. Mr. President, I object to further consideration of these matters at this time.

The PRESIDENT pro tempore. The bill and joint resolution will be placed on the Calendar of General Orders.

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

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

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business for not to exceed beyond the hour of 1:30 p.m., with Senators permitted to speak therein for up to 10 minutes each.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

THE DEPARTMENT OF DEFENSE'S ILLEGAL PROGRESS PAYMENT POLICY

Mr. GRASSLEY. Mr. President, I would like to speak about the Department of Defense's illegal progress payment policy.

I have spoken on this policy a number of times since the beginning of the year. Well, I thought we had finally laid the issue to rest. But how wrong I was. On July 22, DOD made a commitment to bring that policy into compliance with the law.

The commitment was made by the nominee to be Deputy Secretary of Defense, Mr. John Hamre. At the time, he was the department's chief financial officer or CFO. He is now the Deputy Secretary of Defense.

Mr. Hamre made the commitment in front of the leaders of the Armed Services Committee: Senator STROM THURMOND, chairman of the Armed Services Committee; Senator CARL LEVIN, ranking minority member of the committee; and The committee's ranking Republican, my friend from Virginia, Senator WARNER; and the Senator from Iowa was also present.

Mr. Hamre promised to put the new policy into effect on October 1, 1997. But October 1 has come and gone. As of this moment, the illegal policy is still in operation. For over 6 years now, the inspector general; the IG, has been telling DOD to fix the policy. And DOD has repeatedly promised to fix it. Unfortunately, Mr. President, these were empty promises. They are broken promises.

Mr. President, John Hamre gave me his word he would fix it this time. A man's word is like gold. You should be able to take it to the bank. He proposed to bring the policy into compliance with the law. And he did it in front of the leadership of the Armed Services Committee. I expect him to keep his word. And the IG is involved, as well. The IG made a commitment to verify compliance. And DOD is not in compliance. This is a bad situation. The basic agreement is outlined in the IG's letter of July 23. I placed a copy of that letter in the RECORD on July 24. It can be found on page S8110.

The July agreement started to unravel barely 1 month after being put together. It unraveled because of complaints from industry—mainly a group called the Council of Defense and Space Industry Associations—that is CODSIA.

The group sent a letter to DOD on August 27. Mr. President, I ask unanimous consent to have a copy of this letter printed in the RECORD.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

COUNCIL OF DEFENSE AND SPACE INDUSTRY ASSOCIATIONS,
Washington, DC, August 27, 1997.

Hon. ALICE C. MARONI,
Acting Under Secretary of Defense (Comptroller), Pentagon, Washington, DC.

Mrs. ELEANOR R. SPECTOR,
Director of Defense Procurement, Pentagon, Washington, DC.

Mr. GARY W. AMLIN,
Acting Director, Defense Finance and Accounting Service, Arlington, VA.

DEAR MRS. MARONI, MRS. SPECTOR, and MR. AMLIN: The undersigned members of the Council of Defense and Space Industry Associations (CODSIA) are very concerned with DoD's decision to implement the requirement to distribute contract financing payments starting October 1, 1997, without allowing final action on DFARS Case 97-D011 and without determining the impact of such a decision on DoD and industry. This change will increase significantly the administrative workload and cost for all parties involved in the payment process.

The cost impact of this decision on industry is extremely onerous. It will require major changes to accounting and billing systems and to electronic commerce systems to meet the new requirements. We estimate that the additional staffing and administrative effort necessary to ensure compliance with the required distribution in the billing process will cost the industry about $1.3 billion in FY98.

The $1.3 billion estimate does not include (1) the impact on any contracts not paid from DFAS Columbus, (2) actual cost accumulation by ACRN or CLIN/SLIN, (3) any additional subcontractor cost, (4) progress payments on basic ordering agreements, (5) the cost of breaking down contracts below the ACRN level, (6) new billing system audits, and (7) higher prices resulting from delayed payments.

The October 1 implementation date does now allow time to comply with the requirements of both the Regulatory Flexibility Act and the Paperwork Reduction Act. The statement in the proposed rule that it pertains primarily to internal Government accounting procedures ignores the impact of the rule on industry. It is our opinion that a regulatory flexibility analysis is required and that industry should have an opportunity to participate in that analysis. As to the paperwork burden, the proposed rule will result in significant new information collection requirements in order for contractors to be paid. The statement that the proposed rule will *not* impose any information collection requirements that OMB must approve is inaccurate.

Industry is not prepared to implement progress payments distributions on October 1, 1997, and we believe that DFAS will have great difficulty in doing so. Therefore, we urge you to delay the implementation to allow time for a thorough analysis of the impact of this decision.

Whatever decision is made on implementation, the new requirement should not apply to existing contracts. Furthermore, if this decision is implemented, the progress payment rate should be increased to eighty-five (85) percent to compensate for slower payments.

If the implementation date cannot be delayed, we urge the following steps to reduce the administrative cost and disruption of the progress payment process.

Do not make progress payment distributions retroactive. The decision to implement progress payment distributions on existing contracts with five or less progress payments as of October 1, 1997, will result in claims for equitable adjustment. This applies to contracts that have been awarded as well as to prospective contracts that are currently in a solicitation or negotiation phase.

Require DoD to simplify contracts to one ACRN by not using multiple appropriations per contract and not assigning multiple ACRNs per appropriation. This is the only way DoD can comply with this requirement without creating a significant problem for industry and DFAS.

Distribute progress payments by ACRN rather than CLIN/SLIN.

Continue the current DFAS procedure of reallocating payment by ACRN when there are not enough funds in an ACRN to make the payment.

Take steps as detailed in Enclosure I to reduce administrative effort.

Further details of industry's concerns and an analysis of the cost impact are contained in Enclosures I and II to this letter.

DFAS has made significant progress in making timely payments on both progress payment and delivery invoices. The implementation of progress payment distributions would be a major setback for DFAS, and a setback for acquisition reform and payment efficiency. We would be pleased to discuss this matter with you. For further information, please contact Dave Koonce of the Lockheed Martin Corporation at (301) 897-6657.

Sincerely,

Don Fuqua, President, Aerospace Industries Association; Lorraine M. Lavet, Chief Operating Officer, American Electronics Association; Gary D. Engebretson, President, Contract Services Association; Kenneth McLennan, President, Manufacturers Alliance for Productivity and Innovation; Lawrence F. Skibbie, President, American Defense Preparedness Association/National Security Industrial Association; Cynthia L. Brown, President, American Shipbuilding Association; Dan C. Heinemeier, Vice President, Electronic Industries Association; Bert M. Concklin, President, Professional Services Council; Penny L. Eastman, President, Shipbuilders Council of America.

Mr. GRASSLEY. Industry's complaint boils down to one key point: The new policy will cost $1.3 billion in the first year alone. This is pure, grade A Pentagon baloney. The IG says it is baloney.

No one knows what the new policy would cost—if anything.

Maybe it would save money.

DOD is paying accounting firms like Coopers & Lybrand hundreds of millions of dollars to resolve accounting errors.

These accounting errors are caused, in part, by the current policy.

If payments were made according to law, all the money paid to Coopers & Lybrand could be saved. Surely these saving would offset any new costs. Let's face it, the thought of more cost makes industry lick its chops. More cost is not the issue.

More money is the issue. What I am talking about here is the flow of funds.

The new policy threatens to interrupt the money flow.

That is what scares CODSIA.

And I am not talking about not paying legitimate bills on time. Under law, DOD must pay its bills promptly.

I am talking only about bills that cannot or should not be paid. I am talking about overobligations and overpayments.

DOD cannot write checks and pay bills with no money in the bank.

Mr. President, this simple rule applies to most citizens in this country but not to entrenched bureaucrats in the Pentagon.

They can dip into a bottomless well that is the $250 billion defense budget.

This bottomless well allows DOD bureaucrats to merge and comingle appropriations.

They do this to cover shortages—beyond the purview of Congress. Say a bill is submitted for payment, but the bureaucrats discover that there is insufficient money in the account to pay it.

Under the current policy—that is Mr. Hamre's policy—the bureaucrat is authorized to arbitrarily and deliberately post it to another account—the wrong account—but one fat with cash.

Mr. President, that is illegal. Yet that is exactly what CODSIA is asking DOD to keep doing. CODSIA refers to ACRN for accounting classification reference number. ACRN's identify appropriation accounts.

I quote from CODSIA's letter to DOD:

> Continue the current DFAS [Defense Finance and Accounting Service] procedure of reallocating payment by ACRN when there are not enough funds in an ACRN to make the payment.

In other words, CODSIA says: Keep charging the wrong account if there isn't enough money in the right account.

Mr. President, that is a blatant violation of law.

When an ACRN contains insufficient funds to pay a bill, the account is overdrawn. It is in the red. It is time for heads to roll.

That is a violation of the Antideficiency Act—section 1341 of title 31, and that carries criminal penalties. It's a felony.

And when you arbitrarily reach into another account to get the money, as CODSIA suggests, you also violate sections 1301 and 1502 of title 31.

These laws are the sacred constitutional cornerstones of Congress' control over the purse strings.

CODSIA shows no respect for these sacred constitutional principles.

At least CODSIA is up-front about what it wants. It wants industry to get paid—even if it means breaking the law.

There is another problem—overpayments. These are bills that should not be paid.

DOD has a nasty habit of overpaying contractors and does it with great regularity.

The bad part about it is DOD doesn't know when it happens. DOD doesn't have the controls in place to detect them.

The only way DOD knows about an overpayment is when the contractor voluntarily returns the money.

Well, Mr. President, guess what is causing overpayments?

Answer: Mr. Hamre's current progress payment policy—the one he promised to terminate on October 1.

A recent GAO report—No. 97-37, page 12—says this policy is "the most frequent cause of DOD's overpayments."

The GAO report is entitled "Fixing DOD's Payment Problem Is Imperative."

The new policy promised—but not delivered—by Mr. Hamre should put a lid on overpayments.

Now if overpayments were stopped, who would suffer: CODSIA or the taxpayers?

Mr. President, I think CODSIA has plenty of self-serving reasons for wanting to keep the current policy.

CODSIA lost its credibility when it insisted that DOD break the law to keep the money spigot wide open.

Mr. Fuqua's letter to Acting Comptroller Alice Maroni was followed by a similar letter to Mr. Hamre.

This one was from the defense heavyweights: Boeing, Hughes, Lockheed Martin, Northrop Grumman, and Raytheon.

The message was the same.

Mr. President, I ask unanimous consent to have this letter printed in the RECORD.

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

THE BOEING CO., HUGHES AIRCRAFT CO., LOCKHEED MARTIN CORP., RAYTHEON CO., NORTHROP GRUMMAN CORP.,

September 22, 1997.

Hon. JOHN HAMRE,
Deputy Secretary of Defense,
Pentagon, Washington, DC.

DEAR DR. HAMRE: We are writing to convey our concern regarding the Department's plan to implement new requirements for progress payment distributions effective October 1. We are particularly concerned that there has not been time to ascertain fully the cost of compliance or the impact on timeliness of payments. A quick cost impact estimate conducted by industry indicates a minimum impact for Fiscal Year 1998 of $1.3 billion (see enclosed CODSIA letter dated August 27). These costs, plus those to be incurred by DOD for implementing this requirement, will have to be borne by the U.S. Government.

We understand that the DOD Inspector General and the General Accounting Office indicate the need for improvements in the DFAS accounting system. However, until DOD and its contractors can fully assess the cost and related impacts of the policy change made in your two memoranda of July 23, 1997, we are not confident that this is the least expensive means of ensuring the improvements. We should also explore legislative action for the Fiscal Year 1999 authorization cycle.

In the meantime, we request that you delay the October 1, 1997, implementation date for the proposed progress payment distribution policy change and that the change, when it does become effective, be applied only prospectively and not to any existing contracts. We respectfully request the opportunity to meet with you to discuss the grave nature of this issue and obtain your guidance on appropriate actions industry can take to mitigate the associated cost impact and delay.

We appreciate your prompt attention to this matter and look forward to your response. We remain confident that the taxpayers' interest can be protected in a cost effective manner.

Sincerely,

Scott E. Carson, Vice President, The Boeing Co.; Marcus C. Bennett, Executive Vice President and Chief Financial Officer, Lockheed Martin Corp.; Peter R. D'Angelo, Executive Vice President and Chief Financial Officer, Raytheon Co.; Charles S. Ream, Vice President and Chief Financial Officer, Hughes Aircraft Co.; Richard B. Waugh, Corporate Vice President and Chief Financial Officer, Northrop Grumman Corp.

Mr. GRASSLEY. Mr. Hamre buckled under all the pressure from industry.

He responded with what I fear may be an open ended deferral of the new policy.

In doing that, I am afraid he is breaking his word to me and the leadership of the Armed Services Committee.

At this point, the future of the new policy is very much in doubt.

Mr. President, I will have much more to say about this issue in the near future.

The PRESIDING OFFICER. The Senator from Wyoming is recognized to speak for up to 30 minutes.

Mr. THOMAS. Mr. President, I probably will not use 30 minutes.

THE SENATE STANDSTILL

Mr. THOMAS. I come to the floor to express some feeling of sadness, some feeling of impatience, frankly, some feeling of irritation, that we are not doing more than we have been doing.

The last 3 weeks we have come in, we have talked about things, we have set them aside, we haven't been able to proceed with the country's business. I think that is a shame. We have many things to do. We have lots of opportunities to do some things that need to be done, and here we are sort of ground to a stop. We are being held up by people who insist on having it their own way or no way, their own way or the highway. That is not really what we ought to be doing here.

We have an opportunity to deal, for instance, with Federal funding for highways, something that ought to be done, an authorization that expired in September, and we need to move forward with it. It has been passed by the committee. It is on the floor, but because of objections we are still here and not doing a thing. ISTEA expired in September and we need to be doing it. The stalling, of course, is basically a result of campaign finance. We voted several times not to bring McCain-Feingold to the floor. That bill did not receive a majority vote.

Many in this body, including myself, are favorable to doing something in campaign finance, but not McCain-Feingold. That is where we are. We are being held up for that, I think for a couple of reasons. One is to sort of change the image of the hearings that are taking place, to switch the hearings from the potential of the allegation of breaking the law, to changing the law. Those are two different things. But we ought to be talking about whether or not there was realism to the idea that foreign funds were taken into campaigns. That breaks the law. We ought to be talking about the changing or shifting soft money to hard money. That is against the law. The allegations of laundering money, that is against the law. That is what we are talking about there. Then we ought to be talking over here about campaign reform, fine. But McCain-Feingold is not one this body is willing to accept.

As a result of that, we are not doing anything simply because of complaints—well, we can't go forward unless I get my way. I think the majority leader has done a great job of trying to negotiate something, trying to put campaign finance on the menu for next March—that is the thing to do—and then come up with a bill that has some support, bipartisan support, and we can do something. But that is not where we are.

Think a minute about the agenda that we might be able to pursue, the things that people really want to do. One, of course, is ISTEA, the funding of highways. Now, some say it doesn't matter, there is enough money, there is enough cash-flow, we don't need to do it until next year. And there is probably cash-flow to finish the contracts there now, to operate, but there is not the kind of money that highway departments need to plan for next year, to go ahead and let contracts and move forward as we should. We ought to be doing that.

IRS reform—most people want to do something about the IRS in two areas. One, change the way the agency works, and that can be done, to make it more friendly. There are proposals out there that most people agree with. The other is to start talking about changing the Tax Code which underlies the problem, which we need to be doing.

What are we doing? We just can't move forward with anything because you are not doing it the way you want to. Come on, that is not why we are were sent here.

We ought to be doing something to make sure that our balanced budget agreement is ready for next year. A balanced budget means more than anything else. We need to be doing something, as I mentioned, about the Tax Code to make it simpler. Most people agree with that. We can do some things, but you can't do them unless you undertake it. You can't do it by just stalling.

We need to do something about educational IRA's to give people an opportunity to set aside money for education so they can use it not only for higher education but for elementary and secondary. Those proposals are out here and are ready to be worked on. Can't do that because you don't agree to what we want on McCain-Feingold. Give me a break. We have a lot of things we ought to be doing.

We ought to be talking about ways to have smaller Government, ways to bring the private sector into contracting those nongovernmental activities in Government that can be done to help small business—the main thing small business has talked about in the White House meetings for the last 3 years. Can't do that, though, because we don't have it our way.

States rights. We ought to be talking about the proper role of Government, individual freedom and responsibilities. Those are the things that we are here for.

Mr. President, I am disappointed that we aren't able to move forward. I am disappointed that we are not able to do some useful things while we are here. That is why we are here, why we were sent here. I have no objection to disagreement. That is part of the system. Certainly not everybody is going to agree. In the first place, we have different philosophies. That is kind of why we have two parties; we represent different philosophies on things. That is perfectly legitimate. Whenever anybody has a bill, there are reasons why others don't agree. That is why we have a system to vote to decide how they will work out. There is no problem with debate, no problem with argument, no problem with disagreement. But we need to move beyond that. We need to move beyond that and do some of the things that we were sent here to do—and there are so many. As people begin to look at next year's election, the issues begin to identify themselves, as they should, and we ought to be doing something with them. We ought to be doing something with them.

Mr. President, we will have an opportunity, I guess, this afternoon to move forward. Perhaps we can move on. At least we have six more appropriations bills to pass to keep the Government operating. We have had to extend the time twice because we haven't been able to get to them. It would be interesting at some time to have everybody in this body write down the 10 issues that they think are most important to this country and to set about to do them. Wouldn't that be interesting and useful? We can do that.

Mr. President, I hope that when we come together this afternoon to vote, we will also bring together the Interior appropriations bill and move forward on that. There will be things we don't agree with. I can tell you one I don't agree with procedurally. You will find on the appropriations bill—it was put on there—a $400 appropriations dealing with endangered species, the jumping mouse. Well, I don't have any particular objections to jumping mice, but I do have an objection to someone putting it on the appropriations bill when it is in the conference committee, has never been talked about in either House, and they put it on there and you don't have any chance to do anything about it. That's wrong. It's the wrong procedure. We should not do that. But I am not going to try to hold the thing up because of that. It ought to go forward. So should the other things that are before us here in this conference.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

DEGRADATION OF THE SALTON SEA ECOSYSTEM

Mrs. FEINSTEIN. Mr. President, I rise to bring to the attention of my colleagues in the Senate what I believe to be a building environmental crisis in southern California, and that has to do with the Salton Sea. Let me begin by telling you what the Salton Sea is. The modern day Salton Sea is often referred to as the largest manmade water body in California. It was formed in late 1905 as a result of a break in a temporary levy along the Colorado River. For a period of about 16 months after the breach, the Colorado River flowed into the below-sea-level depression then known as the "Salton sink," filling it to a depth of more than 80 feet above its lowest elevation. Since that time, the water level in the sea has been seeking a balance between desert forces that extract water as a product of evaporation and the inflows of water from surface and subsurface sources. The Salton Sea is about 350 square miles. It is 35 miles long, it has 115 miles of shoreline, and it is 15 miles wide. It is a big body of water. Today, the depth is about 51 feet, and I believe it is about 234 feet below sea level.

This lake was originally a freshwater lake. It is now dying because of a confluence of events. It is the combination of the rising salinity levels caused by the evaporation I just mentioned—and the body of water is now 25 percent saltier than the ocean—plus major disease outbreaks and other up to this point identified as unknown causes that scientists believe are linked to millions of gallons of polluted agricultural drainage as well as chemical wastes coming out of Mexicali. Now, these wastes flow from the Alamo and the New Rivers, which go from Mexico, flow north, and empty into this huge body of water. The body of water is best known as being between Palm Springs and the Mexican border. It is near the areas we considered for the Desert Protection Act, and originally it was hoped that it would be a major recreation area. As a matter of fact, it was hoped that about $500 million a year in revenues would be produced because of recreational and job opportunities. Instead, it is now just a dreadful situation.

The two rivers I just mentioned, the New River and Alamo River, account for about 78 percent of the water replenishment of the Salton Sea. The Whitewater River on the northern end also dumps agricultural runoff into the Salton Sea. I first visited the area in 1990 when I was in El Centro. I remember going to the banks of the New River and there were workers there, volunteers, picking up rubbish along the riverside. They had on elbow-high gloves. I asked the question, "Why do you wear these gloves?" They told me that even above the gloves they would get blisters when they worked around the area. So in 1990 something was going on. It has gotten a lot worse since then.

In 1996, pathogenic micro-organisms were identified in the sea's environment, and that includes the New River. Among them were the organisms capable of causing polio, typhoid, cholera, and tuberculosis. Also, concerns about public health from disease-causing agents have resulted in the issuance of public health advisories warning of the dangers of eating fish caught in the sea.

Because of its diverse ecosystem, the Salton Sea National Wildlife Refuge has been ranked among the top 10 of our Nation's 510 national refuges. It is of critical importance to the western region because of its proximity to the Pacific Ocean and Mexico. It is a key component in the Pacific flyway for millions of migratory water birds that rest at that refuge on their annual journeys to and from Canada and South America. So birds that touch down there may well also be dying elsewhere. However, an increased frequency and severity of massive die-offs of thousands of waterfowl and shore birds and millions of fish have been occurring in the Salton Sea in recent

years, and it's threatening the existence now of the entire regional ecosystem.

The size of the calamity is mind-boggling. The mortality toll includes birds from every one of the species that visit the sea, including the endangered California brown pelican, with which I happen to be particularly enamored.

The degradation of the Salton Sea ecosystem is also taking a toll on the economy of the surrounding area, and we have seen economic values drop off precipitously. There are some who believe it is too late to save the Salton Sea because the problems are too complex and too large. I don't share that point of view, and I am asking this body's support for increased efforts to address the sea's problems to prevent further degradation of this environmentally rich ecosystem and to preserve it for all time.

Let me quickly mention a brief chronology of happenings. In 1992, more than 150,000 waterfowl, known as eared grebes, died from an undiagnosed cause. In 1996, a severe botulism outbreak killed more than 15,000 birds, including more than 1,400 endangered brown pelicans. About 15 percent of the western race of the North American white pelican have perished in the last 2 years. That is 15 percent of the entire white pelican population of the west coast.

Earlier this year, an outbreak of Newcastle disease decimated an entire nesting colony of nearly 2,000 double-crested cormorants. The destruction of the cormorant nesting colony on a small island less than 100 yards long, which had been popular with the birds, shows how quickly death comes in this area. One week the island was alive with the sounds and sights of hundreds of nesting waterfowl, of eggs hatching and new fledglings checking out their surroundings. The next week they were all dead, every one of them. Today, all that is left are the skeletal remains and the rotting carcasses that dot the island. It is a macabre, tragic scene, as I think some of these photos begin to show. This is a bird skeleton in a nest. Right here you can see one of the bird skeletons and a baby carcass in the sand with a nearby pen, just to show you the size. There are just a few in this photo, but they dot the whole landscape.

The birds died in their nests or where they collapsed in the sand, unable to fly or walk. So the scenes you see are depicted all over the island. Two of my staff members visited the Salton Sea recently—just a couple of weeks ago—and had to carefully pick their steps in order to avoid stepping on dead birds.

Equally tragic is the sight of birds stricken with botulism which affects the nervous system. First they lose their ability to fly, and then the ability to stand upright or walk. Lastly, as the deadly disease progresses they become completely paralyzed and can no longer raise their heads, and they drown or they die of starvation.

So the task of rescuing sick and dying birds and cleaning up the endless stream of carcasses is being handled by dedicated men and women of the U.S. Fish and Wildlife Service at the Salton Sea National Wildlife Refuge in Imperial County. I have the utmost respect for their work.

Since last March, they have been bringing in boatloads—often three times a week—of stricken birds and carcasses of the dead that have been picked up throughout the sea. The death toll as of October 22 for this year stood at 6,792 birds, including 234 endangered California brown pelicans. The White pelican held by refuge worker, Marcos Orozco, rescued a week or so ago, and the other sick birds in the boat may have a chance to survive. They are the lucky ones who will undergo emergency treatment at the refuge's recently completed hospital in an attempt to stabilize them until they can be transferred to a volunteer organization's rehab facility in Orange County. If successful there they will be released back to the wild.

Let's talk about the brown pelican that you see dead in this photograph. And you see part of the Salton Sea here with this small island and vastness behind it. Last year more than 1,400 of these birds perished in the waters and on the mud flats of the sea. For refugee worker Orozco, it was the first time in his 26-year career at the Salton Sea that he had seen a die-off of brown pelicans. However, the deaths are continuing, and the prospects are not good.

"It is not a pretty sight," notes refuge manager Clark Bloom who has observed grown persons breaking down and crying when they witnessed the sick and dying birds.

My big concern here is that not enough is being done. And I am almost as sure as I am standing here that it is only a question of time before some of these micro-organisms also begin to impact people as well. Right now it is birds. But if it were people, I think the shouts would be deafening.

And it is hard for me to imagine what 1 million dead fish floating on the surface of this lake must look like. But for Ken Sturm, the wildlife biologist at the Salton Sea National Wildlife Refuge, the scene is one he will not forget.

He reported that the lifeless mass of Tilapia, a popular sport fish which he observed at the northern end of the sea, extended more than 3 miles in length. That was on September 8, about 6 weeks ago. But that isn't the beginning nor the end. On September 24, another floating mass of at least 1,000 dead fish was spotted at the southern end of the refuge.

Scenes like this are commonplace along many shoreline areas, and in much larger numbers, I am sorry to say. A parasite which affects the gills of the fish is a prime suspect in some of the fish die-offs, but more scientific research is needed to pinpoint the exact cause.

Another suspect which some experts believe could trigger conditions leading to the fish kills is a purplish algae like that shown in this photo. It doesn't look like much. But they believe it is a potentially deadly algae. I would hazard a guess that it probably comes from some chemical waste.

There are some bright spots.

The first, of course, is the staff of the Salton Sea National Wildlife Refuge. They have been doing a truly commendable job. However, they need additional resources, including boats and personnel, in order to respond adequately.

Also, the Pacific wildlife project in Orange County, a volunteer group, deserves commendation. Ninety percent of the birds that are rescued would have perished without their care.

Also noteworthy is the fact that private groups, agencies, and businesses in the area have contributed to date more than $60,000 this year in cash and services to finance construction of a field hospital for sick birds at the Federal refuge. Whether the sick white pelicans in the refuge that you see in the photo here make it or not is unknown. They have just been brought in from the sea and given emergency treatment, and we will see if they survive.

While these efforts are underway, the Federal Government and others are analyzing projects for restoration of the Salton Sea. This is where it gets very complicated.

The Bureau of Reclamation in September of this year issued its final draft on the Salton Sea which evaluated 54 alternatives to improve the physical, chemical, and biological conditions of the sea. Five of those alternatives will be now considered further. The problem is no one agrees.

The recently enacted 1998 Energy and Water appropriations bill includes $400,000 for the Bureau of Reclamation to continue its research project.

The conference report in the fiscal year 1998 VA–HUD and independent agencies appropriations bill includes $6 million in the EPA's budget for continued research on the Salton Sea—now you are beginning to see the number of agencies that are coming into this—including $1 million for the University of Redlands and $5 million for the Salton Sea Authority.

I have written letters, which I ask unanimous consent be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, September 23, 1997.

Hon. FRANKLIN RAINES,
Director, Office of Management and Budget, Washington, DC.

DEAR DIRECTOR RAINES: As you prepare the Administration's budget for Fiscal Year 1999, I would like to bring to your attention the need to provide $2 million to address the environmental calamity which has struck the Salton Sea ecosystem in Southern California.

Disease outbreaks of catastrophic proportions have hit the bird and fish populations at the inland lake which is a major element of the migratory Pacific Flyway where some 49 bird species are found. Unless corrective action is taken, experts predict even more dire consequence which would mean the destruction of the Sea's ecosystem within a decade, or sooner.

In order to deal with the immediate crisis and to formulate actions needed to restore the Salton Sea ecosystem, the Fish and Wildlife Service had identified a number of programs, actions and equipment components in need of funding in Fiscal Year 1999. They are summarized as follows:

$1 million for operational support at the Salton Sea National Wildlife Refuge to include $119,000 for four full-time equivalent employees (16 persons for a four month period) to pick up dead, sick or dying birds, and for sampling work; $25,000 for equipment and supplies, $88,000 for purchase of more cages, wildlife medical supplies and equipment for a field hospital and rehabilitation center; $40,000 for a new incinerator for disposal of dead wildlife and to meet air quality standards; $125,000 for assignment of a full-time science coordinator and one support person to the Salton Sea to orchestrate the implementation of scientific studies and associate field operations; $350,000 for modular facilities for research and support staff to work on site; $60,000 for purchase of two new air boats for field operations; $40,000 for equipment maintenance that supports operations such as vehicles and boat repairs and minor equipment replacement; $183,000 for a short-term study to provide information on how to understand factor driving the current pelican/fish die-offs and methods for eliminating the kills.

$1 million for a Salton Sea Response Plan to included $525,000 for hiring a team leader and assemble a interagency team and to pay for consultant contracts; $115,000 for miscellaneous office equipment rental or purchase; $125,000 for technical assistance contracts, such as a contract with the Torres-Martinez Desert Cahuilla Indians to identify Native American sites within the study area; $100,000 for rental of temporary work space for team members; $85,000 for conducting public scoping workshops, and $50,000 for printing of a final plan.

The catastrophic degradation of the Salton Sea ecosystem has helped to focus national and local attention to the problem, providing considerable momentum among various agencies, interest groups and the public for addressing the problem. The funding needs cited above are critical in getting a start on restoration of the Salton Sea ecosystem and preventing a recurrence of the devastation that has taken such a heavy toll of waterfowl and fish. Therefore, I respectfully request your cooperation in providing the $2 million for the Fish and Wildlife in the Fiscal Year 1999 budget request. Because of initiatives underway to further identify critically needed scientific research associated with restoration of the Salton Sea, additional funding proposals will be brought to your attention as soon as they are identified.

Thank you for your attention to this matter, and for your commitment to preserving our nation's precious natural resources.

With warmest personal regards.

Sincerely yours,

DIANNE FEINSTEIN,
U.S. Senator.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, October 20, 1997.

Hon. DIANNE FEINSTEIN,
U.S. Senate, Washington, DC.

DEAR SENATOR FEINSTEIN: Thank you for your letter regarding the Fish and Wildlife Service's request for funding for the Salton Sea ecosystem restoration. I appreciate your bringing this matter to my attention, since OMB has just begun to review Administration budget proposals for Fiscal Year 1999.

In that process we have many important needs to address. The information you provided will be helpful as we undertake our evaluation of the Service's request. The Administration will strive to fund as many important projects as possible within the constraints of the Balanced Budget Agreement.

Thank you again for your interest in this matter. If I can provide further assistance, please do not hesitate to contact me.

Sincerely,

FRANKLIN D. RAINES,
Director.

U.S. SENATE,
Washington, DC, September 23, 1997.

Hon. BRUCE BABBITT,
Secretary, Department of the Interior, Washington, DC.

DEAR MR. SECRETARY: I am writing to ask your assistance regarding the environmental crisis at the Salton Sea in Southern California where the die-off of waterfowl and fish has reached catastrophic proportions.

Recent disease outbreaks in birds and fish at the Salton Sea have brought local and national attention to the degradation that is occurring to the ecosystem of this inland lake which is a major stop for migratory water birds along the Pacific Flyway. The scope of the devastation underscores the need for immediate steps to save the Salton Sea and its precious resources. Last year an outbreak of Newcastle disease killed 14,000 birds, and the die-off is continuing unabated. The bird mortality toll through September 15, for example, was 6,293, including 182 endangered California brown pelicans. Also, on September 8, a massive fish kill composed of more than 1 million Tilipia extending over three miles in length was observed by the biologist at the Salton Sea National Wildlife Refuge.

Several major engineering projects have been proposed by various interests, including the Salton Sea Authority and Congressional representatives for addressing the deterioration of the inland lake. However, because of the complexity of the problems confronting the Salton Sea, I agree with experts of the U.S. Fish and Wildlife Service and others who stress the need to fully understand the ecosystem and its problems before committing vast amounts of funds to any single restoration project. In this regard, I believe it is imperative that the report to Congress which the Bureau of Reclamation is preparing on its findings and recommendations for solving the Salton Sea's problems be completed as soon as possible. I am hopeful that the bureau's report will contain an action plan, and recommendations for funding of necessary scientific studies associated with any proposed restoration project.

In that regard I respectfully ask your assistance in calling on federal agencies with responsibility in the Salton Sea to review and re-prioritize their FY 98 work programs so that research tasks which are deemed most critical for implementation of restoration projects can begin as soon as possible. Also, because the Salton Sea is an environmental and economic resource of regional and national significance, I strongly believe that the federal, state and local governments all must share in the responsibility for saving the Sea and in paying for its restoration.

In light of the environmental calamity which grips the Salton Sea, and the need for immediate action to prevent further degradation, I ask that you give your personal attention to these matters. I have been informed that because of limited staff and equipment, personnel to the Salton Sea National Wildlife Refuge are hampered in their ability to handle the rescue of waterfowl and in the cleanup and disposal of dead birds. Therefore, I would appreciate your consideration of what additional resources can be provided for field operations at the Salton Sea to deal with the massive die-off of birds and fish that is occurring there, including reimbursement for the Pacific Wildlife Project for the assistance in rehabilitation diseased birds. I believe it is imperative that the federal agencies be given the resources that they need to do the job and that wherever possible, volunteer groups who have provided invaluable service in rescuing and rehabilitating diseased birds, be compensated for their expenses.

Thank you for your cooperation in this matter. I am committed to doing all that I can to ensure that the causes of the environmental degradation of the Salton Sea are identified and eliminated, and pledge to work with you to make it a reality.

With warmest personal regards.

Sincerely yours,

DIANNE FEINSTEIN,
U.S. Senator.

U.S. SENATE,
Washington, DC, September 19, 1997.

Hon. JOHN M. BERNAL,
Commissioner, International Boundary and Water Commission, El Paso, TX.

DEAR COMMISSIONER BERNAL: I am writing to ask your assistance in providing a progress report on the cleanup of the New River pollution and in determining how completion of the improvement project can be expedited.

As you know, the cleanup of the New River is a critical factor to the elimination of the environmental degradation of the Salton Sea and the public health threat which the pollution poses for residents of Imperial County and the border region. Disease outbreaks among birds and fish at the Salton Sea have brought local and national attention to the degradation of the inland sea and the region's ecosystem. Moreover, the mortality toll of fish and wildlife continues to rise, and has served to heighten interests in finding solutions that will result in the elimination of the complex problems besetting the Salton Sea.

Because of the concerns cited above, I respectfully request your assistance in providing a progress and status report on the short term and long-term New River pollution cleanup measures which the IBWC is overseeing. I have been informed that while much progress has been nade on the package

of 11 so-called "quick fix" projects, that, because of technical and other reasons, the project has taken longer than expected to complete. I would appreciate information on the expected completion date for all of the improvements. Also of interest is the status of the other major work on upgrading of the Mexicali I wastewater treatment plant and construction of the new Mexicali II treatment plant.

Because of the importance of these projects for reducing New River pollution and other serious threats to the environment and public health, I also ask that the IBWC, in conjunction with its Mexico partners, do all that it can to accelerate completion of the improvements and certification by the Border Environment Cooperation Commission.

Thank you for your cooperation. I also pledge to assist in any way possible so please do not hesitate to contact me in that regard.

With warmest personal regards.

Sincerely yours,

DIANNE FEINSTEIN,
U.S. Senator.

Mrs. FEINSTEIN. I thank the Chair.

The first letter is to Frank Raines of OMB asking that 2 million additional dollars in fiscal year 1999 be included, and giving the rationale for those inclusions.

I have received a letter dated October 20 indicating—and I thank him very much for that—that OMB is reviewing the request.

I also have a letter dated September 23 to Bruce Babbitt of the Interior, and to John Bernal of the International Boundary and Water Commission. I have received no response to either of these letters.

It is my view that the Department of the Interior should take this off of the back burner and put it on the front burner. And I would respectfully suggest that they utilize the same club-fed methodology that they have used I think with great success in handling California's water problems. This is where the Secretary of the Interior really takes the responsibility to pull together all of the disparate groups into a kind of working commitment to see that the right thing is done.

My concern is that the die-off could continue for years, and the chemical and agricultural wastes continue to interface.

If you fly above this river you will see where the river leaches out a crystalline substance into the agricultural heartland of the Imperial Valley. You will see where it directly abuts green field row crops. This I think is the potential danger in terms of the future for people working in that area, not only for blisters but also for something potentially much more serious.

So I am hoping that Secretary Babbitt will elevate this into a club-fed effort and that we can really get cracking.

The House Subcommittee on Water and Power also held an oversight hearing in Palm Desert on October 3 of this year, a few weeks ago, helping to focus national and regional attention on the Salton Sea and the need for action. However, as I said, at this time there is no agreement on a plan. And the critical research must be done. But what is clear to me is that it must be expedited. We now have a die-off that has been going on throughout this decade, and is escalating. We now have identified microorganisms which yield typhoid, cholera, and tuberculosis, and other diseases in what is a 350-square-mile body of water which is polluted in a major and very sad way.

So the longer a solution is delayed, Mr. President, the worse the situation will become.

I thank the Chair. I yield the floor.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, October 24, 1997, the Federal debt stood at $5,425,466,348,255.95. (Five trillion, four hundred twenty-five billion, four hundred sixty-six million, three hundred forty-eight thousand, two hundred fifty-five dollars and ninety-five cents).

One year ago, October 24, 1996, the Federal debt stood at $5,232,047,000,000 (Five trillion, two hundred thirty-two billion, forty-seven million).

Twenty-five years ago, October 24, 1972, the Federal debt stood at $438,275,000,000 (Four hundred thirty-eight billion, two hundred seventy-five million) which reflects a debt increase of nearly $5 trillion—$4,987,191,348,255.95 (Four trillion, nine hundred eighty-seven billion, one hundred ninety-one million, three hundred forty-eight thousand, two hundred fifty-five dollars and ninety-five cents) during the past 25 years.

WYOMING'S POW/MIA RECOGNITION DAY

Mr. ENZI. Mr. President, I rise today to recognize the action of my State's Governor in proclaiming September 19, 1997, as Wyoming's POW/MIA Recognition Day. I believe such a proclamation to be wholly appropriate in light of the fact that over 2,000 Americans are still missing in Vietnam, Cambodia, and Laos, and over 8,000 on the Korean Peninsula. These men gave their last full measure in causes whose worthiness is rendered more secure with every passing year of historical distance. Though the same can be said of all who sacrificed so, we often forget the sacrifice of those who have no headstones to call to us each memorial day. Hence the importance of efforts such as Governor Geringer's, which remind the Nation of our continuing and unfulfilled responsibility to account for the remains of these men for the sake of their families and our national conscience. I am reminded of something written half a century ago:

The universe is so vast and so ageless that the life of one man can only be justified by the measure of his sacrifice.

That passage was in a young Royal Air Force pilot's last letter to his mother before his death during the Battle of Britain. I commend Governor Geringer for his proclamation and I urge the President to intensify his efforts at retrieving the remains of America's missing in action. In their sacrifice they proved their measure. America owes them this small debt.

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

GOVERNOR'S PROCLAMATION

Two thousand one hundred sixteen Americans are still missing and unaccounted for from the Vietnam War, and their families, friends and fellow veterans still endure uncertainty concerning their fate. Six are listed from Wyoming.

U.S. Government intelligence and other evidence confirm that the Government of Vietnam could unilaterally account for hundreds of missing Americans, including many of the 454 still missing in Laos and the 76 still unaccounted for in Cambodia, by locating and returning identifiable remains and providing archival records to answer other discrepancies.

The President has normalized relations with Vietnam and believed that such action would generate increased unilateral accounting for Americans still missing from the Vietnam War, and such results have not yet been provided by the Government of Vietnam.

Wyoming calls on the President to reinvigorate U.S. efforts to press Vietnam for unilateral actions to locate and return to our nation remains that would account for hundreds of America's POW/MIAs and records to help obtain answers on many more.

For these significant reasons, I, Jim Geringer, Governor of the State of Wyoming, do hereby proclaim September 19, 1997, to be "POW/MIA RECOGNITION DAY" in Wyoming, and encourage all citizens to observe this day with appropriate ceremonies.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the State of Wyoming to be affixed this 22nd day of August, 1997.

JIM GERINGER,
Governor.

OHIO'S POW/MIA RECOGNITION DAY

Mr. DEWINE. Mr. President, I rise today to call my colleagues' attention to a resolution introduced by the Governor of Ohio, George Voinivich, to commemorate National POW/MIA Day, which took place on September 19, 1997. That day last month and more important, the issue itself, are of great importance to all Americans, especially to those that served our country in military missions abroad.

As of today 2,116 Americans are classified as either prisoners of war or missing in action (POW/MIA) from the Vietnam war. Thousands more remain missing and unaccounted for from the Korean war and even the Second World War. The families and friends of these soldiers still have to endure the awful uncertainty concerning their fate. Every effort must be made to determine the fate of these soldiers. In the

case of Vietnam, I am hopeful that the normalization of diplomatic relations with Vietnam and the reopening of the American Embassy will encourage the government of Vietnam to fully cooperate with American officials in their search to gain the fullest possible accounting of POW/MIA's. I strongly encourage the President and the Ambassador to Vietnam to give the POW/MIA issue top priority and insist that the Vietnamese Government disclose all pertinent information on American POW/MIA's.

Mr. President, I am hopeful that last month's POW/MIA Day, and Governor Voinivich's eloquent resolution will serve to heighten American awareness and inform foreign governments of the United States' serious commitment to bringing our soldiers home.

Mr. President, I ask unanimous consent that the State of Ohio's POW/MIA Recognition Day resolution be inserted in the CONGRESSIONAL RECORD.

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

RESOLUTION

Whereas, 2,116 Americans are still missing and unaccounted for from the Vietnam War, including 114 from the State of Ohio; and

Whereas, their families, friends and fellow veterans still endure uncertainty concerning their fate; and

Whereas, U.S. Government intelligence and other evidence confirms that the Government of Vietnam could unilaterally account for hundreds of missing Americans, including many of the 454 still missing in Laos and the 76 still unaccounted for in Cambodia, by locating and returning identifiable remains and providing archival records to answer other discrepancies; and

Whereas, the President has normalized relations with Vietnam believing that such action could generate increased unilateral accounting for Americans still missing from the Vietnam War, and such results have not yet been provided by the Government of Vietnam;

Now, therefore, I, George V. Voinovich, Governor of the State of Ohio, do hereby call on the President to reinvigorate United States efforts to press Vietnam for unilateral actions to locate and return to our nation any Americans who may still be alive, remains that would account for hundreds of America's POW/MIAs, and records to help obtain answers on many more; and do hereby designate September 19, 1997 as POW/MIA Recognition Day in honor of all American POW/MIAs, in particular the 114 from Ohio, and encourage all citizens to observe this day with appropriate ceremonies.

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

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

Mr. HARKIN. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senate is currently in morning business.

Mr. HARKIN. Mr. President, might I then inquire as to if there are any constraints on time, limits on Senators speaking in morning business?

The PRESIDING OFFICER. Senators are allowed to speak for up to 10 minutes.

Mr. HARKIN. Mr. President, I have more than 10 minutes of remarks that I want to make on Fed nominees and on the economy in general. It is going to take certainly more than 10 minutes. I will speak for my allotted time of 10 minutes and then ask unanimous consent at that point to extend it beyond that.

The PRESIDING OFFICER. That Senator from Iowa.

THE FEDERAL RESERVE

Mr. HARKIN. Mr. President, 16 months ago we had a debate on the nomination of Alan Greenspan as Chairman of the Federal Reserve System. I argued at that time that he was far too concerned about a possible increase in the rate of inflation and had far too little concern about the employment and incomes of working people.

At that time, we had a number of Senators who came to the floor and said, with unemployment at 5.5 percent, a further decline in unemployment would likely lead to higher inflation. They seemed to believe that raising interest rates was the best course of action.

In the last year, unemployment has dropped three-tenths of 1 percent. But that represents only a part of the increase in the work force. The pool of workers that can get jobs not only comes from the 4.9 percent who are unemployed now but also from those who are not considered part of the labor force, such as younger retirees, women at home, and people who have been discouraged from looking for work in the past, and, of course, persons on welfare. Our economy has brought an additional 400,000 of these persons into the work force over the year beyond those considered as unemployed.

In the past year, the economy has grown at a rate of about 3.3 percent, roughly about 1 percent over what the Federal Reserve's target was to be.

In terms of economic growth, a little means a lot. A 1 percent higher rate of economic growth in an $8 trillion economy means at extra $80 billion a year, year after year. That comes out to be $300 for every man, woman, and child in America.

Now, unfortunately, the Fed seems intent on restraining the economy and keeping from building on its success. Many at the Fed, including the two nominees, Mr. Gramlich and Mr. Ferguson that will soon be before the Senate, believe in a concept called NAIRU—the non-accelerating inflationary rate of unemployment. If it sounds arcane, that is because it is.

But it is still important nonetheless. It is important because so many people adhere to it and believe in it. NAIRU basically says, if the unemployment goes below a certain level, inflation will accelerate, not just increase, but will accelerate at such a rate that only unnecessarily high interest rates can slow it down.

Just 3 years ago, it was widely accepted among the economic elites that the economy would shift toward higher inflation if unemployment fell below 6 percent. That was the NAIRU cutoff. But it fell below 6 percent, and actually some measures showed inflation dropping after unemployment went below that.

Then the common wisdom was then if unemployment went below 5.5 percent for long, then inflation will accelerate. Greenspan and others insisted on this. Well, it fell below 5.5 percent. Then the magic point became 5 percent, below which inflation was sure to accelerate at dizzying speeds if we went below 5 percent.

Unemployment has been under 6 percent for more than 3 years now and less than 5 percent since early this year, and no one, including the Fed Chairman, can point to any signs of accelerating inflation.

Unfortunately, economic reality and the new world has yet to penetrate the thinking of those at the Fed.

I was deeply disappointed with Mr. Greenspan's statement before the House Budget Committee on October 8 when he said, "the performance of the labor markets this year suggests that the economy has been on an unsustainable track."

In other words, a 3.3 percent rate of growth, he says, is unsustainable. Let me respectfully disagree.

I disagree with the basic premise that Alan Greenspan and the nominees before us are promoting. Their focus seems to be on when we should raise interest rates—not "if" but "when."

I believe the debate should be broadened. Let us broaden it to consider lowering interest rates.

A number of economic experts believe that unemployment could possibly go as low as 4.5 percent, maybe even lower, and economic growth increased beyond current levels without triggering any inflationary threat.

Defenders of Fed policy constantly point to the inflation we experienced in the 1970's as the No. 1 reason why it is better to sacrifice higher unemployment for lower inflation.

Let us take a look at the causes behind the inflation of the 1970's.

We had massive Government spending, both on the Vietnam war and the war on poverty; there was a serious energy crisis; and American companies and their workers were no longer as

productive as their foreign counterparts.

Today, all that has changed. Congress and the President recently reached an agreement to balance the Government's budget by 2002. I might also point out that it was the 103d Congress—and I am very proud to say I was one of those who helped to cast the deciding vote in the Senate on the budget of 1993—that enacted President Clinton's budget package that helped put our Government's finances on the road to balance. However, we heard from the other side of the aisle saying, "If this budget passes, disaster is going to happen. We're going to have recessions and people will be out of work." And on and on.

Well, we passed that budget. What happened? The size of the budget deficit began to shrink dramatically. That, coupled with the Clinton administration's goal of downsizing Government and reorganizing Government, with the Clinton program of reorganizing welfare and restructuring welfare and making welfare-to-work, with the other constraints put on the Government side of the ledger, that budget, plus that, has led us through about 4 straight years of reducing the deficit to the point now where it is at the lowest point, I think, since the early 1970's, in fact, it might even be balanced as early as next year rather than the year 2002.

So the Government's finances are getting in good order, thanks again to that budget we passed in 1993 and further actions taken by the Clinton administration.

Also, oil and gas prices have been stable for quite some time. There seems to be no danger of any acceleration there. Our workers now are the most productive in the world. I will have more to say about that. In other words, our economy is much more able to ward off inflation and control its harmful effects than it was in the 1970's.

Perhaps before I go any further, I want to explain how the Federal Reserve experts have tremendous influence on the economy. Some people say it is not the Federal Reserve; there are really a lot of other things going on. Simply put, the Fed sets the interest rates charged to banks for the banks' loans. In turn, that rate determines how much the bank charges to their consumers for auto loans, credit cards, home mortgages, and everything else —business expansion, new plants, and new equipment.

By increasing the costs of borrowing money, the Federal Reserve is able to limit the number of new loans that are used to expand or start a business, buy a new car, finance the purchase of a home. If consumers cannot afford to purchase these items, demand will decline and the economy will slow down. So the Fed must realize that the gains from encouraging economic growth far outweigh the gains from needlessly increasing interest rates in order to fight the ghost of inflation.

That is exactly what they are fighting—a ghost. They cannot point to any inflation. They cannot point to any accelerating inflation. Again, I will have more to say about that.

Unnecessarily high interest rates that ensure a stagnant economy or an economy that is growing at less than its full capacity virtually assures that hard-working Americans will not get ahead. You cannot give everyone a pay raise simply by redistributing dollars within a stagnant economy. To increase incomes for everyone, you need a strong, growing economy.

Last year, we enacted a very ambitious welfare-to-work program. If that is to succeed, we must have an economy that is creating new jobs that pay real well and provide benefits such as health insurance and retirement savings—most important, health insurance.

The unemployment rate measures the number of people who are looking for work compared to the number of people who have jobs. That is the basic formula. Many of the persons counted as unemployed are actually underemployed and would jump at the chance for a better paying job. Again, I will later read from many articles around the country where job openings have shown up and, even in areas where we have low rates of unemployment, hundreds, thousands of people have shown up for these jobs because they are better paying jobs.

Many unemployed are discouraged—the recently retired or those who are not now thinking of working but will start to do so should the opportunity arise. A growing economy and tight job market are the surest way to bring these people into the work force.

We also have a reservoir of women that I will be talking about very shortly in terms of their coming into the market and what that might mean.

In fact, referring to an article that appeared in the September 8 issue of Forbes magazine, I thought it was very good. It was written by Peter Huber. The title is "Wage inflation? Where?" I will read some parts of this. I do not know if I need to read the whole thing. I think it was very crucial and right on point in terms of what we are talking about here. There are reservoirs and things happening in our economy in the employment and work sector that were not there in the 1970's.

The PRESIDING OFFICER (Mr. THOMAS). The Chair informs the Senator that the time allocated to the Senator has expired.

Mr. HARKIN. Mr. President, I ask unanimous consent that I be allowed to speak in morning business for at least another 30 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, the Senator from Iowa is recognized to speak for up to 30 minutes in morning business.

The Senator from Iowa.

Mr. HARKIN. I thank the Chair.

Mr. Huber, in his article in Forbes said:

> Here's why stock prices are really supposed to fall. Employment rates rise above some critical flash point. So wages rise sharply. So prices of goods rise—just as rising wages are boosting demand. Inflation soars. So interest rates go up. Stock prices crash.
>
> This is a perfectly sound theory, but it requires some facts. Where's the critical flash point? Do the employment statistics mean what they used to mean? Do they mean anything at all?
>
> Officially speaking, America hasn't yet discovered microwave ovens or women's lib. Bone-weary though she may be, the stay-at-home mother doesn't labor at all in the eyes of employment statisticians. But she could, easily enough. With one new mom working at a day care center, three other moms can enter the official work force when they choose. So long as many women remain ambivalent about where to work, in the home or out, the supply of labor will remain far more elastic than the statistics suggest. Memo to Alan Greenspan: Wire roses to Gloria Steinem.

Again, I am reading from the article that was in Forbes written by Mr. Peter Huber.

> Labor markets have stretched into the home; they have also spilled out of the country. A U.S. multinational doesn't raise wages in Maine if it can shift production to a more elastic labor market in Mexico. * * * Labor statistics, in short, don't mean much unless they track where goods are produced and consumed. The more transnational economies become, the worse the tracking gets.
>
> Then there's silicon. It takes a mix of capital and labor to manufacture a mousetrap, and economists have always allowed that the mix can change. In the past, however, the substitution effects were slow. You could hire and fire workers a lot faster than you could acquire or retire machines and buildings. So ready supplies of capital didn't discipline the price of labor in the short run.
>
> Is that still true? Computers are getting easier to deploy, smarter and—because of rapid innovation and falling costs—shorter-lived. Many a manager can now expand production as easily by investing an extra dollar in chips or software as he can by hiring new workers. Technology can have a powerful wage moderating effect long before silicon becomes a complete substitute for sapiens. All it takes is enough substitution at the margin.
>
> The substitution is happening. Productivity, it now appears, has been rising a good bit faster in recent years than government statisticians recognized. Three new working moms with computers produce as much as four old working dads without. And newly minted Pentiums to the ranks of those in search of useful work, and unemployment statistics look very different.
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>
> This much we do know for sure. If the officially audited supply of labor keeps falling—

Which is what I have just said has been happening—

and the price does not rise—

Which has been happening—

> then we must either give up on economics completely or conclude that there's more to

the supply side of labor markets then meets the official eye. Perhaps it's simply that American women, Mexican men and Intel's progeny have all become good substitutes for what the official statisticians call U.S. labor. Maybe welfare reform is effectively expanding labor pools, too. * * *

According to official statistics and economic models, a supply-side crisis in labor markets should have reignited inflation some time ago.

Almost 3 years ago.

Investors may indeed be crazy to ignore this indubitable, though theoretical, truth. But if so, wage earners are crazier still—so crazy they don't raise the price of their labor when they can. Then again, maybe they can't.

I ask unanimous consent this article be printed in the RECORD.

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

WAGE INFLATION? WHERE? (LABOR STATISTICS LOSE PREDICTIVE VALUE)

(By Peter Huber)

Here's why stock prices are really supposed to fall. Employment rates rise above some critical flash point. So wages rise sharply. So prices of goods rise—just as rising wages are boosting demand. Inflation soars. So interest rates go up. Stock prices crash.

This is a perfectly sound theory, but it requires some facts. Where's the critical flash point? Do the employment statistics mean what they used to mean? Do they mean anything at all?

Officially speaking, America hasn't yet discovered microwave ovens or women's lib. Bone-weary though she may be, the stay-at-home mother doesn't labor at all in the eyes of employment statisticians. But she could, easily enough. With one new mom working at a day care center, three other moms can enter the official work force when they choose. So long as many women remain ambivalent about where to work, in the home or out, the supply of labor will remain far more elastic then the statistics suggest. Memo to Alan Greenspan: Wire roses to Gloria Steinem.

Labor markets have stretched into the home; they have also spilled out of the country. A U.S. multinational doesn't raise wages in Maine if it can shift production to a more elastic labor market in Mexico. Even the all-American producer in Kansas can't raise wages or prices much if it competes against imports from a wage-stable Korea. Labor statistics, in short, don't mean much unless they track where goods are produced and consumed. The more transnational economies become, the worse the tracking gets.

Then there's silicon. It takes a mix of capital and labor to manufacture a mousetrap, and economists have always allowed that the mix can change. In the past, however, the substitution effects were slow. You could hire and fire workers a lot faster than you could acquire or retire machines and buildings. So ready supplies of capital didn't discipline the price of labor in the short run.

Is that still true? Computers are getting easier to deploy, smarter and—because of rapid innovation and falling costs—shorter-lived. Many a manager can now expand production as easily by investing an extra dollar in chips or software as he can by hiring new workers. Technology can have a powerful wage moderating effect long before silicon becomes a complete substitute for sapiens. All it takes is enough substitution at the margin.

The substitution is happening. Productivity, it now appears, has been rising a good bit faster in recent years than government statisticians recognized. Three new working moms with computers produce as much as four old working dads without. Add newly minted Pentiums to the ranks of those in search of useful work, and unemployment statistics look very different.

None of this will tell you whether to go long or short on General Motors next week. It's just that the next release of official labor statistics probably won't, either. Like a drunk searching for his keys under the lamppost rather than in the shadows where he lost them, the government statistician counts where the counting is easy. But the three great economic stories of our times—women in the work force, global trade and information technology—offer no easy counting at all. The counters are good with things that sit still. Women, foreigners and chips keep moving.

This much we do know for sure. If the officially audited supply of labor keeps falling and the price doesn't rise, then we must either give up on economics completely or conclude that there's more to the supply side of labor markets than meets the official eye. Perhaps it's simply that American women, Mexican men and Intel's progeny have all become good substitutes for what the official statisticians call U.S. labor. Maybe welfare reform is effectively expanding labor pools, too. In any event, running out of old bread creates neither famine nor inflation when there's a glut of new cake.

According to official statistics and economic models, a supply-side crisis in labor markets should have reignited inflation some time ago. Investors may indeed be crazy to ignore this indubitable, though theoretical, truth. But if so, wage earners are crazier still—so crazy they don't raise the price of their labor when they can. Then again, maybe they can't.

Mr. HARKIN. Again, Mr. President, because of the new labor pool that is there and because of the international marketplace, because of increasing technology and productivity, I believe the economy can continue to expand for some period of time, at least at its current pace, without causing a significant rise in inflation.

Second, we need to do more to increase the wages and incomes of average Americans. This should be one of our Nation's very top priorities. So we have an economy growing 3.3 percent. That is good, but who is taking part in it?

The Federal Government should complete a very good year from a budgetary perspective, as I said. In February, the White House said there would be a $125 billion deficit. CBO, our budget estimator for Congress, said it would be $115 billion in March of this year. In fact, it looks like it will only be a $23 billion deficit this year.

So why do we have the good news? Because the economy grew faster than the traditional economists perceived likely. I am pleased with the growth. I am pleased with that growth and the lower deficit level and the fact that prices are not rising. But I am disappointed that a fairly small share of the gain went to average Americans.

Look at this chart which says it all. Look what has been happening in the last several years in the recent economic boom in this country. If you look at the corporate profit rates, they are really going up. Especially since 1992 and 1993 they have gone up tremendously. Look at the median weekly earnings during the same period of time. They keep going down. Corporate profits are going up and median weekly earnings are going down.

The reality is that the incomes of average Americans are not rising very much. Median household income remains lower than in 1989, before the last recession. The poverty rate is still higher than in 1989, and the number of persons considered very poor, earning less than half the poverty threshold, actually increased. The poverty rate is still higher than in 1989, and the number of persons considered very poor—that is, earning less than half of the threshold poverty rate, actually increased. At the same time, corporate profits are soaring.

If the Fed clamps down and the economy ceases to grow at a reasonable rate, there will be no real chance that wages will grow at anything more than a minimal rate. This line will continue to go down even more. If we allow the economy to move forward, then, workers may achieve some real income growth. That means a higher standard of living for all Americans. That really should be our bottom economic line, a higher standard of living for all Americans, including those at the bottom who are falling further and further behind.

If someone asked me what I would want, I would say I just want average Americans to be able to buy a home with decent mortgage rates, low monthly payments, to go on a nice vacation every year with the family, treat their kids to a ball game, go out and have a nice dinner at a restaurant with their spouse on their anniversaries or birthdays, be able to save some money for a rainy day or for their kids' education. In other words, to improve their quality of life. This should be our fundamental goal.

To not allow a chance of an improved standard of living because of an innate fear of a possible rising inflation is not only unfair to Americans, it flies in the face of economic reality and it fails to recognize basic changes that have taken place in the global economy.

A little history. Back in 1933 the Congress set the Federal Reserve policy goals as "the maintenance of sound credit conditions, and accommodation of commerce, industry and agriculture." In 1946, the Congress passed the Employment Act of 1946 which set out a shared Federal Reserve responsibility, the goal being "responsibility of the Federal Government to use all practical means * * * to promote maximum employment, production and

purchasing power." It was only in 1978 that the law was modified to add the goal of containing inflation, interestingly. Not until 1978—we had some pretty good years before 1978, but it was in 1978 that the law was modified to add the goal to the Federal Reserve's policy of containing inflation. That goal did not replace maximizing employment and production. It didn't say in lieu of maximizing employment and production, but in addition to maximizing employment and production.

In the last Congress, Senator MACK, my good friend from Florida, introduced a bill to make fighting inflation the sole principal goal of Federal Reserve policy, to undo everything it has been doing since 1933, to take what was done and added in 1978 as another goal, and make that the only goal of Fed policy.

Alan Greenspan supports this proposal and said in open testimony that he supported taking out of the Federal Reserve's consideration "promoting maximum employment, production and purchasing power, the maintenance of sound credit conditions to accommodate commerce, industrial and agriculture," all of which has been in there at least since 1933 and 1946—do away with all that and have only one goal for the Federal Reserve—to fight inflation. Mr. Greenspan supports formally shifting the focus of the Fed to controlling inflation and achieving price stability.

Well, I do not think this policy is a wise course of action. Alan Greenspan may want to change the Fed's mandate, but that does not relieve the Federal Reserve of its responsibility to carry out the law and its mandate which is not just inflation but "to promote maximum employment, production and purchasing power."

Unfortunately, under the leadership of Mr. Greenspan, the focus has become only oriented toward a fear of fighting the ghost of inflation. I say "a fear of fighting the ghost of inflation" because there is no inflation. But out there sometime around Halloween the ghost of inflation that might actually appear, and we need to be worried about that, according to Mr. Greenspan.

I recently met with the two nominees for the Federal Reserve board that will shortly be before the Senate, Mr. Gramlich and Mr. Ferguson. We had two very productive and informative meetings. I found them both very learned individuals and fine individuals. They also have good career backgrounds. But what American families need at the Federal Reserve are Board members who will not simply follow the prevailing wind at the Fed but follow what is set out in law, and that is balancing the goals of sustaining rates of growth from employment, production and purchasing power as well as minimizing inflation.

Unfortunately, our two nominees before us still adhere to that outdated consent of NAIRU, nonaccelerating rate of unemployment, and I am afraid that they will fail to aggressively challenge many of the current assumptions at the Fed.

We need a good healthy debate at the Fed and we need a good healthy debate outside of the Fed about economic policies. I also believe that the nominees are just not likely to push for this kind of debate prior to risking the upward movement of the economy with an interest rate increase. That, in my view, is unfortunate.

The Federal Reserve seems to look at the economy solely through the eyes of lenders. They need to look at the needs of manufacturers and builders, entrepreneurs and hard-working families, as the law requires. These are the people that move the economy, the people that make things, that take the risks, that sell things for whom the Federal Reserve policy should aim to benefit. The nominees before us, unfortunately, I believe share that view of just simply looking at the economy through the eyes of the lenders and the bankers.

Lastly, and while this is not being talked about very much, I believe we are facing an increasing risk of deflation—deflation. While the Fed focuses on getting inflation down to zero, I think and fear they may overshoot it and send the economy into a deflationary spiral.

Inflation as measured by the CPI for the past year has been 2.2 percent. Unemployment is below 5 percent, and the economy is moving at a GDP rate of around 3.3 percent. Most of the members of the Federal Reserve seem to feel the CPI overestimates inflation by a percentage point or more. If that is the case, then inflation is somewhere down around 1 percent, maybe less. Maybe inflation is really somewhere between zero and 1 percent.

These people at the Fed fear inflation might rise because the unemployment rate is so low, 4.9 percent. If it does, we can react, but there is nothing in our history that points to our inability to slow down and reverse inflation due to an overheated economy. But the preemptive strikes launched by the Fed do not restrain inflation. Instead, this reaction to the remote possibility of accelerating inflation has tremendous costs to our nation.

A preemptive strike blocks the chance of people to be more employed; it blocks the chance of people, on average, to see their incomes truly rise; and it increases the risk of recession. A recession in the current economic environment creates a real possibility of deflation. I believe that right now we are very close to zero inflation, but if we go into recession, that could slip down below zero, and indeed we would have inflation. That would deepen the recession and make it even harder to come out.

Because of this excessive fear of inflation at the Fed, we now live in a world where good economic news for working families is bad news on Wall Street and at the Fed. I don't know how many times I have seen that if there is some good news out there for working families, they say stocks will fall, the Fed is going to have to raise interest rates.

I will read from an article written by Mr. Robert Reno earlier this year, entitled "Economic Prosperity Not Fully Shared," to underscore this point. Mr. Reno said in his article of March 14, 1997, talking about the unemployment rate falling to 5.3 percent and below.

> Wall Street held its breath recently, fearful that one of the greatest bull markets in history was about to be handed the excuse it was looking for to crash.

He said that was because early in March the U.S. Bureau of Labor Statistics was ready to release the report on unemployment.

> It could have been another Black Friday. But closer inspection of the employment report showed things weren't all that dreadful. Average earnings rose just 3 cents an hour.
>
> No sign there that wage inflation was any threat except in the minds of those who use a Hubble telescope to see inflationary signs invisible to everyone else. Moreover, there were "healthy" signs that American workers are still scared witless.
>
> The percentage of workers holding down two jobs, seen as a barometer of job insecurity, was 6.2 percent, about the same as it was a year ago. And the percentage of job quitters—those who felt confident enough to strike out in search of new employment—fell significantly. . . .
>
> It says something weird about the economic culture of the 1990s that the docility of the American labor force has come to be regarded as the chief barometer of the Nation's economic health, the indicator that causes the largest holders of wealth to prosper even as wage-earner incomes stagnate.

Again we see it here, wage earners going down, corporate profits going up.

> Still, the alarmists continue to talk about a "tight" labor market. This is not the same labor market viewed by most American wage earners.
>
> They see an economic landscape littered with the victims of downsizing, a corporate strategy that has institutionalized the process of maximizing short-term share values by minimizing worker security. They also see a system in which health-care coverage, especially the fear of losing it, is increasingly a factor in workers' decisions to change jobs or to hang on for dear life to the one that they have.
>
> These and other factors, including the weakening of the labor movement, combine to make workers less likely to demand higher wages even as they see their CEO's taking home grossly swollen compensation packages that are an embarrassment to capitalism.

I think that paragraph needs repeating.

> These and other factors, including the weakening of the labor movement, combine to make workers less likely to demand higher wages, even as they see their CEO's taking home grossly swollen compensation packages that are an embarrassment to capitalism.

I ask unanimous consent that the full text of Mr. Reno's article be printed in the RECORD.

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

[From the Salt Lake Tribune, Mar. 14, 1997]

ECONOMIC PROSPERITY NOT FULLY SHARED

(By Robert Reno)

NEW YORK.—Wall Street held its breath recently, fearful that one of the greatest bull markets in history was about to be handed the excuse it was looking for to crash.

This was because early March 7, the U.S. Bureau of Labor Statistics was scheduled to release its monthly report on employment, an event that could provide the Federal Reserve with a reason to raise interest rates, to punish the economy for growing too fast and the stock market for its "irrational exuberance."

At first, the news looked terrible. Not only did the unemployment rate fall during February to 5.3 percent, we below the 6 percent level that some inflation hawks view as dangerously inflationary, but non-farm payrolls expanded by a brisk 339,000 jobs, a much higher figure than most economists had expected. Yes, things looked bleak.

It could have been another Black Friday. But closer inspection of the employment report showed things weren't all that dreadful. Average earnings rose just 3 cents an hour.

No sign there that wage inflation was any threat except in the minds of those who use a Hubble telescope to see inflationary signs invisible to everybody else. Moreover, there were "healthy" signs that American workers are still scared witless.

The percentage of workers holding down two jobs, seen as a barometer of job insecurity, was 6.2 percent, about the same as it was a year ago. And the percentage of job quitters—those who felt confident enough to strike out in search of new employment—fell significantly.

So the market heaved with relief, shook itself, and the Dow Jones industrial average proceeded to rise 50.19 points. Monday, it hit a new all-time high in a day of exuberant trading, then peaked again Tuesday.

It says something weird about the economic culture of the 1990's that the docility of the American labor force has come to be regarded as the chief barometer of the nation's economic health, the indicator that causes the largest holders of wealth to prosper even as wage-earner income stagnates.

Still, the alarmists continue to talk about a "tight" labor market. This is not the same labor market viewed by most American wage earners.

They see an economic landscape littered with the victims of downsizing, a corporate strategy that has institutionalized the process of maximizing short-term share values by minimizing worker security. They also see a system in which health-care coverage, especially, the fear of losing it, is increasingly a factor in worker's decisions to change jobs or to hang on for dear life to the one they have.

These and other factors, including the weakening of the labor movement, combine to make workers less likely to demand higher wages even as they see their CEOs taking home grossly swollen compensation packages that are an embarrassment to capitalism.

The current economic expansion, in its length, durability and non-inflationary nature, is an achievement not to be despised. February's figures are further evidence that it will continue. But until the policy-makers and the economists discover a way to more fairly distribute its good fortune, it is an unfinished job.

Mr. HARKIN. Mr. President, I want to point out that just 2 weeks after this article appeared, the Fed launched one of its preemptive strikes, despite admitting the fact that there was no accelerated inflation, and raised interest rates again.

The issues that are before us are much more important than just two nominees to the Federal Reserve system. It is about strengthening our Nation's economy and ensuring that all Americans have a better standard of living than their parents and their grandparents. It is about everyday Americans making everyday decisions, families trying to make a payment on their House, pay for their kids' college education, Main Street merchants paying for a loan for inventory to run their small business, and farmers making decisions on borrowing to put in next year's crop.

The Federal Reserve policies affect families budgets and national budgets. The Federal Reserve policies shape the course of America's future. If we hope to reach and maintain a balanced budget and move people from welfare to work and ensure the solvency of Medicare and Social Security, we must have a vigorous, growing economy.

Unfortunately, the Federal Reserve is standing in the way. As I have said many times, the Fed has kept its key interest rates, such as the Federal Funds rate, unnecessarily high and, as a result, sacrificed job growth and the living standard of hard-working Americans in the blind pursuit of fighting the ghost of inflation.

The reason the Fed is willing to pay any price and bear any burden to fight the ghost of inflation is that the Fed's prime constituency is the Nation's largest banks. Bill Wolman, an economist for Business Week magazine and CNBC News, wrote in the Judas Economy:

The Federal Reserve's anti-inflation hysteria is, pure and simple, special interest politics, practiced by an institution almost totally free of effective oversight.

I will continue the quote by Mr. Wolman:

As a class, Bankers are creditors who have a strong interest in making sure that the money they lend out—ranging from revolving credit, such as Visa or MasterCard, to thirty-year mortgages—is paid back in money that does not lose value through time. The central bank is most concerned to limit inflation because inflation depreciates the value of the assets held by commercial banks. When prices are rising (inflation), debtors can repay their loans to creditors in cheaper currency; for this reason creditors hate inflation. But when prices are falling, debtors are forced to repay their debts with expensive (harder to earn) currency. Thus, creditors benefit at the expense of workers. . . .

As I previously noted, this mindset that we are confronting is largely based on this outdated and faulty concept called NAIRU, the Nonaccelerating Inflation Rate of Unemployment.

As Robert Eisner wrote in his book, "The Misunderstood Economy," which I recommend to all, the NAIRU concept is the purest example of the old saying, "Statistics are the straightest line from an unreasonable assumption to a foregone conclusion."

Again, NAIRU basically says that if unemployment goes below a certain level—once and for many years thought to be 6 percent—inflation will accelerate at such a pace that it will take excessively high interest rates and subsequent levels of unemployment in order to bring inflation under control. Describing NAIRU, Robert Eisner wrote:

It tells us that if we persist in trying to get and keep unemployment (below its natural level) [whatever that is], we will have, not merely inflation, but accelerating inflation. Literally that might mean a very slowly accelerating inflation like one-tenth of one percent per year. But somehow the term is used to imply that inflation will accelerate rapidly, conjuring up visions of the Germans in the 1920's carrying marks in wheelbarrows and using money as wallpaper.

The strongest and most unabashed supporter of NAIRU at the Federal Reserve is Fed Governor Meyer, an appointee of the Clinton administration. He said:

I am a strong and unapologetic proponent of the Phillips Curve and the NAIRU concept. Fundamentally, the NAIRU framework involves two principles. First, the proximate source of an increase in inflation is excess demand in labor and/or product markets. In the labor market, this excess demand gap is often expressed in this model as the difference between the prevailing unemployment rate and NAIRU, the nonaccelerating inflation rate of unemployment.

Mr. Mire goes on to say:

Second, once excess demand gap opens up, inflation increases indefinitely and progressively until the excess demand gap is closed, and then stabilizes at the higher level until cumulative excess supply gaps reverse the process.

Visions of Germany in the 1920's. Why, my goodness, if the unemployment rate goes a little lower, you will be taking your dollars to the banks in wheelbarrows. They will be worthless. We will have this huge inflation. That is the kind of fear-mongering done by those who adhere to this concept of NAIRU.

Now, Mr. Greenspan has recently made some public statements kind of distancing the Fed from NAIRU. I guess, after 3 years, it has finally kind of come home to him that maybe a 5-percent rate of unemployment is not going to accelerate unemployment, maybe not 4.9 percent, and maybe not even 4.5 percent. In his July 22 Humphrey-Hawkins testimony, Mr. Greenspan said:

The rise in the average workweek since early 1996 suggests employers are having a

greater difficulty fitting the millions who want a job into available job slots. If the pace of job creation continues, the pressures on wages and other costs of hiring increasing numbers of such individuals could escalate more rapidly.

Furthermore, the prospect of adding more employees to the workforce is equally unappealing to Mr. Greenspan who believes this will ignite inflation. He said this in July:

Presumably, some of these early retiree, students, or homemakers might be attracted to the job market if it became sufficiently rewarding. However, making it attractive enough could also involve upward pressures in real wages that would trigger renewed price pressures, undermining expansion.

To that, I say: Not true. Turn again to this chart. Median weekly earnings are going down and corporate profits are going up. All I am saying, and others are saying, is that more of the growth in our economy needs to go to those who are working and making weekly wages. More should be going to the bottom part of our economy who are falling further and further behind and who rely more than anyone else on interest rates.

Well, again, Mr. Greenspan linked wage pressures, no matter how little to the specter of accelerating inflation in his October 8 testimony earlier this month before the House Budget Committee. He admitted, "There is still little evidence of wage acceleration." But he said, "If labor demand continues to outpace sustainable increases in supply, the question is surely when, not whether, labor costs will escalate more rapidly."

I know Mr. Greenspan is a skilled economist, but I would like to point out a few things to him. First, you have increasing technology with the silicon chip; second, you have a lot of women who are in the pool that can come into the work force because they are homemakers, and as we develop more and more safe, affordable daycare in America, more of those women can come into the work force. Third, we have a global economy, Mr. Greenspan.

Now, some may say it's odd for me, for this Senator, to be talking about this global economy as part of an element that contributes to economic growth in our country and the keeping down of wage demands. But it is true and it's a fact. All I am saying is that as long as it is a fact, then don't further penalize the workers in our economy by keeping unnecessarily high interest rates, which penalizes them in buying a home, or buying a car, or taking a vacation, or saving some money for a rainy day, or for their kids' college education. We can use the global economy as it is with increasing technology, with a vast pool of women, early retirees, and the underemployed, to move into that work pool and hope at least to get some increase in the wages of those that are on the bottom, and at least give them a better ability to be able to increase their standard of living by not paying so much in interest rates.

Mr. Greenspan, as recently as October 8, is warning us that if the labor demand—once again, that old NAIRU concept—out there continues a little bit further, then inflation is going to accelerate and take off.

Another simple component of the NAIRU concept is, of course, the preemptive strike. It's when the Federal Reserve raises interest rates to fight inflation, despite seeing no signs of accelerating inflation. The justification behind a preemptive strike is the possibility of inflation increasing at some point in the future. Again, Mr. Greenspan said, in his Humphrey-Hawkins testimony this year:

Given the lags in which monetary policy affects the economy, however, we cannot rule out a situation in which a preemptive policy tightening may become appropriate before any sign of actual inflation becomes evidence.

That leads me to another change in Fed policy that I think we ought to enact and enact rapidly.

There is no reason why the minutes of the Federal Reserve Board meetings need to be kept secret for 5 years. That's right. When the Federal Reserve meets and sets their policy, it's sealed for 5 years. We don't do that in Congress. We don't do that in the Supreme Court. There is no reason why the Fed has to have that capability to withhold important information. I grant that there may be some economic reasons—in terms of market stability—why their minutes may be kept sealed for a short period of time, but certainly no longer than a year.

We ought to know from year to year why the Fed is making the decisions it is making. People ought to go back and read the minutes of the Fed meetings back in 1990 and 1991 when it was making some of its decisions. Then you will begin to see that their crystal ball is pretty cloudy indeed.

Mr. Greenspan, as I have pointed out on many occasions, raised interest rates seven consecutive times in 1994 and 1995. Think about that—seven consecutive times. I say he doubled interest rates. The Fed fund rates went from 3 percent to 6 percent in less than 2 years—about 18 months. He did this despite seeing no signs of accelerating inflation. There never were any signs of accelerating inflation.

For example, in his February 22, 1994, testimony given shortly after the first of the rate hikes, Mr. Greenspan said the current economic statistics "do not suggest that the financial tender needed to support the ongoing inflation process is in place."

Yet, they kept raising interest rates. So during a period of time when we had great economic growth in this country, the raising of those interest rates pushed a lot of our people on the bottom further down on the bottom and let the people at the top get more of the growth that we have had.

Since the last of the seven rate hikes, Mr. Greenspan lowered the rate slightly and then put them back up again a quarter of a point—at about 5.5 percent right now.

In July, Business Week published a cover story entitled "Alan Greenspan's Brave New World." He said Greenspan has moved the Fed into "uncharted territory * * * by allowing faster growth and lower unemployment than the Fed would have permitted in the past."

I think we should continue on that track. But I am concerned about the recent testimony given by Mr. Greenspan just earlier this month. The pervasive fear of inflation still holds true to that. This is best shown as the preemptive strike launched by the Fed in March of this year, despite minimal signs of inflation and Greenspan's February Humphrey-Hawkins testimony, in which he said, "This year overall inflation is anticipated to stay restrained." Mind you, in February, Mr. Greenspan said: "This year overall inflation is anticipated to stay restrained." One month later the Fed increased its Fed funds rates by a quarter of a point. On April 24, Governor Meyer—again, the biggest proponent of NAIRU—gave a speech in which he said, "The recent Federal Reserve policy action was clearly a preemptive one. This means that it was undertaken not in response to where the economy and inflation were at the time of the policy change, but in response to where the economy and inflation were projected to be in the future absent a policy change."

Again, I would like to know exactly what the Fed is looking at when it makes these decisions. What is that future? What is the long run? One economist once said, "In the long run we are all dead." What are we talking about in the future? One month the head of the Fed says inflation is going to stay restrained, and the next month they raise the Federal funds rate. The next month Mr. Meyer says it was preemptive because we projected that in the future sometime we would have inflation. Obviously, not this year, because just a month before, they said it was going to be restrained. And, yet, over the last several months, our consumers, our small businesses, our farmers, our homeowners, our manufacturers have had to pay a quarter point more interest rate. That hits everyone. It is just like a hidden tax; just like a nice little hidden tax on everyone.

A lot of people believe that preemptive rate hike in March was totally unnecessary. In the April 14, 1997, edition of Barron's, David Ranson wrote an article entitled "The Federal Reserve's Pointless Quarter Point: A Preemptive Strike Against a Non-Threat."

Mr. Ranson said first:

There isn't any inflation around to curb. Everyone, including Alan Greenspan, concedes that inflation is absent. Thus, the traditional pretext for Fed action is nowhere to be found. I am reminded of the two buzzards sitting on a tree limb. One turns to the other and announces: "Patience, my foot. I'm going to kill someone."

We have all seen that cartoon before. So it is like the old Fed sitting there. "Well, patience my foot. We are going to raise interest rates. Inflation isn't there. By gosh, we are going to raise it anyway."

According to the official story by Mr. Ranson, the Fed's action was a necessary preemptive strike against inflation before it becomes evident.

If it is not evident, how do they know it? If it is not evident to a lot of preeminent economists in this country, how is it evident to the Fed? What is their basis for it? Again, we will not know for 5 years. We ought to know a lot sooner than that.

Mr. Ranson said,

The real enemy for now is not inflation itself but unwarranted angst about inflation brought on by stubborn adherence to basic misconceptions. Inflation is certainly detrimental to growth, but it is not true that growth must lead to inflation. This principle is observable worldwide. Low-inflation countries have tended to be economically successful while high-inflation countries have tended to stagnate.

Fourth, increased interest rates do little to curb inflation; mostly they just ratify it. There is powerful evidence that an increase in interest rates slows the economy, but we find surprisingly little evidence that it curbs inflation. Inflation does not decline perceptively following a rate rise. Nor does inflation increase noticeably following a rate cut.

Mr. Ranson concludes the article by saying:

The notion that inflation is generated by economic success belies history and perpetuates the "good news is bad news" syndrome that bedevils government policy and the financial markets.

The assumption that we need the Fed to tinker endlessly with interest rates needs to be challenged. Policymakers are prone to assume that the Nation needs them to take vigorous action . . . even when the pretext for action is elusive.

It is unclear whether those clamoring for higher interest rates will be mollified by the Fed's token action. It is only more likely they will be encouraged to demand more. One policy mistaken facilitates another.

Mr. President, I ask unanimous consent that Mr. Ranson's article be printed in the RECORD.

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

[From Barron's, Apr. 14, 1997]

THE FEDERAL RESERVE'S POINTLESS QUARTER-POINT: A PREEMPTIVE STRIKE AGAINST A NON-THREAT

(By David Ranson)

The recent quarter-point increase in the federal-funds rate was unwarranted and potentially harmful. Government policymakers, impatient with the absence of a pretext for action, have once again chosen to act anyway. There are a number of reasons why the Federal Reserve's recent action was pointless at best.

First, there isn't any inflation around to curb. Everyone, including Alan Greenspan, concedes that inflation is absent. Thus the traditional pretext for Fed action is nowhere to be found! I am reminded of the two buzzards sitting on a tree limb. One turns to the other and announces: "Patience, my foot. I'm going to kill something."

Second, there is no valid indication of inflation around the corner for the Fed to preempt. The current acceleration in the economy is cited as the primary indication that inflation might lie ahead. According to the official story, the Fed's action was a necessary "pre-emptive strike" against inflation before it becomes evident.

The good news is that low unemployment and healthy economic growth have been achieved in an environment of very low inflation. Tragically, the most prevalent response to this positive scenario is to worry even more loudly and to suggest that this excellent state of affairs can't last. Supply-siders correctly point out that such conventional wisdom is contradicted by historical fact. While many observers express surprise at the economy's success, it is exactly as real-life experience suggests: Low inflation goes hand-in-hand with low unemployment—and high inflation with high unemployment.

The real enemy for now is not inflation itself, but unwarranted angst about inflation brought on by stubborn adherence to basic misconceptions. Inflation is certainly detrimental to growth, but it is not true that growth must lead to inflation. This principle is observable worldwide. Low-inflation countries have tended to be economically successful while high-inflation countries have tended to stagnate.

H.C. Wainwright Economics tracks in detail interrelationships among U.S. interest rates, economic growth and inflation. Statistical analysis confirms that inflation precedes periods of weak economic growth rather than follows periods of strong growth.

Fourth, increased interest rates do little to curb inflation; mostly, they just ratify it. There is powerful evidence that an increase in interest rates slows the economy, but we find surprisingly little evidence that it curbs inflation. Inflation does not decline perceptively following a rate rise. Nor does inflation increase noticeably following a rate cut.

Consider, for example, the half-dozen occasions when there has been a year-to-year increase of more than two percentage points in the federal-fund rate. These Fed moves were followed after a year by an average decline of nearly 5 points in the rate of industrial production growth, a dramatic impact.

But whatever the counter-inflationary result, it was highly unimpressive. In terms of producer prices (which are a more sensitive indicator than consumer prices), the reduction in inflation one year following these large rate hikes averaged an insignificant one-tenth of a percentage point. Inflation as measured by the consumer price index actually continued to accelerate.

A skillful newspaper editor, faced with a peaceful day of no news, makes a bigger fuss over what little he has to work with. He knows how easy it is to fuel public anxiety. Wall Street strategists have been playing this game for at least the past year. Faced with a benign economy and virtually no inflation, they have pursued a vociferous debate about the mere possibility of increased inflation and the Fed's potential reactions.

The Fed has succumbed to this pessimism. Far from pre-emptively curbing inflation, its latest action tends to endorse inflation that does not exist. Surely this is an absurdity. It makes no sense for the government to respond to fears of inflation by heightening them. Why would anyone want to hamper a strengthening economy just to obviate the harm than a purely speculative bout of inflation might cause? While a quarter of a percentage point will not cause material damage to the economy, additional moves in the same direction will.

The notion that inflation is generated by economic success belies history and perpetuates the "good news is bad news" syndrome that bedevils government policy and the financial markets. Granted, inflation has harmful effects, but the damage done by unsubstantiated fears of inflation is worse precisely because it is so unnecessary. The recent sag in the bond market is just one of the symptoms of the less-visible damage we are inflicting upon ourselves.

The assumption that we need the Fed to tinker endlessly with interest rates needs to be challenged. Policymakers are prone to assume that the nation needs them to take vigorous action—even when the pretext for action is elusive.

It is unclear whether those clamoring for higher interest rates will be mollified by the Fed's token action. It is more likely that they will be encouraged only to demand more, especially as the economy continues to accelerate. One policy mistake facilitates another.

But it is also possible that Alan Greenspan understands what his critics do not: that the Fed's true role is to keep both interest rates and the dollar's purchasing power as stable as possible. Perhaps in a histrionic Washington where inaction is death he dare not say this too loudly.

In a recent commentary on National Public Radio, economist Robert Kuttner suggests that Greenspan succumbed to pressure from inflation hawks out of fear of being on the losing side of the Open Market Committee vote. Whether that's true or not, the Fed's decision to raise interest rates was more a political act than an economic one.

But I remain optimistic that the longer inflation remains absent, the less influence the inflation hawks will wield. In such a environment the Fed will be able to justify smaller and less frequent changes in interest rates.

Mr. HARKIN. Mr. President, again, I am also concerned that the nominees that will be shortly before us to the Board of Governors seem equally frightened by this ghost of inflation. For example, nominee Roger Ferguson said in his testimony before the Senate Banking Committee, "Therefore, I agree with the Fed's historic approach"—I would challenge that word "historic approach"—"to reduce monetary stimulus before the emergence of obvious and strong inflationary pressure. Unfortunately, the timing and appropriate amount of change in monetary policy involves some guesswork and some risk taking."

He agrees with the Fed's historic approach. It seems to me the historic approach of the Fed back in 1933 was to facilitate commerce and keep employment high. Only in 1978 was it added to keep inflation in check.

Mr. Ferguson's view is not a comforting thought given that we have a chairman of the Federal Reserve System who has echoed that comment

when he said, "economic understanding is imperfect and measurement is imprecise."

That is interesting. Mr. President, if measurements are not perfect, can we assume the Fed knows what it is doing when it launches one of its preemptive strikes? Maybe all it is doing again is simply raising the corporate profit rate and cutting down median weekly earnings.

This is what is happening. Change in the share of income received by each quintile from—look what is happening. The lowest quintile, the lowest 20 percent of our population, their share of income received is going down. All of it is going down. But in the top 20 percent it is going up—their share of the income.

So I suggest that what the Federal Reserve is doing is not stopping inflation at all. What they are doing is shifting who gets the money; who gets the biggest share of this great growth that our country is now engaged in.

Furthermore, I submit that their policy inhibits that rate of growth and keeps it from being even greater than it is.

So we have a Fed that has used a method to fight inflation when we may not even be sure if inflation actually exists in the economy.

Well, Mr. President, I believe I have used up my 30 minutes. I see others who are on the floor who want to speak. But I will have more to say about this as the week progresses if the nominations are put before the Senate for consideration. I have a number of other charts that I am going to use to illustrate how the Federal Reserve policies, I believe, are hurting the working families in America, how their policies are mistaken in bending this country toward higher interest rates when those higher interest rates are not needed, when they are not legitimate, and when those higher interest rates benefit the top 20 percent of the people of this country and hurt everyone else.

The Fed's policies, in short, are keeping growth restrained more than should be.

Second, the Fed's policies, I believe, are keeping wages from keeping up with productivity in this country.

Third, the Fed's policies are skewing who gets whatever the growth is in our economic pie. In other words, we know and all of the figures show—and I will release those later on this week—that in our country the richer are getting richer and the poor are getting poorer. We know that. All we have to do is look at this chart.

So the Fed's policies are destroying the broad middle class in America, that middle class that has always been the ladder of opportunity for those who ascend. I fear that if we do not stop the policies of the Fed, that rather than accelerating inflation, what we will have is an accelerating spread between the rich and the poor in our country, an acceleration of depressing wages, an acceleration of pushing people in the middle class down further on the economic scale, and that I submit will be harder to turn around and more dangerous for our country, more fraught with the possibilities of deflation and severe recession than any fear of a small increase in inflation that might come about if the Fed were to actually reduce interest rates.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, are we in morning business?

The PRESIDING OFFICER. We are in morning business.

Mr. GRAMS. I thank the Chair. I ask unanimous consent to speak for up to 10 minutes.

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

Mr. GRAMS. I thank the Chair.

EFFECTS OF HEALTH CARE MANDATES

Mr. GRAMS. Mr. President, I wanted to be here today just to make some brief comments in support of the Medicare Freedom To Contract Act, S. 1194.

During my first term in the 103d Congress, I witnessed President Clinton attempt a Federal takeover of fully one-seventh of our Nation's economy through a nationalized health care system. I was opposed to it then and I remain adamantly opposed to it today.

Over the past 2 years we have seen a step-by-step encroachment by the Federal Government into the health care system.

Despite overwhelming public opposition to his attempt to take over the health care system, President Clinton still seems to be intent on imposing his vision of socialized medicine on the American people.

In fact, on September 15 of this year, the President admitted that he has not abandoned his goal of forcing a nationalized health care system. He stated, "Now what I tried to do before won't work. Maybe we can do it in another way. That's what we've tried to do, a step at a time, until we finish this."

I am sorry to say that the Republican-led Congress has been a great service to the President by incrementally adopting and implementing more and more of his 1994 health care scheme. While I supported the heralded Kassebaum-Kennedy Health Insurance Reform Act, which did accomplish some needed reforms, I have concerns about how this law has since been implemented.

In addition to its original mandate, we have a host of so-called "body part" protections and coverage mandates which will create a precedent for total Federal control over health insurance packages and thereby ultimately a Federal health system. I have always believed that the American people should have the fundamental right to choose where, when and how they receive their health care services. If individuals choose to enroll in health maintenance organizations, let them. If they want to join a preferred provider organization, let them. If they would like to opt out of health insurance altogether or to pay for the services as they are received, then let them. Clearly, I am not in a position to determine what their needs are or what plan would best suit their family and their budget, nor is any bureaucrat in Washington able to determine the coverage best suited for each individual in the United States.

Now, that brings us to the recently enacted Children's Health Initiative. I opposed the Balanced Budget Act in large part because of this grossly overfunded, new Federal entitlement. Again, another "step at a time" that the President says we need to take until we have a total Government-run health care system.

Let me be very clear. I am very fully in support of ensuring access to health insurance for children. However, I have never believed that this was a Federal issue. As a Minnesotan, I witnessed the creation of a State program in 1992 which has provided access to health insurance to thousands of children in my State of Minnesota. It is called MinnesotaCare.

Now, this State program gives access to State subsidized private health insurance to families up to 285 percent of the Federal poverty level. The Federal Children's Health Initiative provided no consideration to the States which have made a commitment to providing access to health insurance to children or their families. In effect, the Federal Government has now spent $24 billion on a program which clearly will not work in every State. In fact, it will penalize States like mine which have already made significant progress in covering children, and this illustrates my point very well. Washington cannot make the health care insurance decisions for everyone.

One of the most important corrections needed in the Balanced Budget Act is the Medicare Freedom to Contract Act. This was introduced by Senator KYL which I have cosponsored. This act tries to correct what is probably the most egregious example of what President Clinton's vision of Federal Government as provider and protector has in store for us.

While the Balanced Budget Act included a provision which allows a Medicare beneficiary to contract for health care services privately with a physician, it effectively prohibits this from happening by forcing that physician to opt out of treating any other Medicare patients for 2 years. What the

President has done is to blackmail doctors and to deny senior citizens the basic right of spending their money as they see fit.

Even in the United Kingdom, which has had socialized national health service since 1948, it allows its citizens to pay for services outside the national system. Clearly, Americans can do better than that and at least Americans deserve the same option. This is unfair to seniors. It is unfair to physicians. And it must be corrected quickly.

Opponents of the Medicare Freedom to Contract Act claim that it will force seniors to pay 100 percent of a physician's charge for their services, and it would mean an immediate and dramatic increase in out-of-pocket costs for physician services.

This is simply untrue. No Medicare beneficiary is required, nor implicitly encouraged, to contract privately with a physician. This act merely makes it possible for seniors to do so if they choose to do so. But the opponents are ready to come to the floor to filibuster any opportunity to discuss this issue or to get a vote on it. And President Clinton has also threatened to veto the bill should it pass.

Now, he put the provision in the BBA in the middle of the night without debate, another step again toward the President's desire for a nationally run health care program. And he says he will veto any efforts to stop it. Is this what Americans want? The American people strongly rejected it in 1994, and they don't want it now.

Mr. President, I find it completely amazing that there are individuals who believe it is wrong to allow seniors more options and more choices in how they receive their health care services. Indeed, as the Balanced Budget Act aimed to provide more choices to seniors through the Medicare Plus Choice Program, the Medicare Freedom to Contract Act is the logical extension of the Medicare Plus Choice Program. It creates yet another option for our seniors.

In fact, a case can be made that if seniors contract privately with their physician for services and do not bill Medicare, it will save money. It will extend the life of the Medicare Program beyond the 10 years the Balanced Budget Act supposedly will do.

Finally, Mr. President, we have many lessons to learn about the effects of health care mandates. However, denying seniors the option of using their own money to pay for their own health care is a lesson in Government that's gone mad, and that is a lesson we have all learned too well already. I urge my colleagues to support this needed correction.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT REQUEST—FEDERAL RESERVE NOMINATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following Federal Reserve nominations on the Executive Calendar: Calendar No. 305 and Calendar No. 306.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Mr. President, reserving the right to object, I might inquire of the distinguished majority leader, what were the Executive Calendar numbers?

Mr. LOTT. I asked unanimous consent that we proceed to executive session to consider the Federal Reserve nominations on the Executive Calendar. I know the Senator from Iowa has been discussing these nominees already this afternoon, and I am advised that he is going to oppose a time agreement to get a vote on these nominations, so I was going to make note of the fact that my intention is to set the votes on these nominations for later today.

If it is not possible, if there is objection to that, then I would have to say it would appear to me that these nominees could not get confirmed this session. We have a number of nominations we are trying to get cleared on both sides of the aisle.

I had indicated to Senator DASCHLE we would try to move these nominees. We also have similar holds on the FCC nominees. But if we can't get those cleared in the next couple of days, it would be my intent to try to move those to a vote in the same manner tomorrow. So I am trying to emphasize that. I think these are important nominees. It would seem to me we need to have nominees to the Federal Reserve Board confirmed. These are the President's choices and his recommendations. This is, obviously, a very critical board. While I might agree with the Senator about some of his reservations and disagree with some of the actions they take and a number of things that have occurred over the years, I do think that unless there is a major objection to one or both of these nominees on the qualifications basis or experience or something of that nature, I feel an obligation to try to move them forward.

Mr. HARKIN. If the majority leader will yield.

Mr. LOTT. Sure.

Mr. HARKIN. I respond by saying I appreciate the position the majority leader is in. Quite frankly, I think that the occasion of considering a couple of nominees to the Federal Reserve Board of Governors should be a time of some debate and some discussion on the Senate floor as to the Fed policy and to the direction the Fed has taken.

Again, I do not need to remind the majority leader of this. He knows full well there seems to be so many people who think the Federal Reserve is some great Federal agency that is not beholding to the Congress. I keep pointing out it is a creature of Congress. It is not a constitutional entity. It is a creature of Congress and by law we have the right and I think the constitutional obligation to oversee the Federal Reserve, obviously to pass judgment, to advise and consent on nominations but also to give guidance and direction as to what their policy ought to be. And I think that these nominees deserve to have some discussion and debate.

I would say in all honesty to my friend from Mississippi, there are on this side other Senators who I know want to engage in this discussion and debate who cannot be here today. I am here. And I am willing to talk—well, I have my notebook here, if the majority leader would like to see it. I have a few hours I could talk.

Mr. LOTT. It doesn't look very thick.

Mr. HARKIN. It is pretty thick. I have a lot that I can say about them.

Mr. LOTT. If the Senator will yield.

Mr. HARKIN. Yes.

Mr. LOTT. I know he could talk at great length on this and other subjects, and there may be other Senators who would like to talk on them who are not here today. Quite frankly, I am not impressed that they are not here. We are in the final 2 or 3 weeks of the session, and when Senators say they can't be here on Monday and they can't be here on Friday, it sure makes it awful hard to do the people's business. But the Senator is within his right; certainly these are important nominees, but I believe that on these nominees as well as the FCC nominees and hopefully maybe even others, if the holds are continued on them, I need to call them up.

If there is objection, as apparently the Senator from Iowa intends, I just want to make it clear why they are being objected to and who is objecting to them and we will move on. But I do want to make it clear to one and all that in view of the lateness of the hour in the session, the odds of being able to spend a great deal of time or to get these nominees called up again is not very likely because we have a number of urgent matters that are pending that we are going to have to take up this week and next week.

And so I just wanted to put that on the Record so that the Senators here will know this is probably not a temporary delay; this is probably a delay until next year.

Mr. HARKIN. If the leader will yield further, if last week is any prelude to this week, I think we are going to have large gaps of time this week on the Senate floor. There will be time for people to come out and discuss extraneous and various things. As I said, I know there are some other Senators who have expressed to me a desire to

engage in some discussion. I do not know how long but some discussion. And I think the leader would agree this is important enough that we ought to discuss it anyway. I know he is not impressed that they are not here today. I understand that. But I am hopefully operating within my right to engage in a discussion on these nominees. I would, of course, object to them being brought up en bloc. I do not desire to thwart these nominations. However, I do want them brought up separately and singly as individual nominees and to be able to use some time this week to talk about them.

I would be prepared to do that at great length today. I am here, and I am in pretty good physical shape so I am ready to discuss them at length today, if he would like to do that, as is his right, but I would also be willing to see what we could do during the remainder of the week to engage in some discussion, and I will do that. If there are gaps this week, I will come to the floor and talk about it.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Mr. President, if the Senator will yield further on his reservation, if there are some gaps, we could have more talk about these nominees or other nominees later on this week. There may not be the large gaps that there might appear because we do have a number of appropriations conference reports that we think are going to be ready this week, plus the DC appropriations issue we believe we can resolve, although it will take a little time, 2 or 3 hours on that, plus Senator BYRD and Senator STEVENS have indicated they would like to have the line-item veto disapproval which could take 10 hours.

And that does not count regular bills. We have to do something about the Amtrak strike this week, one way or the other. So I think we are going to have a good bit of time that will be used. But I know the Senator will be glad to talk when the time comes, and I appreciate his comments.

I renew my request.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. I object.

The PRESIDING OFFICER. Objection is heard.

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, it is my understanding that Senator HARKIN does expect to address this subject on the Federal Reserve System nominations for a further 30 minutes at this time. It is also my hope the Senate could consider and confirm the nominations of our former colleague Senator Wyche Fowler and Thomas Foley for ambassadorial positions immediately following the previously scheduled 5 p.m. vote. I anticipate rollcall votes being necessary on these two ambassadorial nominations. Therefore, additional votes can be expected following the scheduled 5 p.m. vote.

ORDER FOR RECESS

Mr. LOTT. With that in mind, I now ask that following the remarks of Senator HARKIN and Senator HUTCHINSON, who is on the floor also, the Senate stand in recess until 4:30 p.m. today.

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

Mr. LOTT. I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I appreciate the indulgence of the majority leader. I do feel very strongly about this issue. That is why I am objecting to their being brought up, and if they were brought up, I would certainly be here to speak about them at length. I don't think there should be votes on them today. I would be prepared to talk at length further on Fed policy and on these nominees in particular, if need be. Hopefully, we can reach some resolution of this matter. If not now, perhaps later on. Not today, certainly, but hopefully perhaps sometime later on this week.

I yield the floor.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Arkansas.

Mr. HUTCHINSON. I ask unanimous consent to proceed as in morning business.

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

PRESIDENT JIANG ZEMIN'S STATE VISIT

Mr. HUTCHINSON. Madam President, I rise today, on the eve of Chinese President Jiang Zemin's official state visit to the United States. I rise today because I believe that, while it is important to continue relations with a country that contains one-fourth of the world's population, it is also important for us to remember that this one-fourth of the world's population—these 1.2 billion people—suffer today under an oppressive regime committed to a violent suppression of dissent, a regime which steadfastly refuses to recognize inalienable human rights, a regime which uses imprisonment, torture, and execution as tools to forge a society that is void of individual liberty.

It is a regime that has a government program to market human organs and body parts, using the execution of prisoners as a profit method for the Government of China; a regime that systematically jams Radio Free Asia. While coming to the United States and professing their belief in liberty, they systematically jam the expression of freedom that this country subsidizes, underscoring its importance by broadcasting throughout Asia.

Yet, with all of these facts, all of this evidence, the United States rolls out the red carpet for President Jiang Zemin of China, the same leader who was named General Secretary of the Communist Party 3 weeks after the protests were quelled with violence and bloodshed in Tiananmen Square. This is the same leader who is the hand-chosen successor to Deng Xiaoping, the so-called Butcher of Beijing. He is the same Communist leader who, in a 1990 interview, only a few weeks after the Tiananmen Square massacre, in an interview with Barbara Walters described the Tiananmen killings as, and I am quoting President Jiang Zemin, "much ado about nothing." This is the Communist leader who, in an interview published in the Washington Post just last Sunday, continued to defend the Tiananmen Square massacre and suggested the violent crackdown on peaceful demonstrators was the price of allowing economic reform in China. Madam President, this is the Communist leader who is traveling throughout the country like a king.

Nothing underscores the differences we have with President Zemin more than his recent comments on the subject of human rights. Earlier this month, as he prepared to come to the United States, President Zemin said, "Both democracy and human rights are relative concepts and not absolute and general." That bears repeating. President Jiang Zemin said about democracy and human rights, they are not absolutes, they are not something that is essential, something that is God given, something that is basic to being human beings. But, he says, they are relative concepts.

As citizens of the United States, the great foundation on which our country was built is the undeniable and unchanging principle that all mankind is created equal, and that we are endowed by the Creator with certain unalienable rights. Those rights attend to us as human beings, whether we live in China or whether we live in the United States. Nothing is more central to our understanding of the role of government. President Zemin and the Chinese leadership flagrantly reject this and over 1 billion Chinese know oppression and fear and violence as part and parcel of their daily lives. I would say to President Zemin that human rights are not the possession of governments, to be dispensed at the will or the discretion of those who wield power. Human rights is not, as he has insisted, a relative concept. It is a transcending value that crosses cultures, societies, and forms of government. Liberty is not the province of America, and to my colleagues and to this administration I would say that our defense of freedom must not stop at our own shores.

The values which we cherish as Americans we must defend for people everywhere. We always have. The Great Wall that separates our governments today is the great wall of human

rights violations. I hope the President and the leadership of Congress in their meetings with President Zemin this week will, frankly and forcefully, communicate the deep sense of anger and the deep sense of outrage that is stirred in this country by the ongoing human rights abuses in China.

It is time for straight talk with the Chinese leadership. It is time for an American foreign policy guided by a commitment to the cause of freedom. I urge the President to remember the words that he spoke in December 1991 as he campaigned for the office which he now occupies. Candidate Clinton in 1991 said, in reference to the Bush administration:

> The administration continues to coddle China, despite its continuing crackdown on democratic reforms, its brutal subjugation of Tibet, its irresponsible export of nuclear and missile technology, and its abusive trade practices.

He accused the Bush administration of coddling China because of these circumstances within China—brutal subjugation of Tibet, irresponsible export of nuclear missile technology, and crackdown on Democratic reforms. He said, because of that, the Bush administration is doing too little. They are coddling China. I ask the President, what has changed? The only thing that has changed is the condition of the Chinese people and the oppression under which they live every day. Conditions are worse by every measure and by every standard. Things have gotten worse in China. Yet the administration has totally changed its position. The position of the President has changed. The condition of the Chinese people has changed also, but only for the worse.

I believe that China's flagrant disregard for human rights should be enough. But, since our policies toward China have not changed, the human rights abuses continue to take a back seat to a foreign policy that seems to be driven by profit projections. The administration now, instead of sanctioning China, wants to sign an all-encompassing new nuclear pact with China; in effect, to reward them.

The logic in all of this new policy, called constructive engagement, is that if we will engage China and we will trade with China and we will see economic expansion in China—and their economy is growing in double digits every year—that human rights conditions will improve, that the rights of the Chinese people will be enhanced. Such has not been the case. And if such a policy were one that we consistently enforced around the world, it would result in the lifting of sanctions on Cuba, the lifting of sanctions on North Korea, because if we believe that increased trade is going to bring the downfall of totalitarianism, it ought to work not only in China but North Korea and Cuba, too. But we hear no mention we ought to change our trade policies toward North Korea or Cuba; all the time saying if we just continue to trade with China, things will get better there. Now, in the midst of all of this, the administration admits to signing an all-encompassing nuclear pact with China. Lets look at the facts, because I think they speak for themselves.

In December 1992, the Government of the People's Republic of China violated the Arms Export Control Act and the Export Administration Act of 1979 with the transfer by the Ministry of Aerospace Industry of approximately 24 M-11 missiles to Pakistan.

Let's look at the facts. From September 1994 to June 1996, the Government of the People's Republic of China again violated the Arms Export Control Act and the Export Administration Act of 1996, with the transfer by the Ministry of Aerospace Industry of as many as 30 M-11 ballistic missiles to Pakistan.

In August 1996, the Government of the Peoples Republic of China again violated the Arms Export Control Act, the Export Administration Act of 1979, and the Iran-Iraq Arms Nonproliferation Act of 1992, with the transfer by the China Precision Engineering Institute to Iran's defense industries of gyroscopes, accelerometers, and test equipment for the construction and test of ballistic missile guidance systems.

While looking at the facts, it was reported in August of this year that the United States Central Intelligence Agency discovered a shipment by the People's Republic of China to the Syrian Scientific Studies and Research Center, a Syria Government agency that oversees missile development, of guidance equipment for M-11 ballistic missiles. This alleged system would be a violation of the Missile Technology Control Regime. This alleged shipment would have taken place after the limited sanctions imposed by the United States on China for shipments of M-11 missiles and components to Pakistan had been lifted following the assurances by China that it would comply with the Missile Technology Control Regime.

So we see these ongoing violations. After each of these violations, and there are many more, our administration either failed to take appropriate actions to deter future violations of such acts, took the least onerous action against the Government of the People's Republic of China that was possible under such acts, or rescinded previous actions, thereby diluting or eliminating the deterrent effect of sanctions under such acts with respect to China.

This inaction has forced three important results. First, this Congress renewed MFN to China. Second, we are now honoring the Communist leader in our country. Third, the public has been convinced that through such near-sighted ill-advised strategies like constructive engagement, China would change.

Yes, Madam President, China has changed—for the worse. And this Congress and this President, I believe, has done too little. If you will, we have stood idly by. We have said too little. We have done virtually nothing.

What is truly unprecedented is the administration's recent campaign to draw a bright and attractive picture of Communist China. I ask the President and I ask this Congress, and I have turned to this before and I will turn to it again, have you not read the 1996 United States State Department's China Country Report on Human Rights Practices? Because I have read it. The information in it is horrific. Once again, allow me to quote from this report:

> China has continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms stemming from the authorities' intolerance of dissent, fear of unrest, and the abuse of laws protecting basic freedoms. Abuses include torture and mistreatment of prisoners, forced confessions, and arbitrary and lengthy incommunicado detention. The government continued severe restrictions on freedom of speech, the press, assembly, religion, privacy and workers' rights.

That's from our own State Department 1996 country report on China.

In 1989 we watched with amazement as courageous Chinese students marched in Tiananmen Square. Today, they are all gone. They are all gone. During their struggle they defied the tanks, they looked to the United States for inspiration, they quoted our Declaration of Independence, they built replicas of our Statue of Liberty, and throughout it all United States policymakers have answered that economic engagement would stop China's abuses of human rights. As far as I can tell, not only are profit projections driving our foreign policy, not only is our current policy with China appeasement rather than engagement, not only does this Congress continue to turn a blind eye to the oppressed in the interests of trade opportunities, but, President Jiang Zemin's visit is a clear sign to the world, our enemies, and our friends that not only did the United States tacitly approve of everything that was going on, I think, from forced sterilization to the breaking of ballistic missile treaties, but even more important it's a clear message that we can and will tolerate anything and everything without repercussion and without a price.

I am reminded of President Ronald Reagan. I think few have served our country more nobly. And I am reminded of my good friend Senator JOHN ASHCROFT who has spoken so forcefully on the issue of China, especially even during this last month. In President Ronald Reagan's second inaugural address, he spoke of the danger of simple-minded appeasement. He spoke of accommodating countries at their lowest

and least. This is what former President Reagan said:

History teaches us that wars begin when governments believe the price of aggression is cheap.

There have been no repercussions to the egregious human rights abuses ongoing in China. There have been no repercussions. There has been no price to pay for the proliferation of weapons of mass destruction that the Government of China has carried out. There have been no repercussions for the incomprehensible toleration by the Chinese Government of laogai camps, the slave labor camps that exist in which there are hundreds of thousands, perhaps millions, incarcerated.

Madam President, President Jiang Zemin's visit proves that China believes that the price of aggression and the price of these abuses is cheap. It proves that we in this country accept this, and I can remember when we did not. It proves that, just as President Clinton stated last Friday that China is at a crossroads, well, Madam President, we in the United States are at a crossroads as well. President Jiang Zemin and his enjoyment of a state visit, a visit that has been elevated to the highest level, the red carpet treatment that he has been accorded, the 21-gun salute, I believe this is truly a slap in the face to every Chinese political dissident that languishes today in a Chinese prison. It is time that we as public policymakers, those concerned about the welfare of our fellow human beings wherever they may live in this world, who are the recipients by their creator, as we Americans are, of certain unchangeable, undeniable human rights, it is time that we, once again, not only spoke out, but move from debate and discussion and outrage to action.

During the course of this state visit, while I disagree with much that has been planned and the royal treatment that he is being given, it is an opportunity for us as Americans to show President Zemin what freedom really is. It is an opportunity for us, through our protests, through our debates, through our congressional oversight hearings that are going on, through every means possible, to raise these most serious issues to the attention of President Zemin and to show him not only what free expression really is, but to show him the true intensity of the feeling of the American people, if not our Government, the American people at what has been tolerated and what continues to go on in China today.

Madam President, I yield the floor.

RECESS UNTIL 4:30 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 4:30 p.m.

Thereupon, at 3:18 p.m., the Senate recessed until 4:29 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ALLARD).

The PRESIDING OFFICER. In my capacity as a Senator from the State of Colorado, I suggest the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CONFIRMATION OF ALGENON L. MARBLEY FOR THE SOUTHERN DISTRICT OF OHIO

Mr. LEAHY. Mr. President, I am delighted that the majority leader has decided to take up this nomination. Mr. Marbley and his family deserve a great deal of praise for this accomplishment.

Algenon Marbley is currently a partner in the law firm of Vorys, Sater, Seymour & Pease in Columbus, OH. He has served as an instructor for the National Institute of Trial Advocacy and is the chairman of the Trial Advocacy Committee of the Columbus Bar Association. He is an active volunteer for several organizations, including the Big Brothers/Big Sisters Association of Columbus.

I sincerely congratulate Mr. Marbley and his family on this accomplishment and look forward to his service as a U.S. district judge for the Southern District of Ohio.

The U.S. Senate, however, does not deserve an enormous amount of credit in this area. This is only the 22d judicial confirmation in a year in which we have seen 115 judicial vacancies. Just think of that, Mr. President, 115 judicial vacancies and the Senate has only seen fit to confirm 22 judicial nominees sent by the President. More than 50 additional nominees remain somehow hidden before the Senate and before the Judiciary Committee with no action.

Six outstanding nominees remain pending on the Senate calendar, ready for Senate approval. Margaret Morrow has been awaiting Senate action since June 12. Christina Snyder has been ready for the Senate to exercise its advise and consent function since September. They are being passed over, again.

The Senate is not even keeping pace with attrition. Since the adjournment of Congress last October, judicial vacancies have actually increased by almost 50 percent and currently number more than 93.

Forty-six judicial nominees remain pending before the Judiciary Committee. Although the committee has yet to hold a judicial confirmation hearing this month, I am pleased to see that Senator HATCH has noticed a hearing for tomorrow and another for Wednesday afternoon to try to reduce the backlog of nominees awaiting action by the committee. I hope that the committee will move promptly after those hearings to report those nominees to the Senate and that the Senate will proceed to confirm them before adjournment this year.

From the first day of this session of Congress, the Judiciary Committee has never worked through its backlog of nominees and has never had fewer than 20 judicial nominees awaiting hearings. Two hearings in September combined with those planned for this week will not eliminate the backlog, but represent movement in the right direction.

Mr. President, I want Senators to know about another development that, unfortunately, is not intended to help end the partisan stall on judicial confirmations. I have just learned recently that a $1.4 million fundraising and lobbying effort is underway to try to perpetuate the judicial vacancy crisis and continue the partisan and ideological stall of Senate consideration of much-needed judges. I understand this solicitation for big bucks includes the solicitation of big donors with promises of "intimate dinners" with "leading conservative elected and public figures closely involved with the judicial confirmation process" and that Senators—incumbent Senators—appear on videotape being used as an integral part of this fundraising effort. This is apparently a solicitation for money to help block the Senate from doing its duty to vote on confirmations, in part by promising access for people who send in big money.

Those pressing this effort complain about what they see as "the failure of the U.S. Senate to block" the appointment of judges to the Federal bench. The American people, litigants, prosecutors, and judges, Republicans and Democrats alike, have just the opposite complaint—that the perpetuation of judicial vacancies is affecting the administration of justice and rendering our laws empty promises.

It is sad that this effort is premised on the slanted portrayal of decisions, many of which were decided by judges appointed by President Bush. I have spoken before about the dangers of characterizing isolated decisions to stir up anger against the judiciary just so that somebody can get short-term monetary and political gain. It is not worth the price to try to destroy one of our independent branches of Government and the most independent and effective judiciary in the world.

This fundraising campaign seems to extend back over the course of the year, but it has only become public with reports in the Los Angeles Times and New York Times over the weekend.

Those who delight in taking credit for having killed judicial nominees last

year continue their misguided efforts to the detriment of effective law enforcement and civil justice.

Now, any Senator can vote against any judicial nominee. They have that right. But I urge them to stand up on the floor of the Senate, where the public knows who they are and where they are, and either vote for or against people. It is not only disingenuous, but I think it is detrimental to our system of justice, and it is a true distortion of what we pledge to do in upholding the Constitution when some block judges by anonymous holds. And then we find that the reason for doing that is in connection with a fundraising and lobbying campaign in which letters were sent out by some group saying, in effect, that if you send this money, we will block judges and we will arrange for you to meet privately with leading elected officials.

That is wrong. That is wrong, Mr. President. It is unprecedented in the 23 years that I have been in the Senate. Nothing like this has ever been allowed by any of the leaders of the Senate—not by Senator Mansfield, not by Senator BYRD, not by Senator Baker, not by Senator Dole, and not by Senator Mitchell. It should not be allowed now. It is wrong, and it undermines the very credibility of the U.S. Senate, and it demeans the U.S. Senate; but, even more importantly, it is destructive of the independence of the judiciary.

I yield the floor.

Mr. BREAUX addressed the Chair

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

UNITED STATES-JAPAN TRADE AGREEMENT

Mr. BREAUX. Mr. President, in light of the disturbing news in the stock market this afternoon, I thought it was appropriate to the bring to the attention of my colleagues that there is good news out there. The United States and Japan have concluded a trade agreement opening up the ports of Japan, ending a longstanding dispute between the United States and Japan. This agreement, when it is signed—and it is agreed to—will bring about changes that will benefit ocean-borne trade of both countries, the United States and Japan. The agreements will reform practices in the Japanese ports, to the benefit of importers, exporters, the ports, the workers, and the consumers both in the United States and Japan.

This is good for trade relations between our two countries. The Japanese had for a long period of time prevented our ships from having the same rights to their ports, in terms of bringing our goods to that country, as we have afforded them when they came calling on ports in the United States. Therefore, this is good news for people who are engaged in trade relations and exports and import trade relations with Japan and the United States.

I am very optimistic that this will bring about continued growth in those markets, and I want to commend the Federal Maritime Commission, its Chairman, Hal Creel, and members of the administration, particularly Stu Eizenstat, for the good work they have done in bringing this to a conclusion.

I yield the floor, and I suggest the regular order.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF ALGENON L. MARBLEY, OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF OHIO

The PRESIDING OFFICER. Under the previous order, the hour of 5 p.m. having arrived, the Senate will now go into executive session and proceed to vote on the nomination of Algenon L. Marbley, of Ohio, to be U.S. District Judge for the Southern District of Ohio.

The clerk will report.

The bill clerk read the nomination of Algenon L. Marbley, of Ohio, to be a United States District Judge for the Southern District of Ohio.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New York [Mr. D'AMATO], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Delaware [Mr. ROTH], and the Senator from Virginia [Mr. WARNER] are necessarily absent.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Oregon [Mr. WYDEN] are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey [Mr. LAUTENBERG] would vote "aye."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 279 Ex.]

YEAS—91

Abraham	Feingold	Lott
Akaka	Feinstein	Lugar
Allard	Ford	Mack
Ashcroft	Frist	McCain
Baucus	Glenn	McConnell
Bennett	Gorton	Moseley-Braun
Bingaman	Graham	Moynihan
Bond	Gramm	Murkowski
Boxer	Grams	Murray
Breaux	Grassley	Nickles
Brownback	Gregg	Reed
Bryan	Hagel	Reid
Bumpers	Harkin	Robb
Burns	Hatch	Roberts
Byrd	Helms	Rockefeller
Campbell	Hollings	Santorum
Chafee	Hutchinson	Sarbanes
Cleland	Hutchison	Sessions
Coats	Inhofe	Shelby
Cochran	Inouye	Smith (NH)
Collins	Jeffords	Smith (OR)
Conrad	Johnson	Snowe
Coverdell	Kempthorne	Specter
Craig	Kerrey	Stevens
Daschle	Kerry	Thomas
DeWine	Kohl	Thompson
Dodd	Kyl	Thurmond
Domenici	Landrieu	Torricelli
Dorgan	Leahy	Wellstone
Durbin	Levin	
Enzi	Lieberman	

NOT VOTING—9

Biden	Kennedy	Roth
D'Amato	Lautenberg	Warner
Faircloth	Mikulski	Wyden

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motion to reconsider is laid upon the table, and the President will be notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

UNANIMOUS-CONSENT AGREEMENT—CONFERENCE REPORT ACCOMPANYING H.R. 2107

Mr. LOTT. Mr. President, I ask unanimous consent that, immediately following the cloture vote, if not invoked on Tuesday morning, the Senate then turn to the Interior appropriations conference report; that the conference report be considered as having been read, and that it be limited to the following time constraints: 60 minutes on the conference report, to be equally divided between Senators GORTON and BYRD; 15 minutes for Senator MURKOWSKI; 10 minutes for Senator ASHCROFT; 10 minutes for Senator MCCAIN; that following the conclusion or yielding back of time, the Senate proceed to vote on the adoption of the conference report without any further action or debate.

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

Mr. LOTT. Let me confirm again, we have cleared this with the Democratic

side of the aisle. This vote will be tomorrow, not tonight, and it will be after the cloture vote on the highway infrastructure bill. I have set out the times of debate before that vote.

EXECUTIVE SESSION

NOMINATIONS OF WYCHE FOWLER, JR., OF GEORGIA, TO BE AMBASSADOR TO THE KINGDOM OF SAUDIA ARABIA, AND THOMAS S. FOLEY, OF WASHINGTON, TO BE AMBASSADOR TO JAPAN

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now proceed to executive session to consider Executive Calendar No. 318, Wyche Fowler, and Executive Calendar No. 320, Thomas Foley. I further ask unanimous consent that there be 10 minutes for debate, equally divided in the usual form on these nominations; and that, finally, at 6:15 p.m. tonight, the Senate proceed to a vote on Calendar No. 318, to be followed by a vote on Calendar No. 320.

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

Mr. LOTT. Those will be the final two votes of the night. Senator DASCHLE and I discussed this last week. This will give us time to have some brief statements in behalf of these two nominees to be ambassadors. I feel it is very important these actions be taken.

I also note that tomorrow, or not later than Wednesday, if we have not cleared them, we will also have votes on the five FCC nominations. We had discussed the need to do that, and we believe we will be able to move them tomorrow. If necessary, we will call for a recorded vote on those nominees also.

Mr. President, I yield the floor. If no Senator seeks recognition, 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. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The PRESIDING OFFICER. The clerk will report the nominations.

The assistant legislative clerk read the nominations of Wyche Fowler, Jr., of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia, and Thomas S. Foley, of Washington, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

NOMINATION OF THOMAS S. FOLEY

Mrs. MURRAY. Mr. President, it is a personal pleasure and an honor for me to be here this afternoon as one of Washington's U.S. Senators. My State—my entire State—is immensely proud today as Tom Foley's nomination to be our Ambassador to Japan comes to the Senate floor.

Most of my Senate colleagues know Tom Foley personally as a result of working with him on legislation and on maintaining the integrity and authority of the legislative branch.

Important for those of us in the Senate, the man who eventually became Speaker began his congressional career in the U.S. Senate as special counsel to the late and revered Washington State Senator Henry M. "Scoop" Jackson. Despite his distinguished service in the other body, Tom Foley is really one of our own.

Tom was born and raised in Spokane, WA. The son of Superior Court Judge Ralph and Helen Foley, he is the descendent of a pioneering family that settled in Washington's big bend country. He also learned firsthand the importance of public service from his father, Judge Foley. In addition, he learned firsthand about the crop that has become one of our most successful export commodities, wheat, by working in his uncle's grain elevator business.

It was that early introduction to the export dominated economy of our State that led to his unstinting advocacy of American agricultural exports to Japan, most of Asia, and throughout the world.

Throughout his long service as a Washington State Representative to Congress and as its Speaker, he was a tireless advocate for American competitiveness in the world market and for its peerless agricultural productivity. As a champion of America's family farmers throughout his service as a member and then chairman of the House Agriculture Committee, he took every opportunity to press, usually successfully, the opening of markets throughout the world to the production of America's farmers.

But Speaker Foley always understood that America's national interest would be best served by ensuring that all of its products would have a level playing field with all our trading partners. It is my belief that the reason Speaker Foley enjoys such great respect in Japan today is his consistent and candid portrayal of critical issues that have arisen between this country and Japan. The Japanese, like many of my Senate colleagues who have served here longer than I, also know him as a skilled and tireless negotiator.

In my opinion, no recent Member of Congress surpasses Speaker Foley in the depth and breadth of his understanding of Japan. It is no exaggeration to say that during the more than 25 years he has traveled regularly to Japan, he has made the acquaintance of virtually every single political and economic leader of note in that country. On those trips, and the many occasions when he received Japanese political and business leaders in this country, he pressed the full range of American trade and vital mutual security concerns. Throughout this period, Speaker Foley also provided counsel and sage advice to Presidents of both parties.

This record of understanding, great knowledge, and policy expertise is unparalleled in either Tokyo or Washington. It makes Speaker Foley the natural choice to be our Ambassador to Japan, representing our Nation, its people, and its vital interests. The residents of my State are so proud of Tom Foley's record of public service.

Mr. President, I believe it is time once again, to draw from the illustrious alumni ranks of the Senate to fill what is perhaps our most important diplomatic post as we did when we sent Majority Leader Mansfield and Vice President Walter Mondale to Tokyo.

Tom Foley will be a fabulous ambassador. I urge all of my colleagues to join me in supporting this nomination.

Mr. LOTT. Mr. President, I yield back all time for debate on these nominations.

The PRESIDING OFFICER. All time is yielded back.

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LOTT. There will be a recorded vote at 6:15. Until then, 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. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

VOTE ON THE NOMINATION OF WYCHE FOWLER, JR., OF GEORGIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SAUDI ARABIA

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Wyche Fowler, Jr., to be Ambassador to the Kingdom of Saudi Arabia. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New York [Mr. D'AMATO], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Virginia [Mr. WARNER], and the Senator from Delaware [Mr. ROTH] are necessarily absent.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from South Dakota [Mr. JOHNSON], the Senator from Massachusetts

[Mr. KENNEDY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Oregon [Mr. WYDEN] are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey [Mr. LAUTENBERG] would vote "aye."

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

The result was announced—yeas 90, nays 0, as follows:

[Rollcall Vote No. 280 Ex.]

YEAS—90

Abraham	Enzi	Lieberman
Akaka	Feingold	Lott
Allard	Feinstein	Lugar
Ashcroft	Ford	Mack
Baucus	Frist	McCain
Bennett	Glenn	McConnell
Bingaman	Gorton	Moseley-Braun
Bond	Graham	Moynihan
Boxer	Gramm	Murkowski
Breaux	Grams	Murray
Brownback	Grassley	Nickles
Bryan	Gregg	Reed
Bumpers	Hagel	Reid
Burns	Harkin	Robb
Byrd	Hatch	Roberts
Campbell	Helms	Rockefeller
Chafee	Hollings	Santorum
Cleland	Hutchinson	Sarbanes
Coats	Hutchison	Sessions
Cochran	Inhofe	Shelby
Collins	Inouye	Smith (NH)
Conrad	Jeffords	Smith (OR)
Coverdell	Kempthorne	Snowe
Craig	Kerrey	Specter
Daschle	Kerry	Stevens
DeWine	Kohl	Thomas
Dodd	Kyl	Thompson
Domenici	Landrieu	Thurmond
Dorgan	Leahy	Torricelli
Durbin	Levin	Wellstone

NOT VOTING—10

Biden	Kennedy	Warner
D'Amato	Lautenberg	Wyden
Faircloth	Mikulski	
Johnson	Roth	

The nomination was confirmed.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

VOTE ON THE NOMINATION OF THOMAS S. FOLEY, OF WASHINGTON, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO JAPAN

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Thomas S. Foley, of Washington, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan? On this question, the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New York [Mr. D'AMATO], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Virginia [Mr. WARNER], and the Senator from Delaware [Mr. ROTH] are necessarily absent.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from South Dakota [Mr. JOHNSON], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Oregon [Mr. WYDEN] are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey [Mr. LAUTENBERG] would vote "aye."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 281 Ex.]

YEAS—91

Abraham	Feingold	Lott
Akaka	Feinstein	Lugar
Allard	Ford	Mack
Ashcroft	Frist	McCain
Baucus	Glenn	McConnell
Bennett	Gorton	Moseley-Braun
Bingaman	Graham	Moynihan
Bond	Gramm	Murkowski
Boxer	Grams	Murray
Breaux	Grassley	Nickles
Brownback	Gregg	Reed
Bryan	Hagel	Reid
Bumpers	Harkin	Robb
Burns	Hatch	Roberts
Byrd	Helms	Rockefeller
Campbell	Hollings	Santorum
Chafee	Hutchinson	Sarbanes
Cleland	Hutchison	Sessions
Coats	Inhofe	Shelby
Cochran	Inouye	Smith (NH)
Collins	Jeffords	Smith (OR)
Conrad	Kempthorne	Snowe
Coverdell	Kennedy	Specter
Craig	Kerrey	Stevens
Daschle	Kerry	Thomas
DeWine	Kohl	Thompson
Dodd	Kyl	Thurmond
Domenici	Landrieu	Torricelli
Dorgan	Leahy	Wellstone
Durbin	Levin	
Enzi	Lieberman	

NOT VOTING—9

Biden	Johnson	Roth
D'Amato	Lautenberg	Warner
Faircloth	Mikulski	Wyden

The nomination was confirmed.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

MORNING BUSINESS

Mr. ENZI. Mr. President, I ask unanimous consent that there be a period of morning business with Senators permitted to speak for up to 5 minutes each.

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

THE HEROISM OF ANDREW MONTGOMERY

Mr. LOTT. Mr. President, too often the media reports about a terrible mistake made or a crime committed by one of America's young people. But there are millions and millions of young people who we never hear about—young people who are doing the right things, young people avoiding the mistakes often made by their peers, young people working hard in school, young people participating in the civic activities of their town or city, and, sometimes, young people doing remarkable things.

Mr. President, I want to tell my Senate colleagues about one special young person, Andrew Montgomery, from Crystal Springs, MS.

On August 19, 1995, when he was only eleven years old, Andrew first proved himself. He came upon a crowd of people who had surrounded an unconscious woman near the seawall in Galveston, TX. No one in the crowd was taking action, so Andrew stepped forward and administered CPR and treatment for shock. Eventually, an emergency medical team arrived and transported the woman to a local hospital, where she recovered.

Mr. President, 2 years later, Andrew Montgomery was again confronted with an emergency situation. On August 10 of this year, Andrew was riding with his family near Lafayette, LA, when they came upon a multivehicle wreck. A car and a pickup had collided, and the car came to rest in a ditch, with a heavy metal sign collapsed upon it. Andrew quickly rushed to the scene. The car was smashed and on fire. The driver of the car was dead, and a baby in the back seat, covered with blood, was in danger. Unable to immediately pull the baby out of the wrecked car, Andrew wrapped the infant in a beach towel, and protected the baby from the smoke and flames of the car fire. Andrew was then joined by his parents, Ann and Bill, Kenneth Puckett, a truckdriver, and Dr. Thomas Dewey. The group rescued the child and lifted the baby hand-over-hand out of the ditch in which the car settled following the collision.

Mr. President, how many of us would have had the presence to do the same? Mind you, we're talking about a young boy.

Andrew, I might add, knew what to do because he received training from both the American Red Cross and the Boy Scouts. Andrew's reactions were a direct result of this training. It saved two lives, and speaks volumes about how important organizations like the Red Cross and the Boy Scouts are to all Americans.

Mr. President, as I said, too often we hear about the "bad eggs" among America's youth. And, we worry about America's future. But the story of Andrew Montgomery should remind us all how many of our youth are out there doing the right thing.

We too often also hear about the broken families in America. But Andrew's story should remind us how many of our families are still out there doing the right thing. His parents, Ann and Bill Montgomery have good reason to be proud of their son. They raised a boy

who is willing to make sacrifices, willing to work hard, and willing to act courageously. I want to also recognize his parents for setting a good example for their son, by being active in their community—as Scout leaders.

Mr. President, I personally want to recognize Andrew Montgomery for being an outstanding example of America's youth.

CONGRATULATIONS TO ARTHUR E. KRUSE CELEBRATING HIS 100TH BIRTHDAY

Mr. ASHCROFT. Mr. President, I rise today to encourage my colleagues to join me in congratulating Arthur E. Kruse of St. Louis, MO, who will celebrate his 100th birthday on November 10. Arthur is a truly remarkable individual. He has witnessed many of the events that have shaped our Nation into the greatest the world has ever known. The longevity of Arthur's life has meant much more, however, to the many relatives and friends whose lives he has touched over the last 100 years.

Arthur's celebration of 100 years of life is a testament to me and all Missourians. His achievements are significant and deserve to be recognized. I would like to join Arthur's many friends and relatives in wishing him health and happiness in the future.

CORRECTING CLERICAL ERRORS REGARDING AMENDMENT NO. 1425 AND AMENDMENT NO. 1424

Mr. CAMPBELL. Mr. President, I take this opportunity to state for the record that there is a misprint in the CONGRESSIONAL RECORD of October 23, 1997, at page 22693. Due to a clerical error, my name is inadvertently listed as filing amendment No. 1425, which was filed by our colleague from Florida, Senator GRAHAM. In addition, the name of our colleague from Illinois, Senator MOSELEY-BRAUN, was inadvertently not listed as an original cosponsor to amendment No. 1424.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting withdrawals and sundry nominations which were referred to the Committee on Labor and Human Resources.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES PLACED ON THE CALENDAR

The following measures were read the second time and placed on the calendar:

S.J. Res. 37. Joint resolution to provide for the extension of a temporary prohibition of strikes or lockout and to provide for binding arbitration with respect to the labor dispute between Amtrak and certain of its employees.

H.R. 2646. An act to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MACK (for himself, Mr. ABRAHAM, Mr. NICKLES, and Mr. CRAIG):

S. Con. Res. 57. A concurrent resolution expressing the policy of Congress regarding the state visit of President Jiang Zemin of the People's Republic of China; to the Committee on Foreign Relations.

SENATE CONCURRENT RESOLUTION 57—EXPRESSING THE POLICY OF CONGRESS

Mr. MACK (for himself, Mr. ABRAHAM, Mr. NICKLES, and Mr. CRAIG) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 57

Whereas at the invitation of President Clinton, President Jiang Zemin of the People's Republic of China is beginning a state visit to the United States which will culminate in a summit meeting with President Clinton on October 29, 1997;

Whereas the Government of the People's Republic of China, as detailed in successive annual reports on human rights by the Department of State, routinely, systematically, and massively violates the human rights of its citizens, including but not limited to freedom of speech, assembly, worship, and peaceful political dissent;

Whereas the Government of the People's Republic of China routinely, systematically, and massively restricts the ability of religious adherents, including Christians, Buddhists, Muslims, and others, to practice outside of state-approved religious organizations, and detains worshipers and clergy who participate in religious services conducted outside state-approved religious organizations, as well as those who refuse to register with the authorities as required;

Whereas the Government of the People's Republic of China routinely, systematically, and massively continues to commit widespread human rights abuses in Tibet, including instances of death in detention, torture, arbitrary arrest, detention without public trial, long detention of Tibetan nationalists for peacefully expressing their religious and political views, and intensified controls on religion and on freedom of speech and the press, particularly for ethnic Tibetans;

Whereas the Government of the People's Republic of China routinely, systematically, and massively engages in reprehensible, brutal, and coercive family planning practices, including forced abortion and forced sterilization, resulting in widespread infanticide, particularly of female infants;

Whereas the Government of the People's Republic of China systematically engages in the proliferation of weapons of mass destruction and advanced ballistic missile technology;

Whereas the regional and bilateral national security relationships of the United States and the current level of United States military forces in east Asia and the western Pacific region are integral to the maintenance of peace and security in the Asian Pacific region;

Whereas the People's Republic of China employs mercantilist and protectionist trade practices, including the imposition of tariffs and nontariff barriers with respect to United States imports to that country, which result in a market distortion between the United States and the People's Republic of China; and

Whereas there are credible and specific reports that the Government of the People's Republic of China has been involved in calculated efforts to subvert the American political process, and that persons believed to have information about such efforts have fled to the People's Republic of China to avoid cooperating with official inquiries into these efforts: Now, therefore, be it

Resolved by the Senate (The House of Representatives concurring), That Congress—

(1) declares that it is the policy of the United States with respect to the People's Republic of China—

(A) to encourage freedom and democracy in the People's Republic of China and to deter the Government of the People's Republic of China from engaging in activities that are contrary to the national security interests of the United States and the peace and security of the Asian Pacific region;

(B) to encourage the Government of the People's Republic of China to make progress towards improving overall human rights conditions in China and Tibet, including taking concrete steps to assure freedom of speech, freedom of religion, and freedom of association in compliance with international standards on human rights;

(C) to encourage the Government of the People's Republic of China to channel its emerging power and influence along paths that are conducive to peace, stability, and development in the Asian Pacific region; and

(D) to support integration of the People's Republic of China into the community of nations;

(2) urges President Clinton to communicate the policy of the United States, in the strongest possible terms, to President Jiang during their summit meeting and to demand that the People's Republic of China immediately—

(A) cease persecuting Chinese Christians, as well as members of other religious faiths, and release all persons incarcerated because of religious beliefs, or democracy-related activities, in particular Wei Jingsheng and Wang Dan;

(B) cease coercive population control practices, including forced abortion, forced sterilization, and infanticide;

(C) cease efforts to subvert the American political process and return to the United States persons involved in such efforts;

(D) cease nonreciprocal tariff and nontariff barriers relating to United States imports to the People's Republic of China;

(E) cease resistance to transparency in its trade practices;

(F) cease exports to the United States of products made with prison labor;

(G) cease activities leading to proliferation of weapons of mass destruction and advanced ballistic missile technology (such as C-801 and C-802 cruise missiles); and

(H) cease evasion of United States export controls and other laws; and

(3) reaffirms the policy promulgated in the Taiwan Relations Act (Public Law 96-8) and insists that the Taiwan Relations Act be fully implemented by the President.

Mr. MACK. Mr. President, I rise today to submit a concurrent resolution on the Clinton-Jiang United States-People's Republic of China summit with my colleagues Senators ABRAHAM, NICKLES, and CRAIG. I am compelled to do this for two reasons.

First, let me provide some context for my comments. I traveled to China this past March to address Hong Kong reversion issues, and returned concerned about United States-China relations. My concern grew from what I perceived as the distance between the shared humanity of American and Chinese people, and the distrust of people expressed by the autocratic Government of the People's Republic of China.

My two issues with this summit are these:

First, we know what President Jiang gets from this visit; we do not know what President Clinton will receive in return for the American people.

Second, unfortunately, it seems that the bar has been lowered—the administration has lowered expectations for the summit—in order to more easily achieve the appearance of a successful summit. If the United States abandons realistic and important summit deliverables until a possible 1998 Clinton visit to Beijing, United States values today will be sacrificed for political gain tomorrow.

Let me elaborate on these points. What does Jiang get? He gets more power in Beijing.

He is the leader of the largest authoritarian government in the world. His top priority, as a Communist leader, is consolidation of power and longevity in office.

His overriding goal for the summit, therefore, is to demonstrate that he can deal effectively with the United States. He wants to bring home symbolic proof that the United States views the People's Republic of China, with Jiang at the helm, as a respected global power.

This state visit will deliver the symbolism President Jiang so strongly seeks.

What do we get? We do not yet know because there is not an articulated United States-China policy.

President Clinton has no articulated China policy and will not likely produce one during this summit. This may be the single most dangerous aspect of our relationship with China.

President Clinton this week must deliver a milestone in a clearly articulated policy which supports a coherent and well defined strategy. And he must bring the Congress and American people with him.

To do this, he should attain specific deliverables on human rights, weapons proliferation, and trade.

Therefore, Mr President, today we are introducing this resolution to articulate our specific expectations. During this summit, the United States should do the following: State United States support for the democratization of China; call for progress on human rights, and the immediate release of prisoners of conscience, including Wei Jingsheng and Wang Dan; call for concrete steps to prevent the proliferation of weapons and weapons technology, including nuclear technology and cruise missiles; call for concrete progress to cease unfair market practices; state United States commitment to maintaining regional peace and security by working with our regional allies; and reaffirm United States policy promulgated in the Taiwan Relations Act.

Mr President, I hope that President Clinton will not lose this opportunity to gain concrete progress on the vitally important United States-China relationship.

If we solidify Jiang's hold on political power in Beijing, and in return must wait until a possible Beijing summit next year before the American people get what they desire—trade, human rights, and national security progress—the failure of the summit will not be lost on the Congress or the American people.

Nonaction represents an opportunity cost, Mr. President. My question to President Clinton is this, "What price would you have the people of the United States and China pay for this week's headlines."

Mr. ABRAHAM. Mr. President, I rise to join my colleagues Senator MACK and Senator NICKLES in cosponsoring Senate Concurrent Resolution 57.

This resolution concerns the imminent state visit of President Jiang Zemin of the People's Republic of China and his summit meeting with President Clinton. It expresses the sense of the Senate that that meeting should address critical human rights and national security issues.

Mr. President, I have come to the floor several times in recent days to express my belief that it would be inappropriate and counterproductive for our President to welcome the Chinese Communist leader at a state visit without insisting on significant progress on the part of the Chinese Government in areas of great concern to our country.

The ceremonial niceties and diplomatic prestige of a state visit in my opinion may, particularly if unaccompanied by substantive action, give the unfortunate impression that the United States approves of the numerous human rights abuses and instances of weapons proliferation undertaken by the current Chinese Government. I joined with Senator FEINGOLD and Senator HELMS in sponsoring a resolution calling on the administration to make this a working rather than a state visit so that the administration might work on the many issues of concern to both our countries without providing undue legitimacy to current Chinese practice.

Let there be no mistake, Mr. President. China is an important player on the world scene. We cannot and should not attempt to avoid dealings with this nation of a billion people. That is why I supported maintaining most favored nation trading status with China. In my view it is critical that we remain engaged with the people of China through greater trade, private investment and openness. But I also am convinced that this administration must do more to add substance to our relationship with the Chinese Government.

Twenty-one gun salutes and red carpets, both used to welcome President Jiang on his landing in Hawaii, are inappropriate, given our serious disagreements on critical issues affecting American national security, human rights, and international peace and stability.

Amidst the champagne toasts of a state visit, we cannot ignore Chinese sales of weapons of mass destruction and nuclear technology to countries like Iran, Iraq, and Pakistan.

We cannot ignore Chinese Government restrictions on the ability of Christians, Buddhists, Muslims, and others to practice their religions outside of state-controlled organizations and the common practice of detaining worshipers and clergy who practice their religion through their own organizations.

We cannot ignore the People's Republic of China's massive, routine, and systematic human rights abuses in Tibet, including arbitrary arrest, torture and even death for those who seek to peacefully practice their religion and/or work for expanded political and human rights.

We cannot ignore the Chinese Government's routine, systematic, and massive program of coercive family planning practices, including forced abortion, forced sterilization and even infanticide.

We must forcefully raise these issues with President Jiang. We must insist that they be addressed, and that progress be made toward greater respect for human rights and the requirements of international peace and stability.

Toward that end, Mr. President, I believe it is crucial that this be made a substantive, rather than merely a ceremonial visit. That is why I am happy to join Senator MACK and Senator NICKLES in introducing this Sense-of-

the-Senate Resolution, outlining a concrete agenda for the Jiang-Clinton summit.

Specifically, this resolution declares that it is the policy of the United States to uphold the Taiwan Relations Act, and insist that President Clinton fully implement that important agreement. This act provides the framework for strong economic and security relations between the United States and the democratic Government of Taiwan. Full implementation will protect an important ally and show our commitment to freedom in the Asian-Pacific region.

Further, this resolution declares our policy to encourage freedom and democracy in the People's Republic of China and to deter the Government of that country from engaging in activities contrary to the national security interests of the United States, and the peace and security of the Asian Pacific region.

The resolution encourages the Chinese Government to take concrete steps to assure freedom of speech, freedom of religion and freedom of association in compliance with international standards of human rights. It also declares that United States policy should encourage the Government of the People's Republic of China to channel its emerging power and prestige along paths conducive to peace, stability and development in the Asian Pacific region.

Mr. President, this resolution is intended to move President Clinton to communicate this country's resolve to defend freedom, democracy, and international stability, as well as our commitment to encouraging the People's Republic of China to integrate itself peacefully into the community of nations.

It also calls on President Clinton to make a number of specific demands, including:

First, that the Chinese Government dismantle tariff and nontariff barriers to American exports to China and stop its export to the United States of products made with prison labor;

Second, that the Chinese Government cease persecuting Chinese Christians, as well as members of other religious faiths, and release all persons incarcerated for their religious or other human rights related activities, in particular Wei Jeng Sheng and Wang Dan.

Third, that it end its coercive population control practices, including its practice of forced abortion, forced sterilization, and infanticide;

Fourth, that the Chinese Government stop its activities leading to proliferation of weapons of mass destruction and advanced ballistic missile technology, and

Fifth, that the Chinese Government stop its evasion of United States export control and other laws.

Mr. President, by making these demands on the Chinese regime, the President would put in place the structure needed for a coherent China policy; a policy aimed at protecting our national interests and improving human rights conditions in China. I firmly believe that it is America's duty as well as our interest to make the extra effort necessary to improve overall human rights conditions in China and to integrate her into the community of nations. I urge my colleagues to support this resolution and I call on the President to demand that the Chinese Government bring itself into compliance with international standards of human rights and put itself on the side of international peace and stability.

ADDITIONAL COSPONSORS

S. 61

At the request of Mr. LOTT, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 61, a bill to amend title 46, United States Code, to extend eligibility for veterans' burial benefits, funeral benefits, and related benefits for veterans of certain service in the United States merchant marine during World War II.

S. 263

At the request of Mr. MCCONNELL, the name of the Senator from Louisiana [Ms. LANDRIEU] was added as a cosponsor of S. 263, a bill to prohibit the import, export, sale, purchase, possession, transportation, acquisition, and receipt of bear viscera or products that contain or claim to contain bear viscera, and for other purposes.

S. 318

At the request of Mr. D'AMATO, the name of the Senator from Illinois [Mr. DURBIN] was added as a cosponsor of S. 318, a bill to amend the Truth in Lending Act to require automatic cancellation and notice of cancellation rights with respect to private mortgage insurance which is required by a creditor as a condition for entering into a residential mortgage transaction, and for other purposes.

S. 358

At the request of Mr. DEWINE, the name of the Senator from Arkansas [Mr. HUTCHINSON] was added as a cosponsor of S. 358, a bill to provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes.

S. 567

At the request of Mr. SMITH, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 567, a bill to permit revocation by members of the clergy of their exemption from social security coverage.

S. 755

At the request of Mr. CAMPBELL, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 755, a bill to amend title 10, United States Code, to restore the provisions of chapter 76 of that title (relating to missing persons) as in effect before the amendments made by the National Defense Authorization Act for Fiscal Year 1997 and to make other improvements to that chapter.

S. 850

At the request of Mr. AKAKA, the names of the Senator from New Hampshire [Mr. GREGG] and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 850, a bill to amend the Packers and Stockyards Act, 1921, to make it unlawful for any stockyard owner, market agency, or dealer to transfer or market nonambulatory livestock, and for other purposes.

S. 943

At the request of Mr. SPECTER, the name of the Senator from New Jersey [Mr. TORRICELLI] was added as a cosponsor of S. 943, a bill to amend title 49, United States Code, to clarify the application of the Act popularly known as the "Death on the High Seas Act" to aviation accidents.

S. 995

At the request of Mr. LAUTENBERG, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 995, a bill to amend title 18, United States Code, to prohibit certain interstate conduct relating to exotic animals.

At the request of Mr. AKAKA, his name was added as a cosponsor of S. 995, supra.

S. 1051

At the request of Mr. CAMPBELL, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 1051, a bill to amend the Communications Act of 1934 to enhance protections against unauthorized changes of telephone service subscribers from one telecommunications carrier to another, and for other purposes.

S. 1096

At the request of Mr. KERREY, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 1096, a bill to restructure the Internal Revenue Service, and for other purposes.

S. 1166

At the request of Mr. CAMPBELL, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 1166, a bill to prevent Federal agencies from pursuing policies of unjustifiable nonacquiescence in, and relitigation of, precedents established in the Federal judicial circuits.

S. 1173

At the request of Mr. WARNER, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1173, a bill to authorize funds for construction of highways, for highway safety programs, and for mass

transit programs, and for other purposes.

S. 1180

At the request of Mr. KEMPTHORNE, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 1180, a bill to reauthorize the Endangered Species Act.

S. 1252

At the request of Mr. D'AMATO, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1252, a bill to amend the Internal Revenue Code of 1986 to increase the amount of lowincome housing credits which may be allocated in each State, and to index such amount for inflation.

S. 1283

At the request of Mr. BUMPERS, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from New York [Mr. MOYNIHAN], and the Senator from Nevada [Mr. BRYAN] were added as cosponsors of S. 1283, a bill to award Congressional gold medals to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, commonly referred collectively as the "Little Rock Nine" on the occasion of the 40th anniversary of the integration of the Central High School in Little Rock, Arkansas.

S. 1311

At the request of Mr. LIEBERMAN, the name of the Senator from Louisiana [Ms. LANDRIEU] was added as a cosponsor of S. 1311, a bill to impose certain sanctions on foreign persons who transfer items contributing to Iran's efforts to acquire, develop, or produce ballistic missiles.

At the request of Mr. LOTT, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from North Dakota [Mr. CONRAD], the Senator from Arizona [Mr. KYL], and the Senator from New Hampshire [Mr. SMITH] were added as cosponsors of S. 1311, supra.

S. 1320

At the request of Mr. ROCKEFELLER, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 1320, a bill to provide a scientific basis for the Secretary of Veterans Affairs to assess the nature of the association between illnesses and exposure to toxic agents and environmental or other wartime hazards as a result of service in the Persian Gulf during the Persian Gulf War for purposes of determining a service connection relating to such illnesses, and for other purposes.

SENATE CONCURRENT RESOLUTION 52

At the request of Mr. HOLLINGS, the names of the Senator from North Carolina [Mr. HELMS], the Senator from Mississippi [Mr. LOTT], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Concurrent Resolution 52, a concurrent resolution relating to maintaining the current standard behind the "Made in USA" label, in order to protect consumers and jobs in the United States.

SENATE RESOLUTION 94

At the request of Mr. WARNER, the name of the Senator from New Jersey [Mr. TORRICELLI] was added as a cosponsor of Senate Resolution 94, a resolution commending the American Medical Association on its 150th anniversary, its 150 years of caring for the United States, and its continuing effort to uphold the principles upon which Nathan Davis, M.D. and his colleagues founded the American Medical Association to "promote the science and art of medicine and the betterment of public health".

SENATE RESOLUTION 140

At the request of Mr. HELMS, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of Senate Resolution 140, a resolution expressing the sense of the Senate in support of the President's action to eliminate discriminatory trade practices by Japan relating to international shipping.

NOTICE OF HEARINGS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Ms. COLLINS. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold hearings entitled "Oversight Review of the Treasury Department's Inspector General."

These hearings will take place on Friday, October 31 and Monday, November 3, 1997, at 9:30 a.m. on both days, in room 342 of the Dirksen Senate Office Building. For further information, please contact Timothy J. Shea of the subcommittee staff at 224-3721.

ADDITIONAL STATEMENTS

TRIBUTE TO HONOR BOB HILL

• Mr. SMITH of New Hampshire. Mr. President I rise today to honor Bob Hill of Bow, NH. Mr. Hill was recently named Citizen of the Year by the Greater Concord Chamber of Commerce.

Each year the Greater Concord Chamber of Commerce selects a man or woman who has made significant contributions to the standard of living in the community of Concord and its surrounding towns. The chamber of commerce looks for an individual who displays a commitment to others, demonstrates leadership, concern and dedication. Bob Hill, the winner this year, was surprised he was recognized. However, Bob's modesty underestimates the honorable and admirable characteristics he has clearly shown.

Bob was honored for his numerous contributions to community organizations. He serves on the boards of the YMCA, the Capitol Center for the Arts, and the Concord Boys and Young People Club. Bob has also raised funds for Camp Spaulding in New Hampshire, allowing low- and moderate-income families the opportunity to send their children to camp. This cause is especially dear to Bob's heart because he attended Camp Spaulding as a young boy and has first-hand knowledge of the benefits. Bob is also known to lend a helping hand in any area. He is not afraid to give his time and energies to a cause of which he has limited knowledge, but a great interest. For example, Bob was instrumental in taking the Capitol Center for the Arts from an idea and making it a reality. Friends and colleagues refer to him as a warm and straightforward man, known for passionately tackling tasks and one who adamantly believes in giving back to the community.

As a testament to Bob's unselfish nature, in his acceptance speech he spent little time talking about his achievements, but rather recalled the achievements and memories of others. Bob commented that law enforcement officials do not receive the daily recognition they deserve. He asked the audience of over 300 for a moment of silence for these men and women. In addition, Bob recognized the other people in the community whose accomplishments are similar to his own and who raise the standard of life in the community.

This type of commitment to one's community is extremely worthy of homage. Bob is an asset to his town as well as to the State of New Hampshire. I admire, appreciate, and commend Bob's devotion to his beliefs and to the people. He is an invaluable citizen who has set an example for others to follow. I commend Bob for his contributions, and I congratulate him for receiving the distinguished honor of Citizen of the Year.•

FIREFIGHTER ANTHONY GLOVER

• Mr. FRIST. Mr. President. It is not everyday that we hear about the heroic pursuits of firefighters across the Nation even though many risk their lives daily to protect our communities and homes. Firefighter Anthony Glover is one of those heros and his efforts to save the life of a fellow firefighter certainly deserve special recognition.

Last May, the Nashville Fire Department's Engine Company No. 9 responded to a multi-alarm fire. Upon arrival it was very clear that the conditions of the blaze were advanced, quickly deteriorating the burning building. There to do their job, Firefighter Glover and Capt. Terry Secrest entered the building to better access the source of the fire. Little did the firemen know that the building was slowly collapsing around them.

Before reaching the source of the fire, Captain Secrest's face piece became disconnected from his oxygen source, leaving the captain exposed to severe conditions that would surely end his life. Without hesitation, Firefighter Anthony Glover removed his face piece; exposing himself to the unbearable conditions, in order to share his oxygen with Captain Secrest. This act of courage was just the beginning in a series of life threatening events.

As the two firefighters were sharing the lone source of oxygen, super-heated gases ignited a blaze of fire, cutting the men off from their destination. A nearby exit from the flame engulfed building was also blocked. Captain Secrest, overcome by the extreme conditions, was unable to continue. Glover, at the end of his oxygen supply, proceeded to drag the captain 90 feet to safety with nothing to guide him in zero visibility and intense heat. Firefighter Glover navigated a maze of burning materials and blocked doorways before breaking through a charred wall and dragging the captain and himself to safety.

Mr. President, Anthony Glover is a true hero. Firefighter Glover overcame panic, fear, and the instinct to save one's own self in order to save the life of a fellow firefighter, regardless of putting his own life in danger. Due to Firefighter Glover's heroic efforts, Captain Secrest survived the life threatening ordeal. Had it not been for Glovers selfless deed Captain Secrest would have suffered fatal injuries resulting in certain death. It is only fitting that he receive the Departmental Medal of Honor for this act of extraordinary heroism. I admire Firefighter Anthony Glover's courage and determination and wish him the best of luck.•

TRIBUTE TO BOB CARTER

• Mr. McCONNELL. Mr. President, I rise today to recognize the career of Bob Carter, an outstanding newsman, who is retiring after more than four decades in the news business. Bob served for the last 28 years as president and general manager of the Kentucky New Era in Hopkinsville, KY. Bob is a great Kentuckian who has worked hard for the people of his community. He is a great friend, and he truly will be missed.

Bob was 19 years old when he started working for the Kentucky New Era. He took the job so he could save enough money to go to college to study architecture. But along the way, he met his future wife Ann and decided to call Hopkinsville his home. His first job at the paper was selling ads, but after 5 years, he was named manager of the advertising department. In 1969, Bob became president and general manager of the paper. At that time, the newspaper had about 30 employees and a daily circulation of 7,000 readers. Today the newspaper has 82 employees, a circulation of 15,500, and several holdings, including the local television station.

At the beginning of his career, Bob was primarily interested in the business aspect of the newspaper. He fought to get the newspaper headquartered in its current home, and to invest heavily in new equipment. It's an investment that paid off. In the early 1970's, Hopkinsville's economy began to grow and so did the Kentucky New Era. And what better way to sum it up than to quote Bob from his own newspaper, "We grabbed onto that whirlwind and rode with it." He went on to add, "We became a cheerleader for the community. We were a supporter and a critic. We challenged some people to do things that weren't being done."

Retirement in Bob's case doesn't mean that he will slow down. He will continue to serve as chairman of the Kentucky New Era Board of Directors, and will work in an advisory capacity to assist his replacements through the end of the year. Bob will remain active in his community, as a member of the Association of the U.S. Army, the Chamber of Commerce's Military Affairs Committee, and as the newspaper's "ambassador" at Fort Campbell. He will also be able to spend more time with his wife, Ann, and his two daughters, Beth and Jini.

Mr. President, I commend Bob Carter for his outstanding service to the people of Hopkinsville, KY. I ask that you and my fellow colleagues join me in recognizing the career of this outstanding Kentuckian, and wishing him well in all his future pursuits.•

JENNIFER HORAN OF GIRL SCOUT TROOP 3032

• Mr. DORGAN. Mr. President, today I would like to salute an outstanding young woman who has been honored with the Girl Scout Gold Award by the Sakakawea Girl Scout Council in Bismarck, ND.

Girl Scouts of the U.S.A., an organization serving over 2.5 million girls, has awarded more than 20,000 Girl Scout Gold Awards to Senior Girl Scouts since the inception of this program in 1980. As a member of the Sakakawea Girl Scout Council, Jennifer Horan began working toward the Girl Scout Gold Award in October 1996. She completed her project in the area of human development with an emphasis in interpersonal relationships.

I believe Jennifer should receive public recognition for this significant service to her community and her country, and that's why I am proud to call the Senate's attention to her outstanding achievement.•

JOSEPH K. KOZO DINNER

• Mr ABRAHAM. Mr. President, I rise today in celebration of Joe K. Kozo's 50-year professional career with the Boys and Girls Clubs of Southeastern Michigan. Mr. Kozo's increasingly important achievements include the last 25 years as executive director. Currently, the Boys and Girls Clubs of Southeastern Michigan serve more than 10,000 children in 8 area centers, with activities designed to help them mature into productive, responsible adults. During Mr. Kozo's tenure an estimated 200,000 children have benefited from his leadership, determination, and commitment.

Joe Kozo has been a very active member and leader since first joining his local Boys and Girls Club. Mr. Kozo had always promoted the goals of the Boys and Girls Club of Southeastern Michigan: to build children's self-esteem, confidence, and respect for others, as well as develop healthy attitudes about life and morality.

Joe Kozo remains dedicated to the goals of the Boys and Girls Club of Southeastern Michigan, and proved his leadership capabilities in 55 years of unblemished tenure as chief operating officer. I congratulate Mr. Kozo on his fine work, and fully support his continued efforts to provide the youth of southeastern Michigan with a fun, safe, and nurturing environment.•

PROTECT AMERICA'S EDUCATORS

• Mr. GRAHAM. Mr. President, I rise today to express my support as an original sponsor of legislation to restore the tax exemption for the Teacher's Insurance Annuity Association and College Retirement Equities Fund's (TIAA-CREF) pension business.

Hidden in the depths of the Taxpayer Relief Act of 1997, a provision was included to strip TIAA-CREF of its original tax status. Repealing TIAA-CREF's tax exemption, which extended back almost 80 years, clearly conflicted with other provisions in the bill that recognize the need to encourage both education and retirement savings. TIAA-CREF supports nearly 2 million participants and over 6,000 educational and research institutions and has historically served as a model of pension portability and coverage.

In the teaching profession, pension portability is particularly vital. To the benefit of students, policy makers and the general public, pension portability under TIAA-CREF allows professors and educators to share their expertise at multiple institutions without losing their retirement security. TIAA-CREF's market share is limited by its charter to colleges, universities, independent schools and other non-profit educational and research organizations.

In July, during debate on the Taxpayer Relief Act, 43 of my colleagues in the Senate joined me in sending a letter to tax negotiators urging them to

reject this direct assault against America's educators. I look forward to working with my colleagues in the months ahead to restore TIAA-CREF's original tax status.●

CAMPAIGN FINANCE REFORM

● Mr. MOYNIHAN. Mr. President, Max Frankel, sometime head of the Washington Bureau of the New York Times and a wise and seasoned observer of American politics, wrote about campaign finance reform in his column in yesterday's New York Times magazine. I commend it to all Senators. We all know the one issue in campaign finance is money for television. Ease that by providing free television time—those are public airways—and as much about the problem goes away as will ever be managed in this vale of toil and sin.

I ask that the article be printed in the RECORD.

The article follows:

MONEY: HARD, SOFT AND DIRTY

A SURE-FIRE SOLUTION TO THE CAMPAIGN FINANCE MESS WOULD BE TO WIPE OUT THE BIG BUCKS OF TV ADVERTISING

The movement to clean up campaign financing is going nowhere for the simple reason that the reformers are aiming at the wrong target. They are laboring to limit the flow of money into politics when they should be looking to limit the candidates' need for money to pay for television time. It is the staggering price of addressing the voters that drives the unseemly money chase.

You cannot run for major office nowadays without spending millions for television commercials that spread your fame, shout your slogans, denounce your opponents and counteract television attacks. A campaign costing $10 million for a governorship or seat in the Senate is a bargain in many states. Even with the priceless advantages of the White House at his command, President Clinton seems to have spent more than $250 million on television ads promoting his reelection last year. And he and his opponents invented breathtaking strategies to evade the post-Watergate laws against collecting and spending that kind of money.

Not even the most determined investigators have uncovered the cost to taxpayers of the favors done for the donors of these vast sums. Surely no honest business, union or interest group would sanction large contributions if the investment did not pay off. Senators gathering $6 million for a re-election campaign must solicit $3,000 every day of their six years in office; just imagine how grateful they become when a single donor offers to cover a whole week of such beggary.

It would be cheaper by far if Federal and state treasuries paid directly for the television time that candidates need to define themselves to the public—provided they purchased no commercial time of their own. Democracy would be further enhanced if television stations that sold time to special interest groups in election years were required, in return for the use of the public spectrum, to give equal time to opposing views. But so long as expensive television commercials are our society's main campaign weapons, politicians will not abandon the demeaning and often corrupt quest for ever more money from ever more suspect sources.

That is why President Clinton gave only lip service to campaign finance reform during his first term. And though he claims to favor it now, he has dropped the essential element of free television time. Does anyone really believe that Al Gore wants to be held to the spending limits envisioned by the Watergate reforms of 20 years ago—a TV budget of a mere $100 million when he runs for President in two years? Would any rational Republican want such a limit for a campaign against an already widely known Vice President? Money flows toward power like water downhill, and so long as they need money, politicians will contrive to get it. All efforts to restrict the flow will only force it deeper underground.

In the parlance of campaign finance, candidates are supposed to traffic only in "hard" money—money gathered and spent in amounts that are strictly limited and monitored. Responding to the high cost of television, however, both parties have conspired to greatly exceed the limits with "soft" money—contributions that national, state, county and local party organizations may collect and spend freely provided only that the television messages they produce are disguised to appear "uncoordinated" with any candidate's campaign.

Reforms, led by Senators John McCain and Russell Feingold, thought they could restore restraint by simply outlawing soft money. But they soon realized that banning soft money would put a premium on "slimy" money—the money that candidates steer to like-minded interest groups, which then produce "independent" commercials and use them in support of favored candidates. So the reformers decided that the Government would have to police commercials to prevent the subterfuge, and they have convinced themselves that the Supreme Court would countenance such censorship. Fat chance.

Yet even if the soft and slimy variants were prohibited, political money would reappear in liquid or vaporous form. The Annenberg Public Policy Center has compiled a catalogue of two dozen "issue groups"—from the Americans for Limited Terms to Women for Tax Reform—that spent about $150 million for political ads in 1995–95, most of them targeted for or against specific candidates. These groups call themselves "educational" rather than political and are effectively beyond Government regulation. Most are also able to reward their donors with tax exemptions. Thus the ads for shrewdly positioned candidates who "support the police" or "counteract global warming" could tap into taxpayer subsidies of up to 40 percent. Similarly subsidized are the "foundations" that both parties have learned to create in election seasons to "teach" a certain kind of history or to "register" voters of a certain persuasion.

Senators McCain and Feingold were once well aware of the folly of trying to dam up this flow of money without simultaneously reducing the politicians' need for it. Their original proposal called for television stations to compensate the public for the use of the airways by giving candidates a generous supply of free air time. But they were forced to drop that idea to get their bill to the Senate floor, a compromise that left them sponsoring a measure bound to make a bad situation even worse.

When campaigning for a seat in Congress costs 10 or more times the amount earned by its occupant and when it takes half a billion to run for President, who can compete? Mainly the wealthy or those beholden to the wealthy. There is no point dreaming of a law that says "you may not" so long as the political system daily teaches the participants "you must." Until the candidates for office in America are relieved of the costly burden of buying television time, the scandals will grow.●

LIBRARY OF THE YEAR

● Mr. ABRAHAM. Mr. President, today I rise to commemorate the staff and governing board of the Ann Arbor District Library for earning distinction as the 1997 Library of the Year. Through their hard work and commitment to the Ann Arbor community, they turned a series of difficult circumstances into a winning outcome, and have recently been recognized by the Library Journal and Gale Research, Inc., for their accomplishments.

The hallmark of their success came through the reorganization of the library's administrative structure while continuing and expanding the library's community service. Through high-speed communications lines, computer training, and expanded programming, the Ann Arbor District Library has served its patrons well by using new technology to give the community greater access to the world.

Although worthy of praise for its past accomplishments, the librarians and staff are committed to continuing this record of improvement. Expansion of staff development programs and a maintained commitment to improving service, the Ann Arbor District Library is one of Michigan's finest examples of the success which can be achieved when local residents band together in pursuit of a common goal. On behalf of the U.S. Senate, I would like to give a special thanks for their efforts.●

SUPPORTING THE PRESIDENT'S ACTION TO ELIMINATE DISCRIMINATORY TRADE PRACTICES BY JAPAN RELATING TO INTERNATIONAL SHIPPING

Mr. ENZI. I ask unanimous consent the Commerce Committee be discharged from further consideration of Senate Resolution 140 and the Senate proceed to its consideration.

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

The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 140) expressing the sense of the Senate in support of the President's action to eliminate discriminatory trade practices by Japan relating to international shipping.

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

Mr. ENZI. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at this point in the RECORD.

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

The resolution (S. Res. 140) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 140

Whereas restrictive and discriminatory Japanese port practices have been a significant source of international concern for many years, have increased the cost of transporting goods to and from Japan for American consumers, and all ocean carriers and their customers, and have restricted United States carriers' operations in Japan while Japanese carriers have not faced similar restrictions in the United States;

Whereas for many years the Federal Maritime Commission, and the United States Departments of State and Transportation, have investigated and monitored these practices and urged the Japanese Government to remedy the problems caused by these restrictions; and

Whereas recent actions by the Federal Maritime Commission and negotiations conducted by the Departments of State and Transportation with the Government of Japan have reportedly produced agreements which would, when implemented, reform the Japanese port practices and remedy these problems: Now, therefore, be it

Resolved, That the Senate expresses strong support for—

(1) the efforts of the President and executive branch to achieve removal of Japanese port restrictions, and

(2) vigilant, continued monitoring and enforcement by the Federal Maritime Commission of changes in port practices promised by the Japanese Government that will benefit international trade.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. ENZI. I ask unanimous consent the Senate immediately proceed to executive session to consider the following nominations on the Executive Calendar: Nos. 323, 341, 342, 343, and 344; I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid on the table, any statements relating to the nominations appear at this point in the RECORD; that the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations were considered and confirmed, as follows:

CENTRAL INTELLIGENCE

Lieutenant General John A. Gordon, U.S. Air Force, to be Deputy Director of Central Intelligence.

DEPARTMENT OF JUSTICE

Joaquin L. G. Salas, of Guam, to be United States Marshal for the District of Guam and concurrently United States Marshal for the District of the Northern Mariana Islands for the term of four years.

Charles Vincent Serio, of Louisiana, to be United States Marshal for the Eastern District of Louisiana for the term of four years.

Kenneth Ray McFerran, of Arkansas, to be United States Marshal for the Western District of Arkansas for the term of four years.

Jose Gerado Troncoso, of Nevada, to be United States Marshal for the District of Nevada for the term of four years.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

ORDERS FOR TUESDAY, OCTOBER 28, 1997

Mr. ENZI. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m., Tuesday, October 28. I further ask unanimous consent on Tuesday, immediately following the prayer, the routine requests through the morning hour be granted and there be a period for morning business until the hour of 10 o'clock a.m., with Senators permitted to speak for up to 5 minutes each, with the following exceptions: Senator WARNER, 5 minutes; Senator GRAMS, 5 minutes; Senator ASHCROFT, 10 minutes; Senator LANDRIEU, 20 minutes; and Senator BINGAMAN, 10 minutes.

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

Mr. ENZI. I ask unanimous consent the Senate recess from the hours of 12:30 p.m. to 2:15 p.m. for the weekly policy luncheons to meet.

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

PROGRAM

Mr. ENZI. Tomorrow morning, the Senate will be in a period of morning business from 9 a.m. to 10 a.m. At 10 o'clock a.m. under rule XXII, a live quorum will begin. Once a quorum is established, the Senate will proceed to a cloture vote on the modified committee amendment to S. 1173, the highway legislation. Following that vote, the Senate will be in approximately 90 minutes of debate on the Interior appropriations conference report. If all of that time is used, Members can anticipate a second vote at approximately 12:15 tomorrow. Under the previous order, at 12:30 p.m. the Senate will recess for the weekly policy luncheons to meet. Hopefully, when the Senate reconvenes at 2:15 p.m., the Senate will be able to begin consideration of either the Amtrak legislation dealing with the impending strike or Amtrak reform which would address the strike. In addition, the Senate may begin debate on Senator COVERDELL's education IRA legislation, H.R. 2646. Therefore, Members can anticipate rollcall votes throughout Tuesday's session of the Senate.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ENZI. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:09 p.m., adjourned until Tuesday, October 28, 1997, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate October 27, 1997:

NATIONAL LABOR RELATIONS BOARD

PETER J. HURTGEN, OF FLORIDA, TO BE A MEMBER OF THE NATIONAL LABOR RELATIONS BOARD FOR THE TERM OF FIVE YEARS EXPIRING AUGUST 27, 2001, VICE JOHN E. HIGGINS, JR.

WILMA B. LIEBMAN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE NATIONAL LABOR RELATIONS BOARD FOR THE REMAINDER OF THE TERM EXPIRING DECEMBER 16, 1997, VICE MARGARET BROWNING.

WILMA B. LIEBMAN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE NATIONAL LABOR RELATIONS BOARD FOR THE TERM OF FIVE YEARS EXPIRING DECEMBER 16, 2002. (REAPPOINTMENT)

CONFIRMATIONS

Executive nominations confirmed by the Senate October 27, 1997:

DEPARTMENT OF STATE

WYCHE FOWLER, JR., OF GEORGIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SAUDI ARABIA.

THOMAS S. FOLEY, OF WASHINGTON, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO JAPAN.

CENTRAL INTELLIGENCE

LIEUTENANT GENERAL JOHN A. GORDON, U.S. AIR FORCE, TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

ALGENON L. MARBLEY, OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF OHIO.

DEPARTMENT OF JUSTICE

JOAQUIN L. G. SALAS, OF GUAM, TO BE U.S. MARSHAL FOR THE DISTRICT OF GUAM AND CONCURRENTLY U.S. MARSHAL FOR THE DISTRICT OF THE NORTHERN MARIANA ISLANDS FOR THE TERM OF FOUR YEARS.

CHARLES VINCENT SERIO, OF LOUISIANA, TO BE U.S. MARSHAL FOR THE EASTERN DISTRICT OF LOUISIANA FOR THE TERM OF FOUR YEARS.

KENNETH RAY MCFERRAN, OF ARKANSAS, TO BE U.S. MARSHAL FOR THE WESTERN DISTRICT OF ARKANSAS FOR THE TERM OF FOUR YEARS.

JOSE GERARDO TRONCOSO, OF NEVADA, TO BE U.S. MARSHAL FOR THE DISTRICT OF NEVADA FOR THE TERM OF FOUR YEARS.

WITHDRAWAL

Executive messages transmitted by the President to the Senate on October 27, 1997, withdrawing from further Senate consideration the following nominations:

DEPARTMENT OF VETERANS AFFAIRS

HERSHEL WAYNE GOBER, OF ARKANSAS, TO BE SECRETARY OF VETERANS AFFAIRS, VICE JESSE BROWN, RESIGNED, WHICH WAS SENT TO THE SENATE ON JULY 31, 1997.

ALPHONSO MALDON, JR., OF VIRGINIA, TO BE DEPUTY SECRETARY OF VETERANS AFFAIRS, VICE HERSHEL WAYNE GOBER, WHICH WAS SENT TO THE SENATE ON SEPTEMBER 26, 1997.

EXTENSIONS OF REMARKS

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 Tuesday, October 28, 1997, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 29

9:30 a.m.

Commerce, Science, and Transportation

Oceans and Fisheries Subcommittee

To hold hearings to examine the future of the National Oceanic and Atmospheric Administration Corps, and S. 877, to disestablish the National Oceanic and Atmospheric Administration Corps of Commissioned Officers.

SR–253

Environment and Public Works

Business meeting, to consider pending calendar and committee business.

SD–406

Indian Affairs

To hold hearings on S. 1077, to amend the Indian Gaming Regulatory Act.

SD–106

10:00 a.m.

Banking, Housing, and Urban Affairs

Securities Subcommittee

To hold oversight hearings on securities litigation abuses.

SD–538

Budget

To hold hearings to examine U.S. policy implications for NATO enlargement, European Union expansion and the European Monetary Union.

SD–608

Finance

To hold hearings on the nominations of David L. Aaron, of New York, to be Under Secretary of Commerce for International Trade, Mary Ann Cohen, of California, to be a Judge of the United States Tax Court, Margaret Ann Hamburg, of New York, to be an Assistant Secretary of Health and Human Services, Stanford G. Ross, of the District of Columbia, to be a Member of the Social Security Advisory Board, Social Security Administration, and David W. Wilcox, of Virginia, to be an Assistant Secretary of the Treasury.

SD–215

Governmental Affairs

To resume hearings to examine certain matters with regard to the committee's special investigation on campaign financing.

SH–216

Judiciary

Antitrust, Business Rights, and Competition Subcommittee

To hold hearings to examine antitrust implications of the proposed settlement between the State Attorneys General and tobacco companies to mandate a total reformation and restructuring of how tobacco products are manufactured, marketed, and distributed in America.

SD–226

Joint Economic

To hold hearings to examine the role of monetary policy in a healthy economic expansion.

SD–138

11:00 a.m.

Foreign Relations

To hold hearings on the nominations of Amy L. Bondurant, of the District of Columbia, to be a Representative of the United States of America to the Organization for Economic Cooperation and Development, with the rank of Ambassador, Terrence J. Brown, of Virginia, to be an Assistant Administrator for Management, Thomas H. Fox, of the District of Columbia, to be an Assistant Administrator for Policy and Program Coordination, and Harriet C. Babbitt, of Arizona, to be Deputy Administrator, all of the Agency for International Development, and Kirk K. Robertson, of Virginia, to be Executive Vice President of the Overseas Private Investment Corporation, all of the Department of State.

SD–419

2:00 p.m.

Commerce, Science, and Transportation

To hold hearings on S. 943 and H.R. 2005, bills to revise Federal aviation law to declare that nothing in such law or in the Death on the High Seas Act shall affect any remedy existing at common law or under State law with respect to any injury or death arising out of any aviation incident occurring on or after January 1, 1995.

SR–253

Energy and Natural Resources

National Parks, Historic Preservation, and Recreation Subcommittee

To hold hearings on S. 638, to provide for the expeditious completion of the acquisition of private mineral interests within the Mount St. Helens National Volcanic Monument mandated by the 1982 Act that established the monument.

SD–366

Foreign Relations

To hold joint hearings with the United States Senate Caucus on International Narcotics Control to examine United States-Mexican cooperation in efforts to combat drugs.

SD–106

Foreign Relations

To hold hearings on the nominations of Joseph A. Presel, of Rhode Island, to be Ambassador to the Republic of Uzbekistan, Stanley Tuemler Escudero, of Florida, to be Ambassador to the Republic of Azerbaijan, B. Lynn Pascoe, of Virginia, for the rank of Ambassador during his tenure of service as Special Negotiator for Nagorno-Karabakh, Steven Karl Pifer, of California, to be Ambassador to Ukraine, Kathryn Linda Haycock Proffitt, of Arizona, to be Ambassador to the Republic of Malta, James Catherwood Hormel, of California, to be Ambassador to Luxembourg, David B. Hermelin, of Michigan, to be Ambassador to Norway, Lyndon Lowell Olson, Jr., of Texas, to be Ambassador to Sweden, and Gerald S. McGowan, of Virginia, to be Ambassador to the Republic of Portugal.

SD–419

Judiciary

To hold hearings on pending nominations.

SD–226

United States Senate Caucus on International Narcotics Control

To hold joint hearings with the Committee on Foreign Relations to examine United States-Mexican cooperation in efforts to combat drugs.

SD–106

OCTOBER 30

9:00 a.m.

Governmental Affairs

To hold hearings on the nominations of Anita M. Josey and John M. Campbell, each to be Associate Judge of the Superior Court of the District of Columbia.

SD–342

Rules and Administration

To hold hearings to examine the Senate strategic planning process for infrastructure support; to be followed by a business meeting to consider pending administrative matters.

SR–301

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of William Clyburn, Jr., of South Carolina, to be a Member of the Surface Transportation Board, Department of Transportation, and Duncan T. Moore, of New York, and Arthur Bienenstock, of California, each to be an Associate Director of the Office of Science and Technology Policy.

SR–253

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold hearings on S. 1253, to provide to the Federal land management agencies the authority and capability to manage

effectively the federal land in accordance with the principles of multiple use and sustained yield.

SD–366

Environment and Public Works

To hold hearings on evidentiary privileges or immunity from prosecution for voluntary environmental audits.

SD–406

Foreign Relations

To hold hearings to examine the relationship between NATO and Russia.

SD–419

Indian Affairs

Business meeting, to consider pending calendar business; to be followed by a hearing on the nomination of Keven Gover, of New Mexico, to be an Assistant Secretary of the Interior.

SR–485

10:00 a.m.

Commerce, Science, and Transportation

Business meeting, to consider pending calendar business.

SR–253

Governmental Affairs

To continue hearings to examine certain matters with regard to the committee's special investigation on campaign financing.

SH–216

Labor and Human Resources

To hold hearings to examine recent developments and current issues in HIV/AIDS.

SD–430

10:30 a.m.

Armed Services

To hold hearings on the nominations of Robert M. Walker, of Tennessee, to be Under Secretary of the Army, Jerry MacArthur Hultin, of Virginia, to be Under Secretary of the Navy, and F. Whitten Peters, of the District of Columbia, to be Under Secretary of the Air Force.

SR–222

2:00 p.m.

Budget

To hold hearings to examine funding for international affairs.

SD–608

Energy and Natural Resources

Water and Power Subcommittee

To hold hearings to review the Federal Energy Regulatory Commission's hydroelectric relicensing procedures.

SD–366

Foreign Relations

To continue hearings to examine the relationship between NATO and Russia.

SD–419

Judiciary

Administrative Oversight and the Courts Subcommittee

To hold hearings to examine victim compensation and attorneys' fees with regard to class action lawsuits.

SD–226

OCTOBER 31

9:30 a.m.

Governmental Affairs

Permanent Subcommittee on Investigations

To hold oversight hearings on the Treasury Department's Office of Inspector General.

SD–342

10:00 a.m.

Foreign Relations

To hold hearings on pending nominations.

SD–419

NOVEMBER 3

10:00 a.m.

Indian Affairs

To hold hearings on provisions of H.R. 1604, to provide for the division, use, and distribution of judgment funds of the Ottawa and Chippewa Indians of Michigan.

SR–485

2:00 p.m.

Judiciary

Administrative Oversight and the Courts Subcommittee

To hold hearings on oversight of the administrative procedures and examination of anti-slamming laws.

SD–226

NOVEMBER 4

10:00 a.m.

Judiciary

To hold hearings to examine competition, innovation, and public policy in the digital age.

SD–226

NOVEMBER 5

10:00 a.m.

Judiciary

Youth Violence Subcommittee

To hold hearings to examine Federal efforts to prevent juvenile crime.

SD–226

2:00 p.m.

Judiciary

Technology, Terrorism, and Government Information Subcommittee

To hold hearings to examine the report of the President's Commission on Critical Infrastructure Protection.

SD–226

NOVEMBER 6

12:00 p.m.

Governmental Affairs

Oversight of Government Management, Restructuring and the District of Columbia Subcommittee

To hold hearings to examine the social impact of music violence.

SD–342

CANCELLATIONS

OCTOBER 29

9:30 a.m.

Indian Affairs

To resume oversight hearings on proposals to reform the management of Indian trust funds.

Room to be announced

NOVEMBER 5

9:30 a.m.

Indian Affairs

To hold oversight hearings on proposals to extend compacting to agencies of the Department of Health and Human Services.

SR–485