SENATE—*Wednesday, November 5, 1997*

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Almighty God, awe and wonder grip us as we think magnificently about You. You are all-knowing, all-loving, all-wise, all-powerful. We openly confess our human inadequacies and our need for You to infuse us with the strength, understanding, and compassion needed for this day.

We open our minds to think Your thoughts. We commit to You our communications with others. Help us to speak truth as we know it, but also enable us to be responsive to what others say. Free us from judgmental categorizations that make us resistant to listening to people with whom we expect to differ. Give us the humility to know that none of us has a corner on Your truth and that we all need each other to discover Your guidance together. We yield our attitudes and dispositions to Your control so that we might work effectively with others. We press on with the duties of the day with hope in our hearts. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator ALLARD, is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. ALLARD. Mr. President, I ask unanimous consent that the vote previously scheduled for 9:40 a.m. today now occur at 10:30 a.m., with the debate time on the nomination beginning at 10:20 a.m., as under the previous order.

In addition, I ask unanimous consent that the debate on the motion to proceed to S. 1269 now begin at 9:30 a.m., with the time counting as under the previous order.

The PRESIDENT pro tempore. Without objection, it is so ordered.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. ALLARD. Mr. President, this morning, the Senate will resume legislative session and debate on the motion to proceed to S. 1269, the fast-track legislation, with Senator ROTH in control of 3 hours and Senator DORGAN in control of 4 hours. As under the previous order, the Senate will vote on or in relation to the motion to proceed to S. 1269 at no later than 5 p.m. At 10:20 this morning, the Senate will proceed to executive session to debate the nomination of James Gwin to be U.S. district judge for the northern district of Ohio for 10 minutes as under the previous order. A rollcall vote on the nomination will now occur at 10:30 a.m. Following the vote on fast track, the Senate may debate S. 1269 or turn to any of the following items if available: the D.C. appropriations bill, FDA reform conference report, Intelligence authorization conference report, and any additional legislative or executive items that can be cleared for action. Therefore, Members can anticipate rollcall votes throughout today's session of the Senate.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

NOMINATION OF MARGARET MORROW TO BE U.S. DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA

Mr. LEAHY. Mr. President, although I am delighted that the Senate will today be confirming James S. Gwin as a Federal district court judge, the Republican Leader has once again passed over and refused to take up the nomination of Margaret Morrow. Ms. Morrow's nomination is the longest pending judicial nomination on the Senate Calendar, having languished on the Senate Calendar since June 12. The central district of California desperately needs this vacancy filled, which has been open for more than 18 months, and Margaret Morrow is eminently qualified to fill it.

Just last week, the opponents of this nomination announced in a press conference that they welcomed a debate and rollcall vote on Margaret Morrow. But again the Republican majority leader has refused to bring up this well-qualified nominee for such debate and vote. It appears that Republicans have time for press conferences to attack one of the President's judicial nominations, but the majority leader will not allow the U.S. Senate to turn to that nomination for a vote. We can discuss the nomination in sequential press conferences and weekend talk show appearances but not in the one place that action must be taken on it, on the floor of the U.S. Senate. The Senate has suffered through hours of quorum calls in the past few weeks which time would have been better spent debating and voting on this judicial nomination.

The extremist attacks on Margaret Morrow are puzzling—not only to those of us in the Senate who know her record, but to those who know her best in California, including many Republicans.

They cannot fathom why a few Senators have decided to target someone as well-qualified and as moderate as she is.

Mr. President, I ask unanimous consent that a recent article from the Los Angles Times by Henry Weinstein on the nomination of Margaret Morrow, entitled "Bipartisan Support Not Enough For Judicial Nominee," be printed in the RECORD at the conclusion of my statement.

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

Mr. LEAHY. This article documents the deep and widespread bipartisan support that Margaret Morrow enjoys from Republicans that know her. In fact, these Republicans are shocked that some Senators have attacked Ms. Morrow. For example, Sheldon H. Sloan, a former president of the Los Angeles County Bar Association and an associate of Gov. Pete Wilson, declared that: "My party has the wrong woman in their sights."

Stephen S. Trott, a former high-ranking official in the Reagan administration and now a Court of Appeals judge wrote to the majority leader to try to free up the Morrow nomination, according to this article, Judge Trott informed Senator LOTT.

> I know that you are concerned, and properly so, about the judicial philosophy of each candidate to the federal bench. So am I. I have taken the oath, and I know what it means: follow the law, don't make it up to suit your own purposes. Based on my own long acquaintance with Margaret Morrow, I have every confidence she will respect the limitations of a judicial position.

Robert Bonner, the former head of DEA under a Republican administration, observed in the article that: "Margaret has gotten tangled in a web

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

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of larger forces about Clinton nominees. She is a mere pawn in this struggle." I could not agree more.

Mr. President, it is time to free the nomination of Margaret Morrow from this tangled web that some extremists are trying to weave. It is time to debate and vote on the nomination of Margaret Morrow.

Mr. President, again, I am pleased we will take up the nomination of Judge James Gwin. But we are, once again, overlooking the nomination of Margaret Morrow. Ms. Morrow's nomination is the longest pending judicial nomination on the Senate Calendar, and is strongly supported by both Republicans and Democrats. The Senate ought to have the courage and the honesty to either vote for her or against her.

[From the Los Angeles Times, Nov. 3, 1997]

EXHIBIT 1

BIPARTISAN SUPPORT NOT ENOUGH FOR JUDICIAL NOMINEE

(U.S. Senate: Margaret Morrow's appointment is stalled despite backing across political spectrum. Some say she is victim of effort to downsize courts)

(By Henry Weinstein)

If ever there was an unlikely candidate to be the target for a militant campaign against "judicial activism," it would be Los Angeles lawyer Margaret Mary Morrow.

An honors graduate of Harvard Law School, 47, was the first female president of the California Bar Assn., where she worked to strengthen the state's attorney discipline system.

A commercial litigation specialist, Morrow is a partner in the Los Angeles office of Arnold & Porter, one of the most venerable firms based in the nation's capital. Her clients have included First Interstate Bank, McDonnell Douglas, TWA and The Limited.

President Clinton, on the recommendation of Sen. Barbara Boxer (D-Calif.), tapped Morrow for a federal trial judgeship in May 1996. She quickly won bipartisan support—including endorsements from judges appointed by presidents Ronald Reagan and George Bush and governors George Deukmejian and Pete Wilson.

"Margaret is superbly well qualified," said Los Angeles lawyer Robert C. Bonner, who has served as a federal judge and head of the Drug Enforcement Administration during Bush's presidency.

She also received the highest possible rating—"very well qualified"—from the American Bar Assn.'s judicial evaluation committee. By late 1996, after a perfunctory hearing, Morrow cleared the committee unanimously. But the nomination died, along with several others in the congressional slowdown that inevitably occurs in election years.

Clinton renominated Morrow on Jan. 7. Within three weeks, trouble emerged and her nomination remains in limbo even though she was approved a second time on June 12 by the Judiciary Committee, whose chairman, Orrin G. Hatch (R-Utah), said in late September that he would push for a swift vote and support her.

Much to the surprise of her backers, particularly her Republican supporters, Morrow has become the subject of the sort of intense partisan attacks generally reserved for nominees with a long record of activism such as civil rights lawyer Thurgood Marshall or a trail of controversial decisions such as Judge Robert Bork.

Indeed, the story of Morrow's confirmation battle is in significant measure a tale about the fissures within the Republican Party about judicial nominations.

One conservative federal judge, speaking on condition of not being identified, said that, in reality, the campaign against Morrow has nothing to do with her qualifications or her views, but rather is part of a "conscious plan to downsize" the federal courts in the western United States with the goal of remaking them after Clinton's presidency ends.

Echoed Bonner: "Margaret has gotten tangled in a web of larger forces about Clinton nominees. She is a mere pawn in this struggle."

The campaign against Morrow began with a Jan. 28 op-ed piece in The Washington Times by Thomas L. Jipping, director of the militantly conservative Free Congress Foundation's Judicial Selection Monitoring Project.

Jipping contended that Morrow was likely to become an "activist judge," who improperly would attempt to legislate a political agenda from the bench. Soon, Republican senators John Ashcroft of Missouri and Jeff Sessions of Alabama, both staunch conservatives, new members of the Judiciary Committee and Jipping allies, joined the attack.

Since that time, Morrow has been back to the committee for another hearing and answered three sets of questions in writing—including highly unusual questions about her positions on many California ballot initiatives during the past 10 years. She also told the committee she would adhere strictly to precedents and would have no problem applying the death penalty.

Last Wednesday, the effort to derail Morrow's nomination escalated. Ashcroft and Sessions announced that they would spearhead further opposition to Morrow and said more than 100 "grassroots" organizations, including the National Rifle Assn. and the Traditional Values Coalition, had joined the campaign against her.

The coalition was assembled while Ashcroft had placed "a hold" on the nomination, which under Senate protocol had prevented it from coming to the floor for a vote. On Wednesday, at a news conference announcing the coalition, he said he now favors a roll-call vote.

Ashcroft and Sessions pointedly reminded their colleagues that several organizations in the coalition would be "scoring" the votes of senators on the nomination.

Morrow's adversaries contend that she would be a "judicial activist" on the bench. "She views the law as an engine for social change . . . and as a means of imposing public policy from the courts on the rest of us," Ashcroft asserted.

Morrow declined to respond. "I do not believe it is appropriate for me to comment while my nomination is pending before the Senate," she said in a brief telephone interview at week's end.

Morrow has previously denied such characterizations. For example, in June 1996, she told the Judiciary Committee: "I view the role of a judge as being the resolution of disputes that come before . . . him or her for resolution. So I would look to the facts of the case. I would attempt to apply the law as I understand it to those facts. And I would not seek to expand them or otherwise to use any particular case as a reason for articulating new constitutional rights or otherwise expanding what I understand to be the existing law."

Boxer and Patrick Leahy (D-Vt.), the ranking minority member on the Judiciary Committee, came to Morrow's defense last week. Boxer described her as "the epitome of mainstream" and Leahy charged that a coalition of conservative activists is using Morrow as "a fund-raising vehicle" for their campaign to reduce the power of federal judges.

Perhaps more importantly, several staunch Republicans said the accusations against Morrow are ludicrous. "My party has the wrong woman in their sights," declared Sheldon H. Sloan, former president of the Los Angeles County Bar Assn. and a close ally of Wilson. "There is no flag burning for Margaret Morrow," said Sloan, describing the nominee as both an outstanding lawyer and "a church-going, basketball mom."

A large number of prominent Republicans have backed the nominee in writing—highlighted by rare letters of support from three conservative U.S. 9th Circuit Court of Appeals judges—Pamela A. Rymer, Cynthia Holcomb Hall and Stephen S. Trott, State Supreme Court Justice Marvin R. Baxter and state appeals court justices Roger Boren, H. Walter Croskey and Charles S. Vogel, all appointed by Republican governors, also have weighed in on Morrow's behalf, as have Los Angeles Mayor Richard Riordan, then-state Assembly Majority Leader James E. Rogan of Glendale and Orange County Dist. Att. Michael R. Capizzi.

In an effort to unclog the nomination, Trott, who earlier served as a high-ranking official in the Justice Department under President Reagan, recently wrote to Senate Majority Leader Trent Lott (R-Miss.).

"I know you are concerned, and properly so, about the judicial philosophy of each candidate to the federal bench. So am I. I have taken the oath, and I know what it means: follow the law, don't make it up to suit your own purposes. Based on my own long acquaintance with Margaret Morrow, I have every confidence she will respect the limitations of a judicial position."

In their letters, some of Morrow's backers have sought to clearly establish their bona fides with conservative senators.

"I am a lifelong Republican from Orange County, California," Costa Mesa attorney Andrew J. Guilford wrote Hatch. "I have never voted for a Democrat in any presidential campaign. . . . I did not believe Anita Hill, I am happy that Justice Clarence Thomas is on our Supreme Court and I regret that [Robert] Bork is not on our Supreme Court. It is partly my concern over the unfair destruction of Judge Bork's judicial career that causes me to enthusiastically endorse Margaret Morrow."

Backers of Morrow cite her intellect, character and record of public service. As president of the Los Angeles County Bar Assn., she instituted a voluntary program urging attorneys to provide at least 35 hours of free legal services yearly for the poor. And she was a member of the commission that drafted an ethics code for Los Angeles city government.

Morrow's advocates also assert that her speeches and writings have been distorted beyond recognition by her foes, particularly one sentence in a 1988 article on the initiative process that is cited as prime evidence of her "activist" proclivities.

In the Los Angeles Lawyer magazine article, Morrow wrote: "The fact that initiatives are presented to a 'legislature' of 20 million people renders ephemeral any real hope of intelligent voting by a majority."

The article was written in the wake of one of the most expensive initiative campaigns in state history, highlighted by five complicated measures dealing with insurance and attorney's fees. At the time, many charged that that television advertising about the measures was misleading, prompting widespread calls for reform.

Morrow's article did not call for abolition of initiatives. The article noted that use of the initiative had escalated dramatically in the 1980s, discussed possible reforms of the initiative and legislative processes and urged lawyers to play a role in improving government.

Croskey, an appointee of Deukmejian, said he was stunned that the article was cited as evidence that Morrow would improperly legislate from the bench.

"She was making a profound and useful criticism of the initiative process and how it could be improved," Croskey said. "To metamorphose that into the conclusion that she is a judicial activist has no foundation."

On Friday, Croskey faxed a letter to Lott urging the senator to bring the nomination to the floor for a vote. But it seems unlikely that will happen before Congress adjourns in the next few weeks. Lott, who has the power under Senate procedure to hold up the nomination indefinitely, said a few days ago that he felt no pressure to take any action on judicial nominees during the remainder of the year.

The White House declined to comment last week on Morrow's nomination.

RECIPROCAL TRADE AGREEMENT OF 1997—MOTION TO PROCEED

The PRESIDING OFFICER (Mr. ALLARD.). The clerk will report the motion to proceed.

The assistant legislative clerk read as follows;

Motion to proceed to the consideration of S. 1269, a bill to establish objectives for negotiating and procedures for implementing certain trade agreements.

The Senate resumed consideration of the motion to proceed.

Mr. DORGAN addressed the Chair.

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

Mr. DORGAN. Mr. President, the Senate, as I understand it, will be voting in about 50 minutes on the confirmation of a judge. Between now and that time, there will be time for debate on the motion to proceed to the fast-track legislation, and I intend to take a few minutes of that time. I believe Senator WELLSTONE will be here as well to speak. I wanted to begin, again, discussing this question because there seems to be a substantial amount of misinformation and there is a substantial misimpression by many people about what this debate is.

I started yesterday by saying this debate is not about whether we should have free trade or expanded trade or more trade. It is not about that. I think we should have expanded trade. I think we should lower barriers, lower tariffs—in fact, eliminate barriers, lower tariffs, and have a world in which we have more opportunity to trade. It's not about those who believe in trade and those who don't. It is a debate about whether our current trade strategy is working for this country. Does the current trade strategy work? Or is this country embarking on a trade strategy and are we in the middle of a trade strategy that, in recent years, has failed us, hurt our economy, injured our manufacturing base, has moved American jobs overseas and put us in a weaker position? I happen to think that is the case.

I want to go through some of this to describe why I am concerned about not just this fast-track proposal, but our trade policy generally. Mr. President, this is a chart that shows our net export balance. All of this red below the line represents deficits. We have had the largest net export deficits in the history of this country for 3 years in a row, and this year will make it the fourth year in a row. These are the largest trade deficits in the history of this country.

Now, I would ask the question of those trotting out here supporting the current trade strategy and saying, "let's again pass fast-track trade authority." Is this going in the right direction? Is this the right trade strategy? Is this producing the right results? If so, where do you intend to go with this? Do you want to take the chart out here and go down to $350 billion a year in net trade deficits, as some are predicting will happen? Because if you think this is working, the logical extension of this is larger and larger deficits.

We are now the largest debtor nation in the world, and a significant part of that debt comes from the contributions of these trade deficits. So if you think the current trade strategy is working real well and you like this chart and you love debt, then you need to be out here saying, gee, let's pass fast track and continue doing what we are doing because it is really good for this country.

Now, Mr. President, I have said before that I used to teach economics, briefly, in college. But I was able to overcome that experience and go on to do other things in life. I am told that in the old days in ancient China, those who would travel from one region to another giving advice of the type we now get from economists had to be careful about it. That is because if they gave the wrong advice and stuck around the province too long and it was discovered what they had suggested would happen didn't happen, they were boiled, cut in two, or put on the sides of two chariots and pulled apart. We have no such dilemma posed to the economists of today.

Economists of today tell us what they think, for example, on trade. They say if you pass a trade agreement with Canada and Mexico, we will substantially increase American jobs. We passed a trade agreement with Canada and Mexico, called NAFTA, and we lost 395,000 American jobs. Where are the economists who predicted these enormous gains for our country? They are off predicting the results of fast-track and new trade agreements. It's just fine for them to keep predicting, despite the fact that they are consistently wrong.

The components of this country's economy are personal consumption—you see where that is. That is personal consumption and expenditures. That is one component. There is gross private domestic investment. Then, we have Government expenditures and investments. The fourth component of this economy is the balance of net exports. Now, if you look at this chart, is this balance of net exports a net positive or a net negative? This shows red. Why? Because it is a net negative. It is a drag on our economy. It pulls our economy down, not lifts it up.

So when the President or Members of the Senate come to this Chamber and say, gee, we are doing so well, we have more exports and we are doing so well, and it boosts our economy, they are dead flat wrong. They would not pass the beginner's course in economics, preaching that message, because net exports and the current balance of net exports is a drag on our economy. It is not a contribution to our economy.

In fact, yesterday, somebody said, well, since we have negotiated the agreement with Mexico under NAFTA, we now get more cars into Mexico that are produced in the United States. That is true, we do. It is absolutely true. Conclusion: Was it a good agreement for our country? No, not at all. While we get a few more cars into Mexico, they send far more cars into the United States. So the net balance of auto trade between the United States and Mexico is completely out of kilter. In fact, we now import more cars from Mexico than the United States exports to the entire rest of the world. So the next time somebody stands up and talks about automobiles, and talks about what a great deal it is in terms of automobile trade with Mexico, I say tell the whole story. If you are describing a checkbook, don't just stand here and crow about the deposits. Tell us about the withdrawals. Tell the whole story.

So, Mr. President, the circumstances of trade are this. We are involved in a great deal of international trade. I support that. I insist that trade be fair to our country, to our producers, to our businesses, and to our workers. And, it is not fair. We don't have the nerve and will to require it be fair with China, with Japan, with Mexico—yes, with Canada. That is the problem. The result is huge deficits.

This chart shows that the imports of manufactured goods now in this country equal 51 percent of our total manufacturing in America. Just 16 or 18

years ago it was down to about 25 percent of our manufacturing base. Now imports equal over 50 percent of our manufacturing base.

Is that moving in the right direction? I don't think so.

Here is a chart that shows all of the fast-track authority that we have given Presidents. When the Tokyo round took effect, we had a $28 billion trade deficit at that point. We had fast track for the United States-Canada Free Trade Agreement. When it took effect we had a $115 billion trade deficit. We gave fast track for NAFTA. At that point we had a $166 billion trade deficit. Then we gave fast track to the Uruguay round. Then, we were up to $173 billion in trade deficits. Now we are at $191 billion in net merchandise trade deficits.

It is going to go higher. Do people think we are moving in the right direction? I have no idea what town they grew up in. They think this is success. It is not success. It is burdening this country with an obligation this country must repay. This country will repay and must repay nearly $2 trillion of accumulated net trade deficits with a lower standard of living in our future. That is not conjecture. It must be done because other people now have claims in the form of American dollars against our future.

Let me talk for just a moment about one of the more recent agreements, the United States-Canada Free Trade Agreement. I talked about the descriptions of the NAFTA agreement. I have told previously of the folks in ancient Rome who used to predict the future. We now call them economists. They used to call them augurs. It was the practice of augury. The practice of augury was to read the flight of birds, and evaluate the entrails of cattle, among other things, in order to portend the future. In our country we have economists. They tell us, on the one hand, and on the other hand. That is why Harry Truman said that he preferred a one-armed economist. Then they could tell us with one hand. What did the economists tell us with respect to NAFTA? They said if we would pass NAFTA with Canada and Mexico, we would have nearly 400,000—I guess 250,000, first, and some said 350,000—new jobs in America. NAFTA was passed. What we lost was 167,000 jobs to Canada, according to the Economic Policy Institute, and 227,000 jobs to Mexico.

Is that moving in the right direction? Not where I come from. We were told the trade that would come into our country from Mexico would be the product of low-skilled labor. What are the largest imports into the United States from Mexico? Automobiles, automobile parts, and electronics. That is not the product of low-skilled labor.

This last chart shows that the United States has become the world's largest debtor nation. It might not matter to people here. I don't see people coming into the Chamber worried about this. Three or four of us talk from time to time about the growing trade deficit. To most people it doesn't seem to matter. They say, "Look at the cars we send to Mexico. Isn't that a wonderful thing?"

They come here and talk about the deposit slips in their checkbook. They don't talk about the expenditures. The net balance of trade has been negative for our country, and growing worse. It is causing substantial trouble in our country. The question is: Will we solve this? Will someone decide this is not good for our country and decide to solve it? Need it be solved by starting a trade war? Should it be solved by putting walls around our country and describing ourselves as protectionists? No, I don't think so. That is not the point. That is not what we are here arguing.

The point we are debating is that those who come here with this mantra chant of "free trade"—just a mantra chant. You are either for free trade, or you are some xenophobic isolationist stooge who doesn't understand it. You just do not understand what the world has become. You are either for free trade, and you, therefore, understand all of the implications of that, or you just don't get it. You are for free trade, or you are a blatant protectionist, and shame on you. We are going to call you "Smoot and Hawley." That is the way this debate moves very quickly. Almost, instantaneously, it moves into that kind of a discussion.

The discussion that ought to be among all of is this. We now have the largest merchandise trade deficit in the history of this country. Is it good for this country? The answer is no. The question is, What will we do about it? Does anyone here have a plan to deal with this growing, mushrooming trade deficit that hurts this country? Anybody? Has anybody heard anybody come to the floor of the Senate who chants this mantra of free trade who says anything about dealing with these mushrooming deficits? Or is it for them just the act of chanting that satisfies their soul? Is it just the act of chanting that satisfies their desire to serve?

One would hope that those who come to the floor talking about the need for expanded trade—not with some chant—with some thoughtful analysis of this country's needs would also understand the need for balanced trade and the need for fair trade, and the demand that when we say to our trading partners, "You are strong, tough, worthy competitors of ours in the international marketplace, and we demand of you fair free trade."

As a nation, we need to say to China, "We demand of you that if you access the American marketplace and we will allow you to continue to do that, but when you do it you have a responsibility to this country. That responsibility is to open your marketplace to our goods." Don't tell us that you want to flood our marketplace with Chinese goods and then keep China's marketplace largely closed to American goods. Don't tell us that you want us to be your cash cow for hard currency, China, and you want to ship all of your goods to our country. But when it comes time to play by the book and compete, don't displace America as the largest wheat seller to China. That is not what we expect of a mutually beneficial trade relationship.

We need to say to Japan, "Don't tell us that you want a $60 billion a year trade surplus and deficit with us every year as far as the eye can see. Don't tell us you want to access our marketplace and then tell us we can't get American goods into yours."

That is not fair trade in any town in this country. And we ought to expect on behalf of the American economy and the American people and American workers and producers that we demand fair trade treatment from our allies and our trading partners.

Canada—we had a free trade agreement with Canada. We had an $11 billion trade deficit with Canada. We passed a free trade agreement. Now, the trade deficit has more than doubled.

In my part of the country we have a flood of unfairly subsidized Canadian grain coming through the borders. It is a virtual flood. It is sent to this country by a state trading enterprise called the Canadian Wheat Board. That would be illegal here in America. It has secret pricing. No one knows the price. It is sold by a state trading enterprise. That is a monopoly enterprise. The result is an avalanche of Canadian grain coming in undercutting our market and undercutting our farmers. It is patently unfair. And, we can't do a thing about it because it is in the trade agreements that were negotiated with Canada. Those negotiations were done in secret, behind closed doors. These secret negotiations pulled the rug out from under our producers. So now when trade is patently unfair you still cannot stop it.

I ask someone to come to the Senate floor today or tomorrow and tell us what you propose to do to demand that Canada stop that flood of unfairly subsidized grain. What do you propose to do to demand that?

What do you propose to do to demand that China open its markets? What do you propose to do to demand China open its markets completely to American imports when it buys airplanes made and manufactured in the United States of America rather than demanding that it wants United States airplanes manufactured in China?

What do you intend to do to say to Japan that the trade agreement 10 years ago with them on beef represents

the lowest expectations of trade behavior that this country has? We negotiated trade on beef. And even our cattlemen jumped for joy because we finally reached an agreement with Japan on beef. Guess what the agreement is? There remains nearly a 50-percent tariff on all American beef getting into Japan. Is that a fair agreement? No. It represents the lowest expectations we have of our abilities to require our trading partners to treat us fairly. We still have a nearly 50-percent tariff on American beef going into Japan.

What on Earth are we doing? Why is this country lacking the nerve and the will to stand up to our trading partners and say to them, "Here is a mirror; treat us fairly because we are going to treat you like you treat us?" From our trade standpoint, our leadership is ready for us to say our market is open to you. We lead in the spirit of free and fair trade. We lead in the spirit of expanded trade. But, we demand more of our trading partners. We demand that our trading partners provide opportunities to American producers, American businesses, and American workers to access your marketplace just as you access ours.

Is this all theory? No, it is not all theory. Those who come to the floor and talk about free trade will talk in the abstract all day long. But what this is about is who will have the jobs and the economic growth and the opportunity 5 years, 10 years, 20 years, and 50 years from now.

I have no quarrel with those who come to the floor of the Senate and say that our future is in global trade. We have a global economy. Our future requires expansion of trade opportunities. I have no quarrel with those who have read the economic textbooks that describe the doctrine of comparative advantage, and the teachings of Ricardo, and others, who describe a world in which some can more appropriately produce one product and others can more appropriately raise one commodity. To the extent there are natural advantages to each, they should trade with each other. That becomes the doctrine of comparative advantage. Each does what it is their advantage to do and, therefore, trade with each other. I have no quarrel with that.

Of course, when Ricardo wrote that, incidentally, there was only nation-to-nation trading. There were no corporations when that doctrine was described. It is not the same now when the doctrine is interpreted to mean that a comparative advantage is a political advantage rather than a natural advantage, a natural resource advantage, or some sort of production advantage.

What is a political comparative advantage? A political advantage is a government over in some recess of the world when it describes the conditions of its production as a method of production in which you can hire 12-year-olds and pay them 12 cents an hour, and you can dump the pollution into the air and the water, and you can work the kids in unsafe factories. There is a political advantage in which that kind of production is acceptable and tolerated, and produces the commodities that are then traded in the international marketplace. But, that has nothing to do with the doctrine of comparative advantage. Absolutely nothing.

The question I asked yesterday about trade is one this country needs to continue to ask. Is there a requirement for admission to the American marketplace which, incidentally, has no substitute on the face of this globe. There are more people in other countries. China has far more people than we. But there is no substitute to having access to the American marketplace.

Is there any admission to the American marketplace? I am not talking about cash, or paying money to access the American marketplace. I ask is there an admission price at all? Will the admission price be, for example, a requirement that you not employ 8-year-olds or 10- or 12-year-olds to produce in a production factory and work them 12 hours a day and pay them little or nothing?

Could we at least start way back right at the first step and say, "Well, at least we will not accept the production of prison labor from a foreign country to come into our country and have the socks that are produced in a foreign prison hanging on a discount wall for sale to the American public?"

So we must decide what is right. We should not allow the work of foreign prisoners to come into our country because clearly that is unfair trade. So then let's step up the chain a bit, and ask ourselves: If not from foreign prisons—and I think most of us would agree that is certainly not fair trade—what about foreign factories that hire young kids, young children? I mentioned 12-year-olds. How about 8-year-olds? How about 250 million children producing around the world? Is there something that we find difficult in this country in our trade relationship in saying to another country, "Look, you have to meet certain standards?"

We are not demanding you pay the same minimum wage they pay in Pittsburgh or Denver. We are not demanding that. But you have to meet some standards in order to access our marketplace because we don't believe American producers who risk their money to build their plant, hire their workers, and then manufacture their goods ought to have to compete against someone who manufactures the same product for one-hundredth of the price or one-twentieth of the price because they don't have the responsibility to deal with air pollution and water pollution, child labor laws, and safe workplaces, minimum wages, and all of those kind of things.

Is there any standard that represents some standard of behavior that we expect in being able to access the American marketplace? Or is this a circumstance where we have decided that those corporations, the largest in the world who are now international corporations—not national enterprises but international corporations—have decided that the expectation they have of this system is to be able to look at their corporation and evaluate where in this world can they produce most cheaply. Where can they produce least expensively? Where can they produce it, and then where can they ship that product to the most affluent marketplace and therefore expect maximum profit?

Is that the construct of this new system, the new global economy? Buy a Gulfstream; travel around the world; look out the window and find where could you produce with the least possible expense? What corner is it? Sri Lanka, Indonesia, Bangladesh? What corner of the world is it that would allow you to take that manufacturing plant that you have in Ithaca, NY, shut it down, fire the workers, move it overseas, and produce at the least possible cost, paying the least amount of money, having a factory that has the least compliance with air and water pollution, no bother about worker safety issues, and so on, no OSHA, and then produce the same product and ship it back to Ithaca to be sold on the hardware store shelf? Is that the construct?

I am afraid that is what most of our institutional discussion has been in this country about, the new global reality. The new global reality is we should not worry about what percent of the manufacturing, in terms of our consumption, is done in the United States. We should not worry about our manufacturing base. We should not worry about whether we have a strong manufacturing base. What we should worry about is consumption. How are we doing as consumers?

I suppose we are doing fine as consumers. We have ample credit cards available. In fact, just wait at home today and open your mail box. You will get another invitation for 10 more, preapproved, with substantial limit, and if you are lucky, you can go to a discount store somewhere and probably buy something that was produced in a country that used kids to produce it, produced it less expensively, and you might—not always, but you might—be able as a consumer to purchase it less expensively at the expense of a diminished manufacturing base in this country, at the expense of a larger trade deficit, and at the expense of a lower standard of living later when this country will have to reconcile these huge and growing trade deficits.

Mr. President, let me end where I began. I know Senator WELLSTONE from Minnesota is waiting to speak. I

started today by asking the question, can someone come to this Chamber in the next day or so and look at this ocean of red ink, of net trade deficits that are growing worse year after year after year, not better—can someone come here today, someone who thinks we are on the right path, who wants us to keep doing what we are doing and tell me how they believe this represents success? How do they believe this contributes to this country's well-being?

If they believe, as I do, that this ocean of red ink has made this country the largest debtor nation on Earth and it is destructive to this country's best interests. Then I say, let's in the coming hours talk about what we can do to fix this and don't tell me more of the same because that's what you are saying: We want more of the same.

This is what has happened. We have big, big deficits, getting worse. "Let's keep doing more of the same," they say. I say, let's change. Let's expect more and demand more of our trading partners. Let's have open foreign markets. Let's have the nerve and the will to stand up for this country's economic interests, and let's not move quickly to the thoughtless debate that this is between those who support free trade and those who do not.

That is not what this is about. It is about those of us who believe this country has an abiding and growing trade problem and is choking on trade deficits and must stand up and do something about it for this country's sake and those who believe things are just fine and we ought to keep doing more of what we have been doing. That is what the debate is about.

I will have more to say. Let me yield such time as he may consume to the Senator from Minnesota.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair. I thank my colleague from North Dakota for his very important leadership in what is really a historic debate.

Let me say at the beginning that I don't think this is a debate where two positions are either we have walls that we put on the border of our country or we are involved in an international economy. We are a part of an international economy.

That's a false dichotomy. The question is, Are there any rules that go with this?

Let me, first of all, start out with one of the major reasons I oppose the motion to proceed to S. 1269, this reciprocal trade agreement of 1997.

I oppose it on the principle of democracy and representative accountability alone. I am opposed to fast track for that reason alone. It seems to me that we ought to understand that what we are talking about is a trade agreement which will crucially affect the quality or lack of quality of lives of the people that all of us represent, that will affect our domestic laws, everything in the world to do with wage levels, with consumer protection, with environmental protection, and it is difficult for me to understand how we could surrender our rights as Senators to an unlimited debate and the right to amendments to an important piece of legislation, indeed, to some legislation that will come before us, other agreements that will come before us up to the year 2001 that we have not even seen. Before we have even seen these agreements, we are supposed to agree to a procedure whereby we can't come to the floor and fight for the people we represent, we can't come to the floor and try to improve a trade agreement and make it work better for working families in our States. I would oppose this agreement just on this principle alone.

S. 1269 would lock us into fast-track rules for debates and votes that we are going to be taking later on in the Congress. This will lock us in until the year 2001. That is the duration of the bill's provisions. So what we are deciding right now is whether or not we are going to establish highly restrictive rules which will govern our debate and votes later on implementing bills for agreements, the contents of which we do not know at this time.

That is profoundly antidemocratic. On the principle of democracy, on the principle of being here to represent people in Minnesota, I would oppose this fast-track legislation just on this idea alone.

Let's talk a little bit about what could happen between now and 2001. We could bring Chile into NAFTA. It may be good; it may not be good. We could broaden what we call NAFTA to include additional countries in Latin America and the Caribbean, turning NAFTA eventually into a free-trade area for the Americas, FTAA. We could look to the Asian Pacific Economic Cooperation Forum, and we could negotiate these privileges as well, which could be NAFTA-like privileges, vis-a-vis countries in Asia. We might complete a worldwide multilateral agreement on investment which would be called the NIA. We could do all of these things.

But the point is that under this provision, if we enter into these agreements up until the year 2001, all of this will come to the floor of the Senate with an expedited procedure. No amendments will be in order and there will be a limited number of hours. How can we as Senators represent consumers in our States, how can we represent working families in our States, how can we be out here fighting for decent jobs and decent wages, how can we, for that matter, represent people in other countries who want to see their standard of living lifted, not depressed, and at the same time agree to these kinds of agreements—we don't even know what will be in them—with this procedure that there will be limited debate and no amendments.

This is a basic principle of democracy. I say to my colleagues we should not vote for this fast-track procedure because it denies us the ability to be out here representing the people in our States. That is what fast track is all about—an up-or-down vote on a giant bill which has a critical impact on numerous laws, these laws having a dramatic impact on the quality or lack of quality of life of the people we represent. That is one of the reasons I opposed NAFTA and one of the reasons I opposed the creation of the WTO as well.

Let me point out that one administration official testified last year that negotiators had effectively concluded 200 trade agreements since President Clinton took office in 1993—nearly 200 trade agreements—and only two of those utilized fast-track procedures. So if trade agreements can be so readily reached without the benefit of fast track, then I question the need to impose these kinds of procedures which are inherently undemocratic. They shorten the debate. We cannot come out here with amendments. We cannot come out here to represent people in our States the way we should. Therefore, I would oppose this, and I hope my colleagues will as well.

This whole idea of trade policy, which is so important, is supposed to be good for all of us, including consumers. Have the representatives of consumer groups been involved in this discussion? Certainly corporations and various economic sectors have helped to decide what our goals are, which is appropriate. But how about consumers? Consumers might be worried about downward harmonization of standards. Consumers might be worried about food safety standards and how this will affect their children. They might be worried about or oppose in principle deplorable child labor conditions in other countries. They might be worried about or oppose in principle deplorable violations of human rights of people in other countries.

Consumers, the people we represent, may say, look, we would like to make sure that this is a part of a trade agreement. But the position the administration has taken in fast track is that these concerns are excluded as trade objectives. But they probably would be included as objectives if we had a more democratic process for negotiating and considering trade agreements.

What I am trying to say is it becomes, I think, a Catch-22. If we as Senators are going to say, ipso facto, we give approval to any number of different trade agreements up through the year 2001, the provisions of which we do not even know about yet, then quite clearly what we are saying is we will not be able to come out here with

amendments to protect consumers and working families, in which case I think we are going to get the same response from the administration, which is we will not make these agreements part of a trade agreement, basic protection on fair labor standards, on consumer protection, on environmental protection.

I think that is the tragic mistake we will be making if we approve fast track.

My second reason for opposing the motion to proceed is that I am not at all confident—in fact, unfortunately, I am quite certain—that as opposed to improving the standard of living and the quality of life for a majority of Americans, these trade agreements will have precisely the opposite effect.

Let me also say that I am equally concerned about trade agreements that will lead to an improvement of the quality of life and living standards of people in other countries. I am all for trade agreements that lead to an improvement of the standard of living of people in our country and people in other countries. I am not in favor of a trade agreement that ends up not being global village but global pillage, where what you have instead is a systematic violation of the rights of children, of basic human rights, of basic fair labor standards and of basic environmental standards leading to profits for the few large multinational corporations and misery for way too many people throughout the world.

Mr. President, we have had extensive debate on NAFTA, which was approved, and also extensive debate on the General Agreement on Tariffs and Trade, which ultimately led to the creation of the World Trade Organization, the WTO. I voted against implementing these trade agreements because I was concerned that these trade agreements would not take our country in the right direction. Now, as I think about it, I am afraid that the empirical evidence supports this view as well.

Let me say again, I didn't oppose NAFTA or WTO because I am a protectionist. I am an internationalist. I don't have any interest in building walls on the borders of our country to keep out goods and services. Nor do I fear fair competition from workers and companies operating in other countries. I am not afraid of our neighbors. I don't fear other countries nor their people. I am in favor of open trade, and I believe the President should negotiate trade agreements which lead, generally, to more open markets here and abroad.

Indeed, I am aware of the benefits of trade for the economy of Minnesota, and I am told about that constantly. We have an extremely internationally minded community of corporations, larger companies, small businesses, working people and farmers in our State. And we have done relatively well in this international economy. I am very proud of Minnesota's performance in this international economy.

We have lost some jobs to trade, as have most States, but we have also benefited from trade. We benefit both from the exports and the imports: The exports create the jobs, as we all know, but the imports are not necessarily a bad thing. They provide the competition for consumers and they can push our own domestic companies to do better, to be more productive and to be more efficient. Open trade can contribute significantly to the expansion of wealth and opportunity, and it can reward innovation and productivity. It can deliver higher quality goods and services at better prices.

So, what I am saying is not that we should not be involved in international trade, not that our country doesn't have a major role—we have a major role and play a major role in the international economy. But what I am saying is that the Congress should exercise its proper role in regulating trade, which is what trade agreements do, so that the rules of this international trade reflect American values. That is how America can lead in the world and it is how America should lead in the world.

What American values are we talking about when it comes to trade? What are the American values when it comes to trade? We believe in open markets at home and abroad. But we also think there is a role for Government to play, especially when it comes to the protection of fundamental labor rights for working women and men, when it comes to the protection of children in the labor force, when it comes to environmental standards, when it comes to food and other consumer protections. These are important values in our country. When it comes to fundamental standards dealing with human rights and when it comes to democracy, these are important American values. The question is, how can we pursue these values when we are negotiating trade agreements?

The Clinton administration believes that the commercial issues are primarily in the body of the trade agreements, which are enforceable with trade sanctions, and that the environmental and the labor rights issues and the human rights issues are secondary. A majority of the Senate appears to agree. I do not, and I don't believe most Americans agree with the President and the majority of the Senate on this question. I believe, and I think most Americans believe, that fundamental standard-of-living and quality-of-life issues are exactly what trade policy should be all about. That is why strong and enforceable labor rights, environmental and consumer protections belong directly in the agreements themselves. And if trade agreements do not help to uphold democracy and respect for human rights, then they are deficient. That is my position and, as we enter the 21st century, these should be the pillars of American leadership in the world.

At the same time we are told that America must lead on the issue of trade, we are also told that if we don't negotiate trade agreements, even ones that do not live up to our own principles, then other countries will do so with each other in our absence; we will be left out. That is what we are told. What a contradiction. We must lead but we must do so by weakening our values, by leaving enforcement of labor rights out of agreements we negotiate, by leaving protection of the environment out of agreements we negotiate, by surrendering our principal linkage of human rights concerns to trade policy.

Are we saying that when it comes down to it, that money is basically all that matters? Is that how America should lead the world? Not in my view. Our trade policy should seek to create fair trading arrangements which lift up the standards of people in all nations. It should foster competition based on productivity, quality, and rising living standards—not competition based on exploitation and a race to the bottom.

As one Minnesotan, Larry Weiss, wrote in our State's largest newspaper earlier this week, "What we want is a global village, not global pillage." Protection of basic labor and environmental and food safety standards are just as important and just as valid as any other commercial or economic objective sought by the U.S. negotiators in trade agreements. We need to be encouraging good corporate citizenship, not the flight of capital and the dissemination of good-paying jobs from the United States.

The PRESIDING OFFICER. If the Senator will suspend his remarks for a moment?

Mr. WELLSTONE. Mr. President, since I have to interrupt my remarks, I ask unanimous consent that I be recognized for additional comments immediately after the vote.

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

EXECUTIVE SESSION

NOMINATION OF JAMES S. GWIN, OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF OHIO

The PRESIDING OFFICER. Under a previous order, the Senate will now proceed to executive session and the clerk will report the nomination.

The legislative clerk read the nomination of James S. Gwin, of Ohio, to be United States District Judge for the Northern District of Ohio.

The PRESIDING OFFICER. There are now 10 minutes equally divided on the nomination.

Mr. LEAHY. Mr. President, I am delighted that the majority leader has taken up the nomination of Judge James S. Gwin to be a U.S. district court judge for the northern district of Ohio.

Since 1989, Judge Gwin has served as a judge for the Court of Common Pleas in Stark County, OH. Three times during his judgeship, Judge Gwin has been elected administrative judge by his peers, and in 1995, he was elected presiding judge. In addition to his legal service, Judge Gwin has volunteered for several organizations, including the North Central Ohio Juvenile Diabetes Foundation and the Central Stark County Mental Health Center. His nomination enjoys the strong bipartisan support of Senator GLENN and Senator DEWINE.

Despite his exemplary record, one or more of my colleagues on the majority has again demanded a rollcall vote on a judicial nomination. That is, of course, the right of any Senator and I do not object. Indeed, I welcome the vote. I expect this rollcall vote to be much like the last eight in which a unanimous Senate approves a well-qualified judicial nomination. I congratulate Judge Gwin and his family on this achievement and look forward to his service on the U.S. district court.

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

The PRESIDING OFFICER. Without objection, the time will be charged equally. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of James S. Gwin, of Ohio, to be U.S. district judge for the northern district of Ohio? On this question, the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 293 Ex.]

YEAS—100

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

The nomination was confirmed.

The PRESIDING OFFICER. The President will be notified of the confirmation of the nomination.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

RECIPROCAL TRADE AGREEMENT OF 1997—MOTION TO PROCEED

The Senate continued with the consideration of the motion to proceed.

The PRESIDING OFFICER. Under unanimous consent, the Senator from Minnesota is recognized.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, it is the role of national governments to establish the rules within which companies and countries trade. That is what trade agreements do. They set strict rules. If, for example, a country does not enforce respect for patents, trade sanctions can be invoked.

Mr. President, you can bet that U.S. companies get right in the face of our negotiators to make sure that the rules in these agreements which protect their interests are ironclad and will be strictly enforced. That is what companies do. You can be absolutely sure that U.S. companies would laugh in the face of negotiators if they were told that their concerns were legitimate but could be pursued just as seriously in less enforceable side agreements.

My point, Mr. President, is that it is fine to represent the interests of the companies. We should do so. But we are also elected to represent other people in our country, not just large multinational corporations. We are elected to represent the majority of people.

I say, Mr. President, that we should take a very strong interest not only in representing the majority of people in our country but also in representing a lot of people, ordinary citizens, wage earners, ordinary people in the countries we trade with. Because if they do not make enough money to demand the products that we produce, then we are not going to do well.

Mr. President, I think this fast-track agreement, which extends on to NAFTA and GATT, is deeply skewed toward large corporate interests. That has been our recent experience with trade agreements. And I want to talk a little bit about what has happened with NAFTA.

NAFTA has been in operation for 3 years. And we heard a lot about what NAFTA was going to do for all of us. We have an opportunity now to look at the results with NAFTA. They include loss of jobs, suppression of wages, and the weakening of food, safety, and pollution laws.

Mr. President, if we repeat these mistakes, we are only going to condemn ourselves to replicate some of NAFTA's worst measurable consequences. Let me draw for colleagues from a respected Economic Policy Institute report. This report was issued in September of this year and titled "NAFTA and the States: Job Destruction is Widespread." EI's study concluded that "an exploding deficit in net exports with Mexico and Canada has eliminated 394,835 U.S. jobs since NAFTA took effect in 1994." The report argues that this job loss contributed significantly to a 4-percent decline in real median wages in the United States since 1993. Minnesota, according to this report, lost about 6,500 jobs due to the NAFTA-related trade deficit between 1993 and 1996, contributing to about a 3.8 percent drop in real median wages.

Mr. President, last month the Institute for Policy Studies and United for a Fair Economy published a study which tracked the performance and actions of a number of companies which belong to a major corporate coalition which is advocating passage of fast track. The study found that the 40 companies which are members of the America Leads on Trade coalition, from whom all of our offices have received pro-fast-track materials regularly, cut jobs in 89 U.S. plants under NAFTA. The study also documents that almost 13,000 workers who were laid off by members of this coalition, America Leads on Trade, qualified for NAFTA retraining assistance. And while jobs were being cut by these firms, these firms' profits soared and the salaries of their CEO's were significantly higher than those of executives in other leading firms.

Mr. President, again, looking at the record with NAFTA, according to Public Citizen in a report released in September of this year, U.S. food imports have skyrocketed while U.S. inspections of imported food have declined significantly. The report charges that "imports of Mexican crops documented by the U.S. Government to be at high risk of pesticide contamination have

dramatically increased under NAFTA, while inspection has decreased."

Mr. President, our experience with NAFTA can't be dismissed. Jobs and wages in the United States have gone down. We have this paradox over the last 20 years of workers' productivity going up but real wages going down. Wages have gone down in Mexico, too, despite the fact that some workers in Mexico are performing high-skill, high-productivity labor. Our trade balance has dramatically worsened with respect to Mexico. This is all in the last 3 years, post-NAFTA agreement, and the number of U.S. firms that have not only relocated to Mexico but just as importantly have threatened to relocate to Mexico have effectively held wages down. Mr. President, this is a classic tactic used in any effort to organize—companies just simply saying, "We will go to Mexico."

Violations of fundamental democratic rights—we care about those rights—as well as basic human and labor rights continue to occur regularly in Mexico. And a NAFTA side agreement has not significantly improved Mexico's environment—the environment degradation goes on at the Maquiladoras—nor have they done anything to raise the wages or living standards of the people. When I visited the Maquiladora I thought the environmental degradation was horrifying. I could not believe little children that I saw working in the plants. When I talked to people, they were quite often terrified to even talk to a U.S. Senator for fear of losing their job.

Mr. President, I simply will say it one more time, we should be engaged in trade agreements, we should be a vital part of an international economy, and we are, but we can do it without injuring people in communities in our country and we can do it without injuring people in communities in other countries if we have the inclusion of enforceable labor rights and environmental provisions right in the agreements themselves. We don't have any like that in this fast-track proposal.

Mr. President, I said at the beginning that I wouldn't support this agreement on the principle of democracy alone. To lock ourselves into trade agreements up to the year 2001—other countries in Latin America, Caribbean countries, Asian countries—without even knowing what those agreements will entail, to not be able to come out here on the floor of the U.S. Senate and introduce amendments to fight for people in your State or South Carolina or Iowa or Washington or any other State, I think denies us as Senators what is really the most cherished and I think most sacred responsibility we have, which is the responsibility to be out here fighting for people.

These trade agreements affect the quality of life of people in Minnesota and all across the country. I believe that in the absence of, as a part of this trade agreement, clear fair labor standards and environmental standards and human rights standards, these trade agreements will continue to do exactly what NAFTA has done—depress the living standards of people in the United States and people in other countries, lead to further violation of human rights in other countries, not do one positive thing about environmental degradation, and ultimately it will be a good deal for large multinational corporations and a very bad deal for the people in Minnesota and the people across the country.

Mr. President, by way of conclusion, I oppose this agreement because of the fast-track procedure alone. I think it is profoundly antidemocratic. I oppose it because of the empirical evidence that has come in about NAFTA. It is quite clear to me this will lead to a depressing of living standards of people in our country and people in other countries. And finally, Mr. President, I oppose this agreement not because I am not an internationalist. I am the son of a Jewish immigrant from Russia. I am an internationalist. We are in an international economy. I want our country to lead the way. But I want the United States of America to lead the way as an economic power in this international economy by advocating our values. Our values respect human dignity, our values respect human rights, our values respect protecting children's lives, our values respect the environment, and our values respect fair labor working conditions for people. That is what is lacking in this agreement. That is why I am in such profound opposition to it.

I yield the floor.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

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

Mr. GRASSLEY. Mr. President, I support fair trade because trading creates jobs in America. A billion dollars worth of trade creates 18,000 jobs. Those jobs pay 15 percent above the national average of jobs in America. In my State of Iowa, corporations that export pay 32 percent higher benefits than corporations that don't export. If we are going to continue to grow as a Nation, we are going to have to be able to export more to create good paying jobs in America.

Why do we, from time to time as a Congress, give the President authority to negotiate trade agreements? The power to regulate interstate and foreign commerce is very clearly a power given to the Congress by the Constitution. It is one of the 17 explicit powers mentioned in the Constitution. Congress guards its constitutional authority very carefully.

But we have found that it is very difficult for Congress, made up of 535 men and women, to negotiate with 132 different countries who are part of the GATT process. Congress, for the large part, can't even negotiate agreements among its own Members a lot of times. So you can see the difficulty of Congress as a body reaching an agreement with foreign countries on how to reduce barriers.

So from time to time under very strict guidelines we delegate some of our negotiating authority to the President. But we don't do it in a willy-nilly fashion. We do it with safeguards to make sure that Congress' constitutional power to regulate interstate and foreign commerce is protected. And we do it for a short period of time. We also keep the power to deny the President the ability to negotiate with a specific country, if we don't want the President to do that. We make sure that the President and his people consult with Congress on a very regular basis so that we know what is going on, but more important, so the negotiators know what Congress wants negotiated or doesn't want negotiated to ensure the negotiations reflect the will of Congress. Then, obviously, nothing can become the law of our Nation if it is not passed by the Congress of the United States and signed by the President of the United States.

So we are very cautious in giving the power to negotiate. But we do it for two reasons: First, it is very impractical for Congress to negotiate with foreign countries, and quite frankly it is something that the President does on a regular basis on a lot of foreign policy issues. But more important we have seen opportunities for America's economic expansion happen because we have reduced barriers to trade since World War II. We have a track record of knowing our economy can expand when we export. We have a track record of knowing that jobs are created if we export. And we have a track record of knowing that those jobs that do export pay very good wages.

So we start with the proposition that we want to have an expanding economy, that we want to create jobs and we want to create good jobs because that has been the track record of expanding foreign trade over the last 50 years. We move forward with confidence, giving this President, as we have given Republican and Democrat Presidents in the past, the authority to negotiate trade agreements. And we are confident that the workers and consumers of America will benefit as a result of giving the President this negotiating authority.

We have seen barriers to trade around the world reduced from an average of 40 percent 50 years ago to an average of 5 percent today. Those are tariff figures. We have seen still, countries have higher barriers to trade—both

tariff and nontariff trade barriers—than what we have in the United States. They are up here and we are down here. So it is a given. It is common sense, the extent to which the President can get these other countries to reduce their tariff and nontariff barriers to trade to a level equal to or closer to ours, it levels the playing field for our people, both large and small business, and that will create opportunities to export and enhance the economic well-being of our country.

So I rise strongly in support of S. 1269, the Reciprocal Trade Agreement Act of 1997, and I urge my colleagues to vote aye on further motions to proceed and to take up the bill. Mr. President, this debate is long overdue. The President has lacked the authority to negotiate trade agreements since the completion of the Uruguay round agreements in 1994.

Since then, the United States has, as far as I am concerned, relinquished its leadership role that we have had over the last 50 or 60 years in international trade issues. And the rest of the world will not wait for a long period of time for the United States to act but will move on without us.

This bill will restore the United States to its rightful position as the world's leader in international trade. If nothing else, it's going to reassert the moral authority of the United States to be a leader in fair trade negotiations around the world, as we have been for the last 60 years.

Since the original reciprocal trade agreements of 1934, the United States has taken this leadership role in reducing barriers to trade. We learned from the Smoot-Hawley legislation, we learned from the Great Depression of the 1930's, and we learned from the results of World War II that protectionism is not only bad economically, it's bad from the standpoint of promoting peace throughout the world. As I said, in the period of time since the United States started this process of reducing barriers to trade—not only our own barriers, but other barriers in other countries—we have seen global tariffs drop from an average of over 40 percent to about 4 or 5 percent today. This dramatic opening of world markets has led to an explosion of economic growth since World War II, and the United States has been the primary beneficiary of this growth.

American workers are the most productive, highest paid workers in the world. American companies produce the highest quality products, and American consumers have more choices of goods and pay less of their income on necessities, such as food, than consumers anywhere else in the world. These are the benefits of fair trade agreements.

Americans have enjoyed these benefits only because, through U.S. leadership, we have convinced other countries that freeing up trade and leveling the playing field for everybody is critical to economic growth, not only in our country, but around the world. And we have led by example. We have lowered our own tariffs to show our willingness to trade with the rest of the world, and to show that trade is beneficial to workers as well as consumers and not something to be feared. This bill reestablishes the United States in this leadership role.

This bill will allow the United States to continue on the path of economic growth and prosperity, and will show the way for other countries as well. Free and fair trade creates jobs—stable, high-paying jobs. Exports support more than 11 million jobs in our country. These jobs, as I have said before, pay 15 percent higher wages than other jobs. In my own State, exporting companies have 32 percent higher benefits than nonexporting corporations.

Trade is a major component of the economic growth of even the most recent decade. It is estimated that exports, as a share of gross domestic product, grew by 39 percent and accounted for nearly 50 percent of the total U.S. economic growth between the years 1986 and 1992. This year, total U.S. trade will be 30 percent of our total GDP. These statistics show that trade is important to this country. It's important to the well-being of our economy.

This bill will allow the United States to maintain its competitive advantage in the global economy. Trade negotiating authority is necessary to remove barriers to our exports and, hopefully, some day remove all remaining barriers to our exports. These barriers are taking money out of the pockets of American farmers and workers. But without this bill, the rest of the world will continue to raise barriers to our products. We will remain on the sidelines—where we have basically been since 1994.

Since trade negotiating authority expired back then, over 20 major trade agreements have been consummated. The United States was not a party to any of them. Do the opponents of this bill believe that other countries are looking out for the interests of the United States when negotiating these agreements? We had an opportunity to be at the table. Of course, nobody is going to look out for the interests of the United States, except our U.S. negotiators. We in the Congress are going to see that they look out for those interests. We can deny the President's authority to negotiate with a specific country. We will consult with the President of the United States on a regular basis on how those negotiations are going, and advise the President on what should be negotiated. Finally, we have an opportunity to enact the final product of any negotiations.

Now, I said that we have had 20 agreements negotiated, where the United States was not a party. But I can show in some of those negotiations where U.S. economic interests—and maybe humanitarian and nonpolitical interests, or political interests have also been hurt.

Chile is a good example of what we have sacrificed by not having trade negotiating authority. In 1992, President Clinton promised Chile that it would be part of the North American Free Trade Agreement. Five years later, Chile has a free trade agreement with Canada and with Mexico—the other two partners of the North American Free Trade Agreement—but not with the United States. Chile is an associate member of the MERCOSUR countries, which is a trading block composed of Brazil, Argentina, Paraguay, and Uruguay. Yet, Chile is still not a member of NAFTA. You might say, so what; you don't like NAFTA and you are applauding. But in the process, American workers and farmers are beginning to feel the consequences of this inaction.

An American company recently lost a $200 million telecommunication contract to a Canadian company that enjoys preferential treatment under its trade agreement with Chile.

American farmers currently supply 90 percent of Chile's free grain imports. Those are exports from states like Iowa, Minnesota, Nebraska, and Illinois. But our biggest competitors for this market, Argentina and Brazil, enjoy an 11-percent tariff advantage over American farmers. And whether or not we are going to continually supply feed grains to Chile—it is only a matter of time before we lose this important agricultural market. What will the opponents of this legislation say to the farmers of their State and the workers of their State when these workers and these farmers lose their jobs and lose income because this market is lost because we have an 11-percent disadvantage? This bill allows us to compete for these markets once again.

The economic benefits of trade negotiating authority are very clear. But let's remember that trade is also an important foreign policy initiative. Free and fair trade is humanitarian, as well as it is economic. Free and fair trade promotes liberty and freedom around the world. This bill is going to help increase the standard of living of our trading partners and, with it, enhance the stability of their political and economic systems. And when you enhance the political and economic systems, you open the door, through trade, for the United States to export its democratic principles of liberty and freedom. We are seeing enhancement of these institutions in countries where freedom and liberty was foreign to a lot of people. Economic intercourse opens the way, opens the door; it is a window of opportunity for other things that we in America believe in, which

you can't put a dollar and cents value on. We know that when Americans travel overseas, when we enhance our business opportunities with other countries, this sort of rubbing shoulders with people of other countries has benefits that go way beyond just the dollars and cents of free and fair trade.

The people we trade with experience American values through the goods they purchase and the relationships they form when trading with us. In time, it is likely that they will insist that their own government uphold these values as well. We have seen it happen in Latin America, Eastern Europe, and someday—I am optimistic—we will see it happen in China.

Many scholars believe that a country must attain a certain standard of living and economic stability before democracy can even begin. Trade, and not foreign aid, is the mutually preferred method of achieving economic growth and economic stability, which is a forerunner of political stability.

Since 1986, I have hosted, on six different occasions during the month of August in my State, week-long tours of Iowa by foreign embassy ambassadors. In other words, the embassies here in Washington, DC, send their ambassadors and/or trade representatives. I hear from these people coming to my State of Iowa, again and again, from these international guests, that a mutually beneficial and healthy trade relationship is much preferred over foreign aid from the U.S. Government. While foreign aid can be fleeting, trade builds and expands economies. This, in turn, fuels the democratization process. So this bill helps our trading partners help themselves.

Mr. President, the opponents of this bill want to turn back the clock. They prefer a time when this country could afford to be isolationist, when we could consume all in America that we produce, and we didn't have to worry about exports, and when economic growth could be sustained then by domestic production alone.

Reminiscing about those past days may make for good political rhetoric. But that sort of rhetoric is dangerous because it simply ignores the economic facts of today's world. They ignore the benefits beyond economics that come from trade. Because, like it or not, we are in a global economy. Our jobs and standards of living have become to some degree dependent on trade with other countries. We can't afford to build walls around this country, and we can't afford to turn inward. If the United States were to do that, other countries would do it as well. And that could be dangerous. I just saw a quote recently, that I believe to be accurate. "If merchandise is not going to cross borders, soldiers will." It is a preventive of war. It is a promotion of peace when we trade.

We must lead. We still have all the advantages: A highly skilled, educated work force; we have technology, capital, and, most important, a sense of entrepreneurship that not only benefits America, but when this is promoted around the world, it is going to benefit all of the economies of the world. We also have the most stable economic and political system the world has ever known. The United States has the most to gain by leading and the most to lose by sitting on the sidelines.

This bill is the first step back into reasserting our moral authority to lead in leveling the playing field in international trade, an authority that we have exercised since the 1930's.

Mr. President, I want to remind my colleagues that the question is not whether future trade negotiations will occur. They are happening right now under our very noses between countries all over the world. I have cited 20 specific examples since 1992. Rather, the question is whether the United States will be at the negotiating table protecting the interests of our citizens for the good of this country and for the good of the world.

This legislation must become law.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I support free trade between the United States and other countries.

Mr. President, I yield such time as I might use from the Senator from South Carolina.

The PRESIDING OFFICER. The Senator is speaking on the time of the Senator from South Carolina.

The Senator is recognized.

Mr. KENNEDY. Mr. President, I support free trade between the United States and other countries. I have supported fast-track authority in the past, and I wish I could still do so.

But this fast-track bill is grossly one-sided and unfair. It goes the extra mile to protect intellectual property rights and other rights of business. Yet it puts major roadblocks in front of any effort to protect the rights of workers.

The bill lists 15 so-called principal negotiating objectives. Negotiators are directed to pursue these matters vigorously in trade talks with other nations. One of the objectives urges negotiators to seek strict enforcement of laws protecting copyrights, patents, and intellectual property. The bill even directs negotiators to seek criminal penalties for violations of intellectual property rights.

But the bill is silent about any corresponding effort to promote workers' rights. Negotiators are forbidden to encourage other countries to improve worker protections. Any provisions designed to strengthen labor protections or improve another country's enforcement of its labor protections cannot be given fast-track treatment.

No previous fast-track bill took such a one-sided and discriminatory approach. For example, the 1988 fast-track law included a specific objective to "promote worker rights," and this was an important part of the legislation.

The present bill is unprecedented. It's fast-track for business and no track for labor, and that isn't fair.

We should not make it impossible to use other countries' desire for access to U.S. markets to urge improvements in working conditions. Leaders in other countries often say their door is open to such initiatives. But this bill actually prevents our negotiators from taking advantage of such opportunities. It prevents the United States from using the incentive of access to our markets to persuade a country to improve working conditions for its employees, even in cases where the issue is prison labor or child labor. There is nothing fair about that.

The bill also prohibits fast-track consideration of any provision that would modify U.S. labor or environmental standards. Any agreement that seeks to create internationally-recognized worker rights—such as a ban on child labor or prison labor—could not be considered under fast-track procedures, because it would restrict the power of the United States to refuse unilaterally to modify our own laws in these areas. There is nothing fair about that.

The bill denies our negotiators the power to push for improvements in another country's labor protections. And it denies our negotiators the power to push for improvements on a multi-national basis as well. Under this legislation, there could be no effort to improve worker protections in any forum. There is nothing fair about that.

Congress should not handcuff our ability to negotiate improvements in agreements setting basic labor standards that apply to specific nations or to all nations. Instead, we should use the trend toward globalization of markets to raise the level of employee protections around the world.

We tried to accomplish this goal in the North American Free Trade Agreement in 1993. The labor and environmental side agreements that accompanied NAFTA were designed to strengthen labor standards and establish a forum for resolving disputes.

Many have criticized the effectiveness of these side agreements, and with good reason. In 1994, Mexican workers who tried to organize a union at a Sony Corp. plant in Nuevo Laredo were fired, and some were beaten. This brutality violated Mexican law, and the NAFTA enforcement authorities found that the Mexican Government had failed to comply with its obligations under the labor side agreement. But none of the employees was rehired, and no fines were assessed against either the Mexican Government or the company. The side agreements were not enforced.

Weak as they are, side agreements like these are barred from consideration under the present bill. Such side agreements could not be given fast-track treatment. They would be subject to full debate and amendment in both houses of Congress.

But under this defective fast-track bill, an agreement making it a crime to infringe a copyright would be given fast-track treatment, and rushed through Congress with limited debate and without amendment.

This double standard is unacceptable. Trade affects goods and business profits, but it affects workers' lives and health as well. We can't deny the linkage. Yet this bill treats property rights far better than it does labor and environmental protections. Surely the life or health of a working man or woman deserves at least equal priority.

It's also true that NAFTA has failed to live up to our hopes. The Labor Department has certified that 127,000 American workers lost their jobs as a direct result of trade with Mexico and Canada under NAFTA. Some experts say the number may be as much as four times higher.

The administration has announced that it will seek hundreds of millions of dollars more for trade adjustment assistance to help workers dislocated by foreign trade. When American firms move their American plants to foreign countries in search of higher profits through cheaper labor, the American workers left behind pay a heavy price.

Trade adjustment assistance can help, but to many workers, it is little more than funeral expenses. It's obviously not enough to offset the anti-worker, antilabor bias of this discriminatory fast-track bill.

The five measures the administration announced earlier this week, through the World Trade Organization and the World Bank, are another small step in the right direction on labor issues. But again, four studies and a promise don't fix the problems with this bill.

I urge the Senate to reject this unfair approach. This bill puts the rights of business on a pedestal, and leaves the rights of workers in the gutter. That kind of discrimination is unacceptable. No worker should be treated with less dignity than a compact disk. I oppose this legislation, and I urge my colleagues to defeat it.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I rise in support of the fast-track legislation, and I yield myself so much time as I might use.

The PRESIDING OFFICER. The Senator is recognized.

Mr. GRAMM. Mr. President, I think it is important that people understand that the debate about fast track is a debate about trade. If we reject fast track in the Congress, we are sending a signal to the whole world that the United States of America, which has been the strongest proponent of trade in the post-World War II period, is backing away from that commitment. If we reject fast track, we are saying to the world that the position we have taken in the post-World War II period is a position that we are now vacating. We are saying to emerging markets all over the world that we are not going to be the dominant force in trade on this planet.

That message, in my opinion, would be a devastating message for world trade. It would be a devastating message in terms of America's leadership. And I am prayerfully hopeful that in the end reason will prevail and that we will not send that message.

Mr. President, I have had an opportunity, as a Member of the Senate for 13 years and as a Member of the House for 6 years before that, to speak on many subjects. My colleagues have heard me speak on the budget on many occasions. I think my colleagues understand that I have great passion about that subject. But as compared with world trade, the budget is a secondary issue. The issue that we debate today is the most important issue that we will debate during this Congress.

Americans by and large do not understand the trade issue. One of the great frustrations of my political career has been that of all the issues that we deal with, the hardest issue to get people to understand is the trade issue. This is not a new problem. Disraeli, the British Prime Minister in the 19th century, once said, "Not one person in 10,000 understands the currency question, and yet we meet him every day." And by "the currency question," he meant the value of the pound relative to foreign currency in international trade. What Disraeli said would certainly be reflected in the debate here today.

I would like in my speech to try to do several things.

No. 1, I want to try to explain why this issue is so critically important.

No. 2, I want to respond to those who say they are opposed to expanding trade, that they are opposed to fast track because they are concerned about low-wage workers, because they are concerned about child labor, because they are concerned about poverty, because they are concerned about the environment.

Finally, I want to do something that we don't do enough of here, and that is we don't attack this trade issue head on.

I know I have many colleagues who come to the floor and talk for endless hours about how wonderful it would be to build a wall around America and go hide under a rock somewhere, how if we could simply imitate the economic isolation of North Korea, that all would be wonderful and well in America. And generally those of us who know better don't take the time to come over and respond. I want to be sure I take the time to respond today.

First of all, trade is critically important. The most important contribution of America in the post-World War II period has been the explosion of world trade. We didn't rebuild Europe with the Marshall plan. We didn't rebuild Japan with foreign aid. We didn't stop communism in Greece and Turkey with economic assistance. I don't in any way mean to criticize the Marshall plan or the Truman doctrine. They were both critically important. They sent a very clear signal to the world that we intended to learn from the lessons of World War II and that we were going to resist the expansion of communism. But what stopped communism in Europe, what preserved freedom in Greece and Turkey, what rebuilt Japan, what created an economic miracle in Taiwan and Korea, what changed the balance of power, what won the cold war, what tore down the Berlin Wall, what liberated Eastern Europe, and what set more people free than any victory in any war in the history of mankind was the growth of world trade.

By opening up American markets and expanding trade first with Europe and Japan, then with a special focus on Turkey and Greece, then with a focus on Korea and Taiwan, we literally created a wealth machine, and that wealth machine brought prosperity to America such as we had never imagined possible. It created new, massive economic superpowers in places like South Korea, a poor agricultural country.

South Korea is a perfect example. In 1953, they had a per capita income of $50 a year. They were devastated by the Korean conflict. But through world trade their per capita income grew to over $6,000.

The same thing happened in Taiwan. And the attraction of that economic growth in Taiwan, in Hong Kong and Singapore, the sheer ability of the market system in world trade to feed the hungry, to create opportunity and freedom and happiness, the shift in the balance of power that that economic explosion created literally tore down the Berlin wall and liberated Eastern Europe. And while Chiang Kai-shek had long since been in the grave, the economic miracle on the little island that he fled to and the economic miracle in Hong Kong built by world trade was so powerful that it literally forced mainland China to begin to change its system and converted an enemy into a trading partner. It holds out the great prospect of creating cooperation with the one country in the world that can be our rival in the 21st century, and that is China.

Now, we know the lessons of the 20th century. We know the wars that involved conflicts over resources; where

Germany invaded Russia to get access to resources; where the Japanese invaded Manchuria to try to get access to mineral resources that in many cases were denied in trade agreements around the world. We know the totalitarianism of the 20th century.

When I am talking about trade, I am not just talking about goods and services. I am talking about a profoundly moral issue, a moral issue that really boils down to the question of whether we are going to repeat, beginning with a vote on fast track, the policies that created the terrible crises that we faced in the 20th century.

Did we learn from history or are we going to repeat it? I hope we learned. This is a profoundly moral issue because it is about freedom. It is about doing something about grinding poverty that for the great mass of mankind literally beats down the humanity of working men and women and their children all over the world.

Mr. President, I respect my colleagues and I know they mean well, but it is hard for me to sit here and listen to people say that they want to reduce trade because they are concerned about poverty. It is very difficult for me as an old economics professor to sit here and listen to people say, "Well, I would like to trade with China or Mexico or Chile or any other place in the world but I am concerned that workers are poor. I am concerned about child labor. And so as a result I do not want to trade."

Why does child labor exist? In the War of 1812 we had 8-year-olds in the Navy. We had child labor in America up until the Civil War. Why did we have it? Why does it exist all over the world in poor countries? It exists because it is a product of poverty. Wages are low because of poverty. Working conditions are poor because of poverty. If you really care about workers in another country, you want to trade with that country because only by trade, only by expanding prosperity both here and there can we do something about child labor, can we do something about poverty.

So if you really care about workers' rights in other countries, you do not solve their problem, you do not deal with child labor by building a wall between us and that country. You eradicate child labor by promoting trade, which promotes prosperity, which allows parents to put their children in schools and keep them there until they are educated.

So I reject the argument that is made by people who oppose trade and oppose fast track, because that is what this fast track debate is about. It is about trade. It is about whether we are going to continue to trade or whether we are going to start building walls. And I totally reject the idea that those who oppose this bill are protecting low-income workers and children.

I am protecting low-income workers and children. The policy that I promote of trade, expanded economic opportunity, expanded freedom and expanded prosperity, that is the only system in history that has ever done anything about poverty. Trade, free enterprise, individual freedom, those are the great tools for destroying poverty. So if you really want to stop child labor in the world, if you really care about workers' rights, then join the President and join me in tearing down barriers and expanding trade.

Likewise, I reject the notion that those who want to promote a good environment worldwide can do it by preventing trade. I ask my colleagues, and I ask those who are listening, to understand that the population of the world is growing, that people are going to be hungry, and unless we can create an economic system worldwide that is going to feed them, they are going to continue to destroy the environment in their countries.

Environmentalism, the concern about your surroundings, is a product of affluence. You can only be concerned about the environment when you have enough to eat. And if you really care about the environment, if you really are concerned about global warming, if you are concerned about the expansion of pollution, you ought to be for trade because trade creates prosperity, and prosperity makes it possible for people to improve the technology and in the process to improve the environment.

Our colleague from Massachusetts talked about Mexico. Mexico is a relatively poor country, but as a Senator from a State that shares 1,200 miles of border with Mexico, I can tell you that the expansion of trade with Mexico has meant bringing 1990's technology into Mexico, especially along the border, to replace 1950's technology, and the net result is that our new investments and the expansion of growth and opportunity in Mexico give them the first real opportunity that they have ever had to improve their environment.

So if you really care about workers and children, if you really care about the environment, use the one tool, the one tool that we have that can help people in other countries share in the great bounty we share, and that tool is trade.

Now, I have never heard so much poor mouthing in my life as the poor mouthing we have heard about trade. You would think Americans are a bunch of incompetents, that our workers are all these guys standing on assembly lines with big pot bellies, who are, in the words of that old country and western song, "having daydreams about night things in the middle of the afternoon."

In listening to our colleagues, you would think that we are just complete incompetents and that we need to build a wall around America to protect us from having to compete with other people.

That is totally out of sync with reality. America dominates the world market. Study after study of competitiveness concludes that America is the lowest-cost producer in the world of manufactured products, not because we have low wages but because we have skilled workers and because we have the best tools in the world. We dominate the world marketplace. We are the world's largest exporter, the world's largest importer. Our living standards are 20 percent higher than Japanese living standards. Germany has a living standard about 74 percent of our level. The American economy has grown in the last 10 years by 17.8 million new permanent, productive, taxpaying jobs. And since employment in Government has declined, this represents a net addition to the number of people who are involved in the marketplace creating goods and services. That is 5.7 million more jobs than Germany and Japan combined have created in the last 10 years.

And yet, to listen to our colleagues, our jobs are running offshore; our jobs are going to Japan; our jobs are going to Germany; our jobs are going to China. We have the highest levels of employment we have had in the history of the country. We have created 17.8 million new jobs in the last 10 years. Our economy is booming. And yet to listen to our colleagues pour ashes over their heads and talk about helpless, incompetent Americans, you would think we were incapable of producing or selling anything.

The reality is that in 10 years our exports are up by 130 percent. The exports of Europe are up by 55 percent. The exports of Japan are up by 24 percent. But if there is one thing that I could rejoice in, it is we are not hearing people say today, as they did in this debate 2 years ago, that we ought to copy Japan. We used to have Members of the Senate who would get up and talk about how wonderful it would be if our economy could be like Japan's, if we put up barriers to cheat our consumers and drive up the price of goods, if we had Government and business conspire to have these massive plans to dominate the world market. If we could just do what Japan does, they said, things would be wonderful. I do rejoice that nobody says that anymore. They don't say it anymore because the Japanese economy is on its back.

Government-dominated trade fails. The marketplace succeeds. You hear all of these tales of woe about how manufacturing jobs every day are leaving the country. The truth is that our exports in manufacturing are up 180 percent in the last 10 years. That is nine times the rate of growth of manufacturing exports in Japan. That is six times the rate of growth in exports in Germany.

One of the problems the President has on fast track today is that for the last 6 years he has pussyfooted with all these protectionists. He has engaged in little acts of protectionism and now all of a sudden he comes back to the same proponents of protectionism that he has been coddling with political favors for 6 years and says, "Oh, by the way, we have a profound national interest now and you have to stand up for trade." No wonder he is having trouble. The President has been on three sides of a two-sided issue for 6 years. But he is on the right side of this issue, and I am very proud to be with him.

Let me make another point about trade. Let me give two examples of how we benefit from trade even when we are not buying goods from abroad, and then I want to talk about how we benefit from trade by buying foreign goods.

Some of you will remember that in the 1980's, there was this massive push to get Ronald Reagan to protect the American automobile industry. In fact, I bought a Chevrolet truck in 1983. It was a clunker. That truck never was any good from the first day I bought it until the Lord provided somebody from an ad in the newspaper who came and bought that truck. Everything you can imagine happened to it. And, if you will remember, in the early 1980's, all these protectionists were coming, banging on our doors, saying, "We are going to be driven out of the automobile industry. General Motors is going to be broke. Ford is in crisis. Chrysler is on the verge of collapse and has to have a Government bailout." Thank God Ronald Reagan said, in essence, "compete or die."

In 1983 you didn't want to buy a car or truck produced on Monday because on Monday autoworkers were still thinking about the weekend. And you didn't want to buy a car or truck produced on Friday because on Friday they were thinking about the coming weekend. And you probably didn't want to buy one produced in the middle of the week because they weren't doing much thinking. I am not just talking about people on the assembly line, I am talking about all those white collar managers in all those fancy offices in Detroit. They were getting their fannies kicked because they were doing a rotten job and they were ripping off the American consumer. So, rather than make tough decisions and go to work, they came to Washington and they whined and they begged and they pleaded and they said, "Protect us, protect our jobs." And they wrapped themselves in the American flag. It was our duty, they said. We couldn't let all our automobile jobs go to Japan and Korea and all those places where people worked hard. So we were supposed to protect them.

Ronald Reagan said no. And what happened? Well, in 1991, I bought a new truck. This time I bought a Ford, but that didn't make the difference. In fact, I just recently bought a Chevrolet with the same result. That 1991 truck was the best vehicle I have ever bought in my life. Not only did I drive it; now my son is driving it. It has never broken down. It has never had a major mechanical problem. It is an absolute marvel.

Where did it come from? I owe the quality of that truck to the Japanese and to the Koreans, and I would like to thank them today. I owe it to them because they forced companies and the United Auto Workers to stop this crazy system where workers and managers were always in conflict. So when I bought that Ford Explorer in 1991, the United Auto Workers were proud to have their name on it along with Ford Motor Co. Quality was job 1.

I never will forget when General Motors said they had to determine whether they were going to be in the automobile business in the year 2000. They are still the automobile business, big time in the business. They are producing some of the best cars and the best trucks in the world.

If we had engaged in protectionism in 1982 and 1983, we would be getting the same lousy cars, the same lousy trucks, and we would be paying more. In fact, when Bill Clinton became President and, as a sop to the automobile industry and the labor unions, put a tariff of several thousand dollars on sport utility vehicles, what do you think happened? The price of sport utility vehicles went up by thousands of dollars. It was just theft, reaching right in the pockets of working families and pulling out thousands of dollars. That is an example of what I am talking about.

I think one of the mistakes we made—I am not going to go much deeper into this—but one of the mistakes we made is that we talk so much about jobs we forget why we work. There are a few people in America who have remarkable jobs. I see two of them here today who are at least listening to me with one ear, two Senators. If we could afford to do this job for nothing, we would probably do it for nothing. But most Americans work because they want to earn money to buy things. The end result of economic activity is consumption.

It never ceases to amaze me how perverted things get. I will give an example. We now have a suit filed with the International Trade Commission by salmon producers. I think we have about 500 people in America, mostly in the State of Maine, who are involved in growing salmon. They have filed an unfair trade practice suit against Chile. Chile produces massive amounts of salmon. They have a comparative advantage because they raise salmon all year long. They start out with eggs, they produce these little fingerlings, they feed them—the whole process is absolutely an economic marvel. When the salmon are 14 pounds, they harvest them, they clean them, the fillets are shipped fresh to America and Europe. And what has happened? Salmon prices have gone down dramatically.

Salmon is a superior product. When I was growing up I never ate any salmon. Rich folks ate salmon. Salmon has the right kind of cholesterol, as our colleague from Alaska would say. Because of the ability of Chile to produce salmon, literally tens of millions of Americans have changed their diets, and now eating salmon is becoming almost as common as eating steak.

So what now are we doing? Right now we have the International Trade Commission which, thanks to a President who today is for trade, is full of protectionists, and they are in the process of determining whether we should literally take quality food out of the mouths of tens of millions of Americans. Does that make any sense whatsoever, to take food out of the mouths of tens of millions of people to protect the jobs of 500 people. God never granted them or anyone else the eternal right to be in the salmon business.

An argument that carries no weight here but carries weight with me—and I always love to make it because I feel good when I make it—is, who gives anybody that right? Who has the right to tell me, a free man in a free country, that some 500 workers in the State of Maine can rob me by making me buy their product instead of buying a cheaper, better product produced somewhere else? Who gives them the right to do that in a free country? Am I only free to go to the street corner and shout, "Bill Clinton is a dope," or "PHIL GRAMM is crazy"? Or do I have a right to do something that is real, like go and use my money to feed my family in the way I choose? The argument for protectionism is really an argument for theft.

I want to give another example. Every day we hear about textiles. Every day we hear this clamor of protectionist arguments about how we have to protect textiles. And do you remember this big deal about how we were successful in reducing tariffs to China and so now we are not going to be importing as many textiles from China. It was just hailed as a great victory.

Well, go to the places where real, honest-to-God Americans shop and look at the quality goods and look at the prices. By protecting the textile industry, we are literally taking the shirts off the backs of children of working families in this country, and nobody seems to care. It is astounding to me in the U.S. Senate that we all care about producers, but nobody cares about consumers. We can get a couple of rich executives, business owners, textile manufacturers to come to

Washington and holler, and pretty soon we are falling all over ourselves to protect them from competition. Nobody seems to care that American children and their parents pay twice what they should for textiles today.

The paradox is that it is a losing battle. Britain lost the textile industry to New England, because the textile business is noncompetitive in a high-wage country. The exception, of course, is the part that is done by machines. We dominate the world in machine-made textiles, in fact, we are making a lot of money in the textile business today, but where you have to do hand work and where you have a lot of people involved, you tend to be noncompetitive.

This is not a new phenomenon. England lost the textile mills to New England, and then New England lost them to the South. In fact, the Congress first adopted the minimum wage to try to prevent textile mills from moving from New Hampshire to Georgia. But it didn't do any good; they moved anyway. And New Hampshire is much better off for it because they became a high-tech State.

Japan has lost the textile industry, Korea is losing the textile industry, and China will lose the textile industry, because the textile industry, at least in hand work, goes where there are low wages. But to protect a handful of jobs, we are willing to literally steal from millions of working families. Every day these arguments are made and people cloak themselves in the American flag when they are arguing for greedy, petty special interests to cheat the consumer. And I thought somebody ought to say something about it.

Now, I want to sum up with three quotes. I thought about a way to end this speech, and I want to end it with a quote from Ronald Reagan, one of the last things he ever said on trade during his Presidency. But I want to quote first from a Democrat, a Member of Congress from New York, who was a Member of Congress at the turn of the century. Nobody has ever heard of him, but I discovered him in reading a biography on Winston Churchill. I discovered him because Bourke Cockran, from New York, was a friend of Churchill's mama, and he profoundly influenced Churchill on trade. In fact, Churchill changed parties several times, as we all know, but he never, ever changed his position on trade. Churchill from the beginning of his career to the end of his career was a free trader. He was a free trader principally because of Bourke Cockran, who was one of the great orators in the history of this country. I just want to read a short statement from him because it says more than I can. I am not a very good reader, and so I apologize. We forget what trade is about. In the midst of all this special interest and ignorance that dominates this debate, we forget what it is about.

Cockran is an American. He is in London. It is July 15, 1903. America is a protectionist country. England is the only country in the world that has relatively open markets. Cockran is speaking to the Liberal Club in England, and "liberal" at the turn of the century means what "conservative" means today—freedom. With this relatively short paragraph he sums up what trade is about. I want to read it: "Your free trade system makes the whole industrial life of the world one vast scheme of cooperation for your benefit."

He is talking to the British people.

At this moment, in every quarter of the globe, forces are at work to supply your necessities and improve your condition. As I speak, men are tending flocks on Australian fields and shearing wool which will clothe you during the coming winter. On western lands, men are reaping grain to supply your daily bread. In mines deep underground, men are swinging pickaxes and shovels to wrest from the bosom of the Earth the ores essential to the efficiency of your industry. Under tropical skies, hands are gathering, from bending boughs, luscious fruits which in a few days will be offered for your consumption in the streets of London.

Over shining rails, locomotives are drawing trains, on heaving surges, sailors are piloting barks, through arid deserts Arabs are guiding caravans, all charged with the fruits of industry to be placed here freely at your feet. You alone, among all the peoples of the Earth, encourage this gracious tribute and enjoy its full benefit, for here alone it is received freely, without imposition, restriction or tax, while everywhere else, barriers are raised against it by stupidity and folly.

That speech could be given today about the United States of America. Ultimately, England went protectionist, and when it did, it declined as a world power. Ultimately, America promoted trade, and when we did, we rose to world prominence.

What a different world we live in than the world we have evolved from. We now have leaders who talk about trade as a problem, who talk about imports as if something is wrong with buying something from someone else.

When Pericles was delivering his funeral oration, honoring the dead of Athens, one of the great speeches in history, he talked of trade as a sign of greatness. Once a year, they had a ceremony where they would bring the bones of Athenian warriors who had died defending Athens during that year, and they would all be buried together.

When Pericles came to the point in the speech where he wanted to explain how you could know that Athens was a great city, here is what he said, and interestingly enough, he measured the greatness of Athens by its imports. What a far cry it is from today; what he understood, we have forgotten. And he understood it 2,500 years ago:

"The magnitude of our city draws the produce of the world into our harbor, so that to the Athenian the fruits of other countries are as familiar a luxury as those of his own."

Only a great country has the capacity through trade to get the whole world to work cooperatively to promote its prosperity.

Trade is like love. That is the miracle of this thing. It is not as if we are getting rich by trade at the expense of other countries, because trade makes us rich and it makes them rich. It is like love: The more of it you give away, the more of it you have. That is why it is magic. That is why it is so hard to understand.

I want to end with a quote from Ronald Reagan. President Reagan has never gotten the credit he deserves for standing up for trade. It was one of his great achievements in an era that was dominated by protectionism. But here is what he said, and I urge my colleagues, especially on my side of the aisle, people who love Ronald Reagan, to look at these words before we have our final vote on this issue. Ronald Reagan said this about trade, and it is so accurate in terms of fears versus hopes:

"Where others fear trade and economic growth, we see opportunities for creating new wealth and undreamed-of opportunities for millions in our own land and beyond. Where others seek to throw up barriers, we seek to bring them down; where others take counsel of their fears, we follow our hopes."

I am for free trade. I am for the fast-track bill. These two issues cannot be separated. We have colleagues who say, "Oh, I'm for trade, but I'm against fast track." We all know that without fast track, we are not going to have an expansion in trade. We all know that without fast track, Europe will tie itself to South America in their new free trade area, and we will end up with less and less trade and less and less influence and with less and less prosperity.

So the issue here is trade, and the issue is freedom. Do you care about working people in America and around the world? If you do, you ought to be for trade, because trade will raise our living standards, and it will raise the living standards of others. If you are really concerned about child labor, about low wages, about grinding poverty around the world, the way you help do something about it is through trade. You don't do something about it by building a wall around America. If you really care about the environment, you are not going to improve the world environment by promoting poverty. We are going to promote it by expanding trade and by expanding prosperity.

This is a very important vote we are going to have. We have not voted on anything in this Congress that is more important than giving the President fast track. If we reject fast track, we are saying that special interests dominate the trade policies of America, that the world's great trading nation, the most successful nation at trade in the

history of the world, the nation that has benefited more from trade than any other country in the history of the planet, we are going to be saying that for the first time in the postwar period we are giving up our position of world leadership in trade, that we fear to trade.

I don't say that, and I don't believe it. I hope that we are going to give the President fast-track authority and continue a process that will continue our prosperity and economic growth. I yield the floor.

Mr. DORGAN addressed the Chair.

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

Mr. DORGAN. Mr. President, I yield as much time as he may consume to the Senator from North Dakota, Senator CONRAD. Because no one else is on the floor and because of the time balance, I ask unanimous consent that Senator FEINSTEIN from California be allowed to follow the presentation by Senator CONRAD.

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

Mr. DORGAN. Mr. President, let me say, the Senator from Texas, Senator GRAMM, as always, makes an interesting and a challenging presentation. He is a very capable Member of the Senate.

I will say, I listened with great interest. One of the areas I think where we want to discuss some disagreement is whether, as he proposes, the American people do not really understand the issue of trade. I think the American people do, in fact, understand the issue of trade, and that is precisely what is requiring and causing this kind of discussion in the U.S. Senate.

Having said that—I will expound on that at some later time—let me yield now to my colleague, Senator CONRAD.

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

Mr. CONRAD. I thank my colleague from North Dakota, Senator DORGAN. I also listened with great interest to the remarks of our colleague from Texas, Senator GRAMM. I, too, was struck when he said the American people don't understand trade. I must say, I disagree. I think the American people understand it very well. I think they understand that freer trade is in our interest, but I also think they understand that sometimes we don't do a very good job of negotiating these trade agreements with other countries, and, as a result, we quite often find ourselves at a disadvantage. That is not in America's interest. We ought to do a better job.

When it is a question of this fast-track proposal, I must say, I favor fast track, but I don't favor this fast-track proposal because it is flawed. It should be fixed, but there has been no serious attempt to fix it.

Mr. President, without question, we are the most competitive nation in the world. Others have higher barriers erected against our goods than we have erected against theirs, and that is why fundamentally it is in our interest to negotiate trade agreements with other nations to reduce their barriers to our exports. There is no question that is in America's economic interest. For that reason, I voted for the GATT agreement, the General Agreement on Tariffs and Trade. But I also recognize that the devil is in the details, and we have seen that both with the Canadian Free Trade Agreement and the North American Free Trade Agreement. There were flaws in those trade agreements, serious flaws that should have been fixed before America signed off on those trade agreements.

Before I go further into the details of what was wrong with NAFTA and the Canadian Free Trade Agreement and how those flaws came about, I would like to report to those who are listening on what happened in the Senate Finance Committee in considering the fast-track legislation that is before us, because I find just the process that has led us to where we are today disturbing.

Senator GRAMM said this is the most important measure this Congress will consider this year. I don't know about that, but certainly it is a very important measure. I would guess the American people think, well, the committees have gone over this, they have debated it, they have discussed it openly and freely, Members have had a chance to offer amendments. That is how the process usually works around here, but that isn't what happened on this bill that is before us today. No, no, something quite different happened.

We had a meeting, a closed meeting, outside of the public eye in the back room of the Finance Committee. A number of us had a chance to say, look, we think there are flaws in this legislation that ought to be fixed. The chairman told us he didn't want any amendments when we went out into the formal session. I didn't know that he meant by that that he wouldn't permit any amendments, but that is what happened, because when the closed meeting ended and we went out into public session, something occurred there that I have never seen in my 10 years in the U.S. Senate. There was no debate, there was no discussion, there were no amendments, because none were permitted.

Instead, this legislation was combined with the Caribbean Basin initiative and the tax provisions of the highway bill. They were wrapped all into one vote, no rollcall. The three of them together were voice voted, and no amendments were permitted. That is what happened. That is not my idea of the legislative process.

What are the advocates of this legislation so afraid of? Why can't we have votes on amendments? Why can't we have a debate? We certainly didn't have it in the Senate Finance Committee that has the jurisdiction over this legislation. I think I found a number of reasons maybe why they don't want to have amendments considered and they don't want to have a chance for debate and discussion. Maybe it is because there are flaws in this agreement and they would just as soon not discuss those flaws.

Mr. President, I think I detect at least three serious flaws in what is before us. First of all, we have to understand what fast track is all about, and I think every Member here understands that fast track means that individual Members give up their right to amend legislation implementing trade agreements.

That is a remarkable thing, because the greatness of this body is that every Member has a right to offer amendments on every bill in order to alter it, change it, to fix it. But we give up that right under fast track. The idea is that that is important to do, so that the President can negotiate trade agreements, because other countries would be reluctant to negotiate if the resulting agreements were then subject to amendment on the floor of the Senate.

Mr. President, the idea is that in exchange for giving up the right to amend, that Congress will be fully consulted in negotiating those trade agreements. It is called consultation.

Mr. President, I have been here now through GATT, through NAFTA, and through the Canadian Free Trade Agreement. And I think I can report, without fear of contradiction, that the notion that Congress is consulted is largely a formality. It is more of a wave and a handshake than it is any kind of serious consultation with Congress. None of that would matter so much if it did not mean that we lose the opportunity to correct flaws in agreements before they are signed off on by our country. Before Congress is faced with an up-or-down vote, you approve it all or you kill it. Under fast track, it is all or nothing.

That is what is seriously wrong with what is in front of us. We have given up the right to amend but we have not gotten in exchange any serious consultation process to try to prevent mistakes from being made before agreements are reached. That is not in America's interest.

The result has been, in previous agreements, that very serious flaws have been included that were injurious to America's interests.

In a minute I will discuss one that has affected my State and affected it seriously.

The second point I want to make, the second flaw that I have detected in this legislation, is we still have no means of correcting previous agreements that contain mistakes.

I know people who are listening must think, "How can that be? I mean, we

have a circumstance in which we enter into trade agreements, but there is no mechanism for fixing mistakes that are contained in agreements we have already entered into?''

Well, as shocking as that might seem, that is precisely what we have. We have a circumstance in which, if there is a mistake in a previous agreement, there is no mechanism for fixing it.

Some will say, who are trade experts and listening, ''Well, the Senator is not right. We do have a way of fixing things. We can file a section 301 case.''

Well, let me just say, for people who are not aware of the technical details in trade legislation, section 301 is like an atom bomb. Section 301 means we take retaliatory action against a country. But they, under trade agreements we have signed, can then retaliate against us. And guess what happens? If we go the route of a 301, which is rarely done—rarely done—the country that we retaliate against for an unfair trade practice retaliates in turn against us. Obviously, then our country is very reluctant to take such an action.

That leaves us without any practical way to fix the mistakes in past agreements. I was prepared, in the Finance Committee, to offer an amendment as part of the negotiating instructions to our trade negotiators that they ought to pursue a mechanism for fixing trade agreements that are flawed. Is that such a radical idea? Sounds like common sense to me. We ought to have a way of fixing agreements that have mistakes that are flawed.

Mr. President, I am not just talking theoretically here. I am talking out of practical experience, of a bitter experience, that my State had with the so-called Canadian Free Trade Agreement.

In North Dakota, we produce Durum wheat. We produce the vast majority of Durum wheat produced in the United States. In fact, nearly 90 percent of the Durum produced in America is produced in North Dakota.

Durum, for those who may not be familiar with that term, is the type of wheat that makes pasta. Of course, pasta has enjoyed a dramatic increase in consumption in this country, and North Dakota has been the place that has provided the raw product.

Well, in the Canadian Free Trade Agreement there was a flaw, there was a mistake, and that provided an enormous loophole for our neighbors to the north to put Durum wheat into our country on an unfair basis. And you know what happened? Canada took advantage of that loophole, that mistake, that flaw, and before you know it, they went from zero percent of the United States market—zero—to 20 percent of the United States market.

I have a chart that just shows what occurred in Durum after the Canadian Free Trade Agreement.

This is before the Canadian Free Trade Agreement. You can see they had zero percent of the U.S. market—zero.

After the Canadian Free Trade Agreement, and its flaw, Canada started dramatic increases in exports to the United States. In fact, they reached this level, which represented 20 percent of the U.S. market.

We then were able to put limitations in place—something we could no longer do because of succeeding trade agreements that we have signed—and we were able to reduce their unfairly traded Canadian grain back to a more tolerable level. But we cannot put this kind of limitation in place anymore. So we are left with a circumstance where one of the major industries in my State is vulnerable to unfair competition.

Some would say, ''Well, it sounds to me, Senator, like you're just afraid of competition out in North Dakota.'' Oh, no. We are not afraid of competition. We are ready to take on anybody, anytime, head to head in any market anywhere. We are among the most competitive agricultural areas in the world. But we cannot take on the Canadian farmer and the Canadian Government.

And that is what we are being asked to do. Because, while the Canadian Free Trade Agreement says—and says clearly—neither side shall dump below its cost in the other's market, in a secret side deal, never revealed to Congress, our trade negotiator at the time told the Canadians, ''When you calculate your cost, you don't have to count certain things. One of the things you don't have to count, you don't have to count the final payment made by the Canadian Government to the Canadian farmer.''

Guess what the Canadians did? They dramatically decreased the payments that count, and they increased the amount of their final payment to the Canadian farmer. And they do not have to count one penny of the final payment for the purposes of determining whether they are dumping wheat below their cost into our market. I know that is a flaw. That is a mistake. That is unfair. But you go and try and fix it, and what you will find is there is no mechanism for fixing past flawed agreements.

I think we ought to tell our negotiators, as part of their negotiating instructions, ''Go and try to get a mechanism for fixing trade agreements that have mistakes.'' But that amendment could never be offered in the Senate Finance Committee because no amendments were permitted. Why? I have never seen that in my 10 years in the U.S. Senate in any committee on which I have served. No amendments permitted—none. That reminds me of a different country and a different time—not the United States.

Well, the third C that I talk about is currency valuation, because I think that, too, is something we ought to consider.

There is no consideration in these trade negotiations about the currency stability of the country with whom we are negotiating.

NAFTA is a perfect example of what that can mean.

This chart shows that in the NAFTA agreement we were able to secure a tariff gain of 10 percent by that trade agreement because we were able to convince Mexico to reduce their tariffs by that amount. So we got a tariff gain of 10 percent in terms of our competitive position.

Mexico, shortly thereafter, devalued its currency by 50 percent, completely overwhelming and negating what we had accomplished in the trade negotiation. Is it any wonder that we went from a trade surplus with Mexico before NAFTA to a $16 billion trade deficit with Mexico today? But nobody wants to talk about it, nobody wants to have an amendment offered that deals with this question.

All I am asking is that when we are negotiating with a country, that we ought to get a certification from our President that he has examined the currency stability of the country with which we are negotiating so that he can assure us that there is little risk of a dramatic devaluation that would completely wipe out what we accomplished at the trade negotiating table.

Common sense. It just makes common sense. You look before you leap. You examine the currency stability of the country with whom you are negotiating so that you can assure yourself they are not going to have a dramatic devaluation that wipes out what you accomplish at the trade negotiating table.

That amendment was never considered because, again, no amendments were permitted in the committee.

Mr. President, I would like to be able to vote for fast track. I believe in freer trade. But I also believe that there are serious flaws in this fast track proposal that deserve debate and discussion and votes on amendments. We were denied all of those in the Senate Finance Committee. I have never seen it in 10 years in the U.S. Senate. We are now going to have a chance here on the floor to offer those amendments—at least, I hope we are—I hope the majority leader is not going to come out here and fill up the tree and prevent amendments being offered by Members.

Mr. President, this is a serious matter. Senator GRAMM again said this is the most important vote we are going to have in the Senate this year. Again, I am not sure I would put it at the very pinnacle, but no question this is an important matter.

The fact is, the United States has a lot to gain and a lot to lose. We have a lot to gain if we really accomplish freer trade in this world because we are

the most competitive nation on the globe. We have a lot to lose if we negotiate flawed agreements. We have a lot to lose if we continue on the path that leads to a nearly $200 billion trade deficit in part because the United States has not been tough enough in negotiations with other countries.

It seems to me these three C's that I have outlined—of consultation, of correcting prior agreements that have flaws and, third, that we consider the currency valuation of the country with which we are negotiating so that we can be confident they will not engage in a dramatic devaluation and completely offset what we have accomplished at the negotiating table—are commonsense measures.

I hope my colleagues, when I have a chance to offer these amendments, will carefully consider them because this is an important matter. We have a chance to make this fast-track proposal much better, to guard the interests of the people of the United States much better.

Mr. President, I will conclude as I began. I have supported well-crafted trade agreements. I was proud to vote for GATT. But I have opposed those agreements that I thought were flawed and not in the national interest.

Now, again, all Members are going to have to make a decision and a determination. And I say to them, as a member of the Finance Committee that considered the legislation before us, that it is flawed, and it ought to be fixed. Hopefully, we will have the opportunity to do that on the floor of the Senate, which we did not have in the Senate Finance Committee.

I thank the Chair and yield the floor.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER (Mr. GREGG). The Senator from California.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent for such time as I may consume.

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

Mrs. FEINSTEIN. Mr. President, I rise this afternoon to offer my views on this fast track proposal before the Senate. I have followed the debate very carefully. California has a significant stake on issues of international trade, an important engine driving the California economy today.

In recent weeks, we have heard a great deal about fast track, often with broad, sweeping claims. Some have said those voting against fast track are protectionist, xenophobic or antitrade. Others have claimed fast track is the Sun, the Moon, and the stars. I want to take a few minutes to describe just what I think fast-track authority is all about. Fast track is the abrogation of congressional authority to have some leverage on trade agreements and the ability to offer amendments on the floor.

This fast-track bill provides the President, for the remainder of his term, plus an optional extension, the authority to negotiate any trade treaty in the world and bring it rapidly to this body, without an opportunity to offer amendments. Article 1, section 8, of the U.S. Constitution gives the Congress responsibility over economic matters. Through fast track, we are effectively abrogating this responsibility.

There is no State in this Nation that has a more important role on issues of trade than the State of California. The stakes are very high.

California is the seventh largest economy on Earth. We are the economic powerhouse and the economic engine of the Nation, responsible for 13 percent of the Nation's economy and 20 percent of the Nation's export.

Free and fair trade is an integral part of California's economic future. But free and fair trade can only be brought about through a level playing field, with everybody playing by the same rules. My job as a U.S. Senator is to stand up and articulate my State's interests when its needs and concerns are not being taken into consideration. Simply stated, fast track gives the President total authority to negotiate any trade agreement.

Is fast track absolutely necessary? We have heard a great deal of comment and concern, calling for the passage of fast track: "We have to do it, we have to do it, you are un-American if we don't do it." But the fact of the matter is this President has concluded 220 trade agreements, and only 2 of them, the GATT Uruguay round and the North American Free Trade Agreement, have required fast-track authority.

In fact, other than GATT and NAFTA, there have only been three additional agreements in the Nation's history that have been adopted through the fast-track process: the Tokyo round of GATT in 1975, the United States-Canada Free-Trade Agreement in 1998 and the United States-Israel Free Trade Agreement in 1989. These are the only five agreements in the history of our Nation that have been passed using the fast-track process.

Yet we have seen exports increase in our country by 50 percent since 1991, without fast-track. Today, exports are 30 percent higher than they were in 1993. The trade growth and the trade agreements are occurring without fast-track authority.

Now, it may well be if I were the President of the United States, I would want to have fast track, too. It would make my life simpler. I would not have to deal with a Congress that can sometimes be recalcitrant or difficult and, at our best, obstreperous, and at our worst, an actual impediment.

However, the Senate is supposed to be a deliberative body and I feel sometimes no legislation is better than just-any legislation. Yet with this fast track matter, we have seen a great rush. We are told we can't wait until next session or next year to have more thoughtful consideration on this issue. We have to do it right now.

I must tell you, the stakes are very big for my State. Fast track forces me to give my authority to offer changes. I give up my ability to pick up the phone and tell the administration, "Hey, if you negotiate this, I'm going to try to amend it on the floor because it disadvantages industries in my State."

The bottom line is, I think, the argument that the United States can't negotiate trade agreements without fast track, based on the record, are incorrect. Senator BYRON DORGAN has ably pointed out that the agreements that have been the subject of fast track, have been followed by a growing negative trade balance. Yet we can't do anything about it so we don't talk about it.

Under NAFTA, a $1.7 billion trade surplus in 1993, after NAFTA's passage, grew to a record trade imbalance of $16.3 billion by 1996. Our trade deficit with Canada has also grown, more than doubling from $11 to $23 billion annually.

We can't amend NAFTA, we can't change NAFTA. All we can do is give 6 months' notice and withdraw. The stakes are very big now, and withdrawal is not apt to happen politically.

The GATT agreement, which I voted for, has contributed to the largest merchandise trade deficit in U.S. history, rising in each of the last 4 years to an all-time high of $165 billion today.

I think these mounting trade deficits should be a loud and clear message that America should negotiate better trade deals rather than give up congressional responsibility through fast track. To me, these experiences say, "Go slow. Fast track may well backfire."

Yet, through fast track, we are saying we have to proceed quickly, we have to give up all scrutiny, we have to give up all right of amendment: do it fast, do it fast.

I would like to discuss one area where we face significant concerns. Right now, the international financial markets are more complex than ever. Today's international trading picture is more diverse and complicated than ever before. Take, for example, the currency problems some Southeast Asian nations are experiencing, which may well create a very unanticipated result.

Earlier this month, the International Monetary Fund announced it is preparing an emergency line of credit for Indonesia. The Indonesian rupiah has dropped more than 18 percent against the dollar since late September. Thailand received a $17 billion loan from an IMF-led consortium in August, which

represents the second largest IMF rescue package ever.

Indonesia and Thailand now join the Philippines as Asia's former "economic tigers" who have looked for IMF emergency help due to financial crisis. As you may recall, following NAFTA, the United States extended the largest loan package to Mexico when it faced financial crisis and the peso was devalued. Much to Mexico's credit, this loan was promptly and fully repaid.

Many knowledgeable people involved in the Pacific rim trading theater believe these currency fluctuations are very serious harbingers of things to come. In many of these countries, banking practices may also be a subject of concern, with loans extended to those with political clout, rather than the most worthy. These currency fluctuations may foreshadow major banking scandals in the future.

If you combine questionable banking practices with currency fluctuations, we may see a scenario in which the only course open to some of these nations is for them to press harder to increase their exports and erect import barriers, regardless of what the trade agreements say. Further, the United States does not have a great record in enforcing many of the agreements that are on the books. As a result, U.S. manufacturers would lose exports and market share.

Free and fair trade is an integral part of California's economic future. But under fast track, California's two Senators could very easily get rolled despite the State's enormous economic stake. Many States, each with two Senators, don't have nearly the economic interests that we do. My State could face an agreement that very much disadvantages California's industries, and I would have no opportunity to try to correct that.

We are the leading agricultural State in the Union, home to 10 percent of the Nation's food processing employment.

The California wine industry is the Nation's leader, producing 75 percent of the wine and 90 percent of the wine exports.

We are the leading high-technology State, providing 20 percent of the Nation's jobs in high technology.

We lead the Nation in entertainment, providing 50 percent of the Nation's production.

We are home to 5 of the Nation's 10 largest software firms. We are the Nation's leader in biotechnical and pharmaceutical products, providing as much as 30 percent of the Nation's output. Yet, under fast track, I am asked to give up any opportunity to fight for my State's interests on the floor of the U.S. Senate if they are disadvantaged by a trade agreement negotiated by the administration. I cannot agree to those restrictions.

Let me talk for a moment about specific concerns with S. 1269, the Finance Committee bill. I have listened intently to the debate other the past several weeks. I have scrutinized amendments which may be offered to this legislation. In my view, the major deficiencies in the fast-track legislation before the Senate have not been addressed. In some ways, the legislation before the Senate today is weaker in addressing those concerns than in prior fast-track laws.

Under S. 1269, trade negotiations that involve issues such as protecting U.S. manufacturing, labor, or environmental standards, cannot be included in the fast-track process but will have to be dealt with separately where they could be the target of amendments, Senate filibusters, or bottled up in committee and never see the light of day.

Let me give an example. Unlike previous fast-track laws, S. 1269 requires that a provision of a trade agreement, to be entitled to receive the protection of fast track, must be "directly related to trade."

Previous fast-track laws have provided fast-track benefits to those provisions of an agreement that "serve the interests of U.S. commerce" and are "necessary and appropriate" to carry out the agreement.

So what is the practical effect of the changes? If a trade agreement included a component to fund border cleanup, these cleanup provisions could not be protected by fast-track rules because they are not considered "directly related to trade." They would have to proceed through the regular legislative process, subject to amendments, filibusters, with no certainty the provisions would ever receive a vote.

For example, NAFTA implementing legislation reduced tariffs in Mexico, Canada, and the United States and created the Border Environmental Cooperation Commission and the North American Development Bank to fund environmental cleanup. Although adopted in the NAFTA fast-track approval process, these two entities would not be eligible for fast-track if they were included in a future trade agreement brought under S. 1269's fast-track authority.

S. 1269 limits congressional opportunity to remedy worker safety, wage, and environmental concerns. Section (2)(b)(15) of the bill seeks to prevent foreign governments from "derogating," or reducing, a country's laws or regulations to provide a competitive advantage to its domestic companies or to attract investment to the country.

That sounds good, but what about those countries who have weak or even no environmental or labor standards in the first place? There is no provision in this legislation that would obligate countries to enact fair labor or environmental laws or to remedy serious inequities that already exist between the United States and other countries.

Furthermore, because efforts to address these inequities would not be considered "directly related to trade," any agreement addressing these issues would not be protected under fast-track rules but would be subject to amendment, filibuster, and other procedural rules that could prevent them from ever seeing the light of day.

Additionally, even in those cases where a country has derogated or failed to enforce environmental or labor laws, S. 1269 sets up an impossible enforcement standard. Not only must the United States prove that a country waived or reduced a law or regulation, but it must also prove that it did so to obtain a competitive advantage. Under this legislation, the onus is on the United States to prove a country's motives.

Let me give you some examples of the competitive disadvantage U.S. manufacturers would face, disadvantages the United States would be unable to require other countries to correct:

PCB's and benzene are prohibited in the United States in order to protect public health and safety, but they remain legal, low-cost solvents in Mexico. This reduces a Mexican company's manufacturing and cleanup/disposal costs to the disadvantage of United States companies, but raises significant health risks.

Mexico has a significant problem monitoring and controlling hazardous waste. Less than 20 percent of the industries producing hazardous waste in Mexico, 70 out of 352 industries, report proper hazardous waste disposal. Fewer than 20 percent of those industries meet their obligations. A 1995 report indicates that up to a quarter of all hazardous waste, about 44 tons daily, originating in the industrial border area in Mexico, the maquiladora area, simply disappears with no documented end point. No U.S. companies could get away with that. But companies in Mexico are able to get away with, undermining public health and safety, and gaining a cost advantage along the way.

In Tijuana, 7 miles south of California, lead and arsenic is, today, collecting in an uncontrolled pile. In the United States, these materials, which are found in every battery, can only be handled in a "contained or controlled" environment to protect against leakage, and they are buried in clay or porcelain-lined pits. In Tijuana, no cleanup has occurred.

I would like to offer another example. Molded plastic, such as the simple types of chairs or tables in many backyards, emits toxic fumes during the molding process. In the United States, the fumes must be captured during manufacturing under what's called an exhaust hood. But in Mexico, the cheaper manufacturing process is conducted in open air without an exhaust

system, allowing for the release of the harmful toxins.

Now, these are specific, ongoing examples of disparities in environmental standards that serve as either an inducement for manufacturers to lower their standards, or a competitive disadvantage to U.S. manufacturers who are required to meet higher standards to protect public health and safety. They also are part of the sucking sound that Ross Perot described, in which U.S. industries are drawn to Mexico to manufacture, because they don't have to abide by the higher standards in the United States. There is no remedy for this under this fast-track law.

Without a remedy available as part of trade negotiations, these disparities in standards only encourage the flow of more jobs to areas with the lowest standards and, hence, the lowest manufacturing cost. The low-cost areas will include many Asian countries in the future.

Now, I would also like to give you a specific example illustrating the problems and why I feel so strongly. The example involves the California wine industry, which represents 75 percent of the Nation's output of wine and 90 percent of the Nation's wine export products.

NAFTA had an immediate negative impact on the California wine industry. Coincident with NAFTA, Mexico gave Chilean wines an immediate tariff reduction, from 20 to 8 percent, and a guarantee of duty-free status within 1 year. By contrast, United States wines face a 10-year phaseout of a much higher Mexican tariff, disadvantaging them in the Mexican market.

The result was predictable: United States wine exports to Mexico, following NAFTA, dropped by one-third, while Chilean wine exports to Mexico nearly doubled. Chilean wine picked up the market share lost by United States wineries dominated by California.

During the NAFTA debate, the administration pledged, in writing, to correct inequities within 120 days of NAFTA's approval. I would like to quote from a letter from the U.S. Trade Representative:

> . . . I will personally negotiate the immediate reduction of Mexican tariffs on U.S. wines to the level of Mexican tariffs on Chilean wines and, thereafter, have hem fall parallel with future reductions in such tariffs.

You would think that at least by today, 3½ years later, the tariffs would be equal. Not so. Three and one-half years later, they remain enshrined in law and there seems to be nothing we can do about it.

As a matter of fact, as a result of an unrelated trade dispute, Mexico actually raised tariffs on United States wine to the pre-NAFTA level of 20 percent, an increase above the 14 percent rate it had reached. The 20-percent tariff remains in effect today, representing a wipeout of United States market share to the Chilean wine entering Mexico.

From Mexico's standpoint, the strategy is clear. You keep the tariffs up for a period of time, eliminate United States market share, and another country comes in that doesn't face those tariffs and builds up sales and market share. That is exactly what has happened, chapter and verse.

GATT, which I supported, also contained monumental inequities for this important industry. This time, the problem was in the European Union, and this is how it worked. Even though the United States had the lowest tariffs of any major wine producer, United States negotiators agreed in the Uruguay round to drop our tariffs by 36 percent over 6 years, while the world's largest wine producer, the European Union, dropped its tariffs by only 10 percent.

As a result, the current U.S. tariff on all wine products is an average of 2.4 percent, compared to the EU's current average tariff is 13 percent.

GATT also disadvantaged California's entertainment industry, which allowed European restrictions on U.S. programming to persist. Europe didn't accept the GATT commitments on the audio-visual services. Instead, the EU maintained its 1989 European Union Broadcast Directive, which limits the market for U.S. movies and television broadcasting. France, for example, requires that 40 percent of all feature films and transmission time must be of French origin, while 60 percent must be of EU origin, leaving only 40 percent of the market open for United States competition.

So, you see, GATT and NAFTA, both the product of fast-track during my time here in the Senate, left California industries with significant disadvantages. During those negotiations, I called the administration and I said, "These are huge industries in my State and they will be hurt under this agreement." And I was effectively rolled. Why should I, or any Member of this body, give up our opportunity to stand on this Senate floor and move an amendment to protect an industry within our State?

That is what fast-track does, ladies and gentlemen. That is what fast-track does.

Through fast-track, we knowingly abrogate our responsibility, despite the requirements of the Constitution of the United States, article I, section 8, which gives that authority to the Congress of the United States.

As I said earlier, if I were President, I might want fast-track authority. I am not; I am a U.S. Senator. I am elected to protect the people and the industries and the workers in my State.

Now, there are ways that the legislation can be strengthened. One is to require that tariffs in other countries be reduced first, before we commit to deeper reductions in already lower U.S. tariff levels. All too often, the price of modest tariff reductions abroad is deeper reductions in the United States. U.S. producers need a level playing field.

Another important area for improvement is stronger enforcement. We need stronger enforcement tools, if trade barriers are not lowered as provided for in the agreement. A recent report from the American Chamber of Commerce in Japan said more effort must be dedicated to enforcement of existing trade agreements.

We can have appropriate environment and labor incentives built into these agreements.

I have always believed that the American dream was that workers on a plant production line, by dint of his or her work, could buy a home, buy a car and earn enough to send his or her kids to school. The American dream, to me, has always been that, by dint of labor, you can have all of the opportunities in this great country.

I didn't run for the U.S. Senate to preside over the diminution of the California worker or the American worker. I didn't run for the U.S. Senate to see that a 60 cents an hour minimum wage standard would prevail. I ran for the U.S. Senate to try to see that this American dream enables somebody, by the dint of their labor, to buy a home, buy a car and send their kids to good schools, so that the next generation can do better than the previous generation. I don't think that is an unrealistic dream. It has always been the dream of America. We can have appropriate environment and labor incentives.

Another area for reform is an effective dispute-resolution process. Farmers face phytosanitary disputes on the border all the time. Arbitrarily, countries and border agents can deny access to products like wheat in China or grapes in Australia or citrus in another country because of some claim somewhere. These barriers may have little basis in science or public health, but may reflect political judgments.

In conclusion, let me only say that I represent a huge State. I don't serve on the Finance Committee. The only opportunity I have to protect the industries and people of my State is the ability to stand up on this floor and introduce an amendment and say to the administration, "If you do this, I am going to filibuster the bill, I am going to amend the bill, and I am going to protect the people of my State."

Fast track is a total surrendering of this ability, without knowing what agreements are coming down the pike, without knowing what I am going to be asked to accept, or the industries are going to be asked to do. Fast track has to be reviewed in that framework because that is the true framework in

which this decision is going to be made.

I thank the Chair. I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I speak on behalf of the passage of the legislation which will soon be before us which will authorize the President to enter into negotiations on behalf of this Nation as it relates to trade and trade-related matters.

Mr. President, we refer to this legislation as fast track. As with a number of other policy issues here in Washington, I consider these words to be nondescript. They do not convey what it is we are being asked to vote upon.

This legislation first establishes a framework within which the President of the United States can conduct negotiations. In essence, it is analogous to a board of directors of an organization telling its executive that it can negotiate a particular contract but stipulating what the conditions of that contract must be and what the limits of the negotiating authority are. When that negotiation reaches a conclusion, and if that conclusion is a trade agreement, when that agreement is returned to the Congress where the Congress has a single "yes" or "no" vote but cannot modify the agreement, and in the case of the Senate surrender some of the prerogatives relative to extension of debate and other procedural advantages which are normally available to us as individual Members of the Senate, the question is, why will the Congress today be willing to do this? Why have Congresses over the past two or three decades been willing to pass such legislation and transfer a portion of their authority to the President? The answer is very simple. That is, if we do not do this, we don't have the opportunity to enter into trade negotiations because our trading partners will not come to the table.

Why would countries like Great Britain, France, Argentina, and Japan not want to come to negotiate with the United States unless the President had this authority? Most of those countries have some form of a parliamentary form of government in which the executive branch and the legislative branch are effectively merged. Therefore, when the Prime Minister speaks on behalf of the Government of the United Kingdom, as an example, he or she is not only speaking as the head of the executive branch but speaking as the head of the legislative branch and as the head of the political coalition which controls the Government. So what the Prime Minister says at the negotiating table there is the political capability and expectation of his or her ability to deliver on behalf of the Government of the United Kingdom.

In the case of the United States, we don't have this integration of the executive and the legislative branch, and frequently the President is not the head of a coalition that effectively controls Government. We have one of those examples today in which the President is of one political party, the leadership of the Congress is of another. So our trading partners would say, why should I sit down with the President to negotiate the best agreement that I can? And, like all agreements, trade agreements contain a heavy component of compromise. You gain some benefits in area A, and you give some benefits in area B in order to reach an agreement that both sides will feel is advantageous. Our trading partners would say, why would we agree to such a treaty knowing that then Congress is going to come back, and in area B where we got our principal benefits they will try to offer a series of amendments to strip us of those benefits?

So the product that would finally emerge would not be one that both sides would feel is balanced and that can be supported.

So, the reason that we have this process is because without it we never get to the question of whether we would have a negotiated agreement because the other parties would not sit with us to enter into that discussion.

So, this is fundamentally a question of does the United States wish to negotiate trade agreements, or do we wish to sit in the stands while the other nations of the world negotiate trade agreements that will have an impact upon us?

I know that this debate is heavily affected by history. Much of that history is a result of the North American Free-Trade Agreement and negative experiences that people have had under the North American Free-Trade Agreement.

I come from a State that has felt that sting of the North American Free-Trade Agreement, particularly as it relates to agriculture. Our congressional delegation was very concerned about this in the days leading up to the final vote on the North American Free-Trade Agreement. We secured what we thought were some protective understandings from the administration. And I am sad to say that through a combination of inadequate enforcement and a failure to keep commitments we were very disappointed, and many sectors of our agricultural industry were adversely affected. Learning from this lesson—not what some have learned, which is we should wash our hands of this process and have nothing more to do with attempting to negotiate trade agreements, or to be involved when other people are negotiating trade agreements—the lesson that I and others have learned is this time we are going to put these concerns into writing in the legislation which sets the parameters for the negotiation and not depend upon promises of what will happen after the negotiation has been concluded.

So, in this fast-track legislation as passed by the Senate Finance Committee there are a number of provisions that are intended to provide that enhanced level of confidence that agreements reached will be agreements enforced, that commitments made will be commitments realized.

Let me just quote from page 8 of the Finance Committee's version of this legislation beginning on line 6:

> Agriculture: The principal negotiating objectives of the United States with respect to agriculture are in addition to those set forth in various sections of the Food Security Act of 1985 to achieve on an expedited basis to the maximum extent feasible more open and fair conditions of trade in agricultural commodities by . . .

And then a series of specific points are mentioned. Let me refer to three of those specific points.

> Specific requirements for negotiators to account for the unique problems of perishable agricultural products, including disciplines on restrictive or trade distorting import and export practices;
>
> Two: Requirements to address market access for the United States agricultural products, including removing unjustified sanitary and phytosanitary restrictions;
>
> Three: Protection against unfair trade practices, including State subsidies, dumping, and export targeting practices.

All of those, Mr. President, and more are listed in the fast-track legislation that is before us.

In addition to that, in the report language submitted by the Senate Finance Committee, there is a requirement for the President to account for foreign unfair or trade distorting practices for specific sectors, particularly perishable agricultural products, citrus fruit, and fruit juices.

So, we have learned some of the lessons of the recent past and are now applying those lessons in terms of the parameters of the negotiation in this fast-track agreement.

Why do we need to be there in the first place? We had this experience in the recent past. Why not just step back, defend our position in America, and let the rest of the world take its place?

I believe, Mr. President, that we are facing a stark choice; that is, a choice as to whether the United States is to maintain its leadership position in the world, to be at the table writing the rules of international trade so that those rules will take into consideration our circumstances, our expectations, and our economic interests. Or, are we to retreat from the world, and allow others to write the rules to their advantage?

Mr. President, we represent only 4 percent of the customers of the world. Ninety-six percent of the people on this planet are not residents of the United States of America. We cannot maintain

our growing economy and its standard of living unless we reach out to that 96 percent of our fellow human beings who do not live in our country. We cannot maintain our current record level of economic growth and expansion and prosperity and full employment without active trade. The United States has already opened its borders to foreign goods. We have recognized the benefit to our people of having access to goods and services that are produced outside the United States. We have done so most dramatically by reducing our tariffs to an average level of 2 percent. That is the average level of tariff on products coming into the United States. But our products going out of the United States trying to reach that 96 percent of mankind who are not U.S. residents face tariffs that exceed 10 percent on average.

As an example, the country which is specifically mentioned in this legislation as being authorized for the President to negotiate membership in the North American Free-Trade Agreement is Chile. In February of last year, I visited Santiago. We learned from the United States-Chilean Chamber of Commerce that the average tariff against United States products in Chile is 11 percent. The average United States tariff against Chilean products is the 2 percent, which is the worldwide average.

In a discussion with several businesses, some of which are United States, some of which are non-United States, as to what would be the effect of the United States entering into an agreement which would reduce Chilean tariffs against United States products, the answer was universally that it would lead to a substantial increase in the Chilean purchase of United States products.

As an example, one firm that was in the boat building and boat repair business said that they bought their sheet steel and their machine tools from Europe because at the current level of tariffs Europe was more economically competitive, but that with a lowering of Chilean tariffs against United States products, the opening of a free trade relationship between the United States and Chile, they would shift their purchases of those products to the United States to the substantial benefit of our country.

Chile is a relatively small country, a population of about 15 million. It is about the same size as my State of Florida. But it is a country which has had a dynamic market-driven economic growth over recent years. It has had a powerful influence on other developing countries in South America, and in the world. Establishing this relationship with Chile would be a strong United States recognition of the progress that this country has made, and an encouragement for others to follow Chile's example.

Unfortunately, Mr. President, most of the debate about fast track has in fact focused on our own hemisphere, and specifically on the expansion of the North American Free-Trade Agreement.

That is certainly an important part of this fast-track authority, but it may be secondary in its importance to the U.S. economy to a series of important sectoral negotiations which are going to commence under the GATT agreement to which we have already agreed.

Under the GATT agreement beginning in the next few years, there will be a series of negotiations on specific economic sectors. I would like to focus on one of those sectors which will be the topic of negotiations in 1999. And that is agriculture. This is important to us because agriculture represents the area of trade in which the United States has the greatest surplus with the world. The largest area in which the United States has an advantage in terms of export over import is in agricultural products.

What are we going to be trying to accomplish at the 1999 agricultural sectoral negotiations? Some of the objectives of the United States will include reducing foreign tariffs in consultation with the U.S. agricultural industry on fruits and vegetables. Today, for example, Japan imposes a tariff on oranges which is as high as 40 percent. Other countries have similarly high tariffs on citrus products and other processed fruits and vegetables. One of our principal negotiating objectives will be to drive down those barriers to U.S. agricultural products in important markets.

Another objective will be to increase or eliminate tariff rate quotas. These are the limits on the amount of goods that the United States can export to a country before it faces high and often preventive levels of tariffs. We want to see those quota limits as high as possible or totally eliminated. This is another important objective of our negotiations.

Mr. President, our distinguished chairman has asked to have the floor returned to him, and I shall do so by just summarizing to say that two other important agricultural objectives are to eliminate export subsidies and to eliminate state trading enterprises which have both distorted the agricultural market. If we do not pass this legislation, the United States will not be at the table in 1999. We will not have the opportunity to advance our goals.

There are risks involved in extending to this President the same authority that we have granted to Presidents over the last two decades, but I believe the greater risk for the United States is to stand on the sidelines and let others write the rules that will determine our economic well-being. I believe the United States needs to be there. We need to be there with a sense of strength, pride, and confidence in our ability to negotiate an agreement. And if the President is found to have acted in a foolish way that is contrary to U.S. interests, we have the responsibility and the power to reject that agreement with a decisive "no" vote.

Mr. President, I appreciate the leadership which our chairman has given on this matter. I know what a strong supporter he has been on the issues.

I ask unanimous consent to have printed in the RECORD the draft of an amendment which I intend to offer, assuming that we move to proceed to this matter, which relates to increased enforcement responsibility for the executive branch relative to any treaties that it might negotiate.

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

AMENDMENT NO. —

(Purpose: To require a plan for the implementation and enforcement of trade agreements implemented pursuant to the trade agreement approval procedures)

On page 41, between lines 16 and 17, insert the following new section and redesignate the remaining sections and cross references thereto accordingly.

SEC. 6. ADDITIONAL IMPLEMENTATION AND ENFORCEMENT REQUIREMENTS.

At the time the President submits the final text of the agreement pursuant to section 5(a)(1)(C), the President shall also submit a plan for implementing and enforcing the agreement. The implementation and enforcement plan shall include the following:

(1) BORDER PERSONNEL REQUIREMENTS.—A description of additional personnel required at border entry points, including a list of additional customs and agricultural inspectors.

(2) AGENCY STAFFING REQUIREMENTS.—A description of additional personnel required by Federal agencies responsible for monitoring and implementing the trade agreement, including personnel required by the Office of the United States Trade Representative, the Department of Commerce, the Department of Agricultural, and the Department of the Treasury.

(8) CUSTOMS INFRASTRUCTURE REQUIREMENTS.—A description of the additional equipment and facilities needed by the United States Customs Service.

(4) IMPACT ON STATE AND LOCAL GOVERNMENTS.—A description of the impact the trade agreement will have on State and local governments as a result of increases in trade.

(5) COST ANALYSIS.—An analysis of the costs associated with each of the items listed in paragraphs (1) through (4).

Mr. GRAHAM. Mr. President, with that, I again express my appreciation to our chairman for his leadership and urge our colleagues to follow that leadership by supporting this important legislation.

The PRESIDING OFFICER (Mr. COATS). The Senator from Delaware.

Mr. ROTH. I thank the distinguished Senator for his words of support.

I now yield 10 minutes to the distinguished Senator from South Dakota.

Mr. DORGAN. Mr. President, might I ask unanimous consent that following the presentation by the Senator from

South Dakota, I be allowed to yield up to 20 minutes to the Senator from Colorado?

Mr. ROTH. That is fine.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON. Mr. President, I thank the distinguished chairman of the committee and thank him for his leadership on this extraordinarily important issue for our Nation.

I rise in support of the motion to proceed on fast-track negotiating authority, and I rise as one who as a Member of the other body cast a vote "no" on NAFTA and "yes" on GATT, and one who appreciates that the judgment on the final merits of negotiated trade agreements is something that comes next; that what we have at hand here is a critical procedural issue about whether in fact this administration, as past administrations, will have the authority to go forward to at least be at the table on trade arrangements.

So I am very mindful that today we are talking about process and not a final trade agreement, and that all of us as Members of this Senate will reserve our judgment on the merits of whatever negotiated agreement comes back to us for our ratification.

The Reciprocal Trade Agreements Act of 1997 simply provides the same basic structure and authority for this President as has been provided for past Presidents of both political parties back to President Ford. And if anything, this act strengthens the hand of Congress. It provides for more notification, more consultation, and in fact explicitly restricts Presidential authority in areas not specified in the act. The ability to negotiate under fast track has in fact expired with the approval of the Uruguay round of 1994, and we find ourselves now with great urgency having to deal with this procedural issue.

I think we need to understand, Mr. President, that we go forward or backward on trade. There is no such thing as the status quo. We live in a nation that historically has had very few restrictions on the import of products into our Nation. Most of the trade barriers that need to be dealt with in this world are barriers to the export of our goods abroad. If the United States does not lead on trade, the harsh reality is that others will displace our role with arrangements of their own that may very likely be harmful to the American economy, to American workers, to American jobs, and certainly to American agriculture.

Even in this hemisphere there are others who seek to displace the American leadership role. The European Union currently is attempting to negotiate trade agreements with leading South American nations by 1990, claiming that their future is with Europe rather than with the United States. Other bilateral, other regional arrangements are in the process of being negotiated. All of this goes forward with the United States on the sideline unless we extend this authority to the President because it is only by being engaged in international trade that we can expect to lead toward not only our economic prosperity but democracy, security, and improvement of the environment, dealing with drugs, dealing with terrorism, dealing with weapons of mass destruction.

The United States cannot be a leader for human rights but neglect its role on trade. I think it is important for the Members of this body to recognize that what we have before us is not a referendum on NAFTA. It is not a referendum on any previous trade agreement. It is, in fact, an acknowledgement that we live, however, in an interglobal economy, that we live in that reality, and that reality requires us to become involved in engagement and in a leadership role. Cowering behind walls of fear about trade does a disservice to us all, including workers, the environment and human rights.

The United States represents only 4 percent of the world's population but 21 percent of the world's gross domestic product. It ought to be obvious to us all how critically important trade is to the United States.

In my home State of South Dakota, 1 of every 3 acres of land throughout the State planted to crops is in effect planted for the export market. We simply cannot allow other nations to forge regional and bilateral trade arrangements without the United States even being at the table. And that is the question, that is the fundamental question before this Senate: will we bring the United States to the table to be a player, to be a leader, or will the United States cower on the sidelines and allow other nations to go forward with arrangements that may or may not be beneficial to American workers and the American economy?

Fast track is not about a particular trade agreement. It is not about politics, although there are, admittedly, some in the other body who would tie this agreement to collateral, unrelated issues involving international family planning or even antipublic school agendas, and so on. Hopefully, this will not be brought down by those kinds of irrelevant side issues. We should not be involved in ideology. What in fact we have here is an issue that is about jobs, about economic growth, about world competitiveness.

Other nations simply will not put forth their best offers at the table with our trade representatives if they know they will then have to renegotiate the entire matter with coalitions of Members of Congress and unending domestic political turmoil in our own Nation.

Trade is critically important to my own State of South Dakota. Its export trade has increased from $700 million to $1.2 billion in the past 5 years. Demand continues to grow. But, in fact, so does competition from suppliers, and the need for fair trade and fair access continues to be great. I am pleased with the administration's agricultural initiatives. I am pleased with their support for S. 219, of which I am a cosponsor, the Value Added Agricultural Products Market Access Act of 1997, which would allow for the U.S. Trade Representative on a annual basis to identify nations that deny market access for value added U.S. agricultural products or that apply standards for import from the United States not related to protecting human, animal, or plant life or health and not based on science.

Our red meat exports are now at a record level of $2.4 billion. I am pleased that the administration has directed the Secretary of Agriculture to improve the availability of livestock import data, and the Secretary of Agriculture, in cooperation with the livestock industry, to work on guidelines for voluntary labeling of meat and meat food products.

Agricultural exports nationally have grown 50 percent from 1990 to 1996, from $40 billion to a now record $60 billion. And in the current environment where we no longer have a farm price support system in place, it is all the more important that every possible tool be brought to bear to expand farm income, farm prices, and the competitiveness of one of America's great economic sectors.

I am pleased that agriculture will, in fact, be an explicit goal of the President's negotiating authority.

So again, Mr. President, this is not a referendum on past trade agreements, but it is a referendum on whether the United States will continue to be a leader or even a participant in international trade or whether we will succumb to fear, whether we will in fact enter the 21st century in retreat rather than as the global leader in economic issues, which this Nation deserves and which this Nation needs.

I yield back my time to the distinguished chairman.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, as we debate whether to proceed to the consideration of S. 1269, and on the larger question whether to provide the administration with fast-track authority, we have heard a number of arguments for and against this issue. As the debate continues, I suppose we will hear some things repeated over and over from different colleagues. I don't know a Senator, though—I think I can honestly say I don't know a Senator in this body who does not want to do what is best for American workers, American families, American farmers, American consumers, and the Nation at large.

I think most of us, certainly me, certainly Senator DORGAN, believe that we are protrade. We believe that international trade is important. We know that we would like to see a time when there are very few barriers, very few tariffs, very few quotas—if any. I know, as many of my colleagues do, that if we had no barriers whatsoever, American manufacturers, farmers, producers could compete with anyone and in fact win in that competition on a level playing field. It seems ironic to me that we will go through this effort on legislation that, if it ultimately does pass both the House and Senate, will limit the deliberative and representative processes that are now at the heart of the legislative branch of Government.

Essentially, fast track provides the administration with the assurance that any trade agreement it negotiates will come to Congress as a privileged piece of legislation. That means Congress must consider a trade agreement within 90 days of when the administration formally submits it to this body. In addition, there will be no hearings, no markups. The enacting bill will go to the floors of both the House and the Senate where debate is limited to 20 hours and no amendments are allowed.

Mr. President, 20 hours of debate is not very long for an important issue such as international trade, when you consider there are 100 Senators whose States are heavily impacted by an extensive agreement, such as NAFTA was. It seems even more ludicrous to believe that the 20 hours of debate in the other body, the House, with 435 Members, would provide a fair hearing. That would come out to about 3 minutes per Member, as I understand it. Finally, after the debate is finished, the House and the Senate would only be able to vote "yes" or "no" on the entire agreement. For such an agreement, such as NAFTA, that translates into a vote on a document of about 1,000 pages long with no public input whatsoever.

Fast-track authority is truly a unique procedure. If this authority is granted to the administration, Congress is essentially giving the President powers that I believe are supposed to be reserved for this body in our Constitution. First, it allows the President to control the agenda and determine when trade agreements are considered. More important, and second, it gives the President the authority to actually write the legislation upon which Congress will act. Added on top of this is the fact that I, as just one Member of the Senate, would not be allowed to offer any amendments on the final enacting bill, whether I liked it or disliked it. I am sure many of our colleagues have not yet decided how they will vote, and I certainly can count as well as anybody, and I think probably the tide might be going against us. But I for one do not believe we were elected to be rubber stamps for the administration, and on fast track that simply reduces this body to rubberstamp status.

Article I, section 8, of the Constitution of the United States of America provides Congress with the authority to regulate commerce with foreign nations. The Constitution also gives the President the authority to negotiate with foreign countries. So let's not be misled when people say the President needs fast-track authority in order to negotiate. He can do that at any time. This is simply not true. Fast-track authority gives the President additional powers which our Founding Fathers had reserved solely for the Congress.

I don't believe most of us are isolationists. I believe in free trade. In fact, in this day and age I think we all understand and agree that free trade is an important direction to go. But, quite frankly, I think many us do not support these pell-mell rushes to judgment. We get tired of the old argument that anyone who opposes fast track must be a protectionist and that the opponents of fast track are trying to hinder free trade.

I have to tell you, if it got right down to who we are supposed to protect, whether it's the CEO's of multinational corporations or foreign-owned corporations or American corporations and American jobs, I would have to plead guilty that I prefer to protect our jobs and our corporations and our country. But these kinds of claims sound like something from a tabloid, designed to stir the emotions of the American public.

I think, more important, when we talk about free trade we also have to link it to what is fair. We often hear that bandied around—fair trade. Like many of my colleagues, I am sorely disappointed in some of our past trade agreements that this country has entered into because I don't think they were, basically, fair to us. Before we continue to offer this extraordinary power to the administration, I think Congress has a responsibility to review past policies. Senator DORGAN has done a marvelous job. I think he has done it very well, pointing out the trade deficit, as an example. With every trade agreement we have made under fast track in the past, the trade deficit has actually gone up for America and not down. We got the worst end of every single agreement that was negotiated under fast track.

For those who argue that if we fail to grant fast-track authority to the President, other countries will refuse to negotiate with the United States and the United States won't even be allowed to sit at the negotiating table, that is absolutely ludicrous. This is the largest economy in the world. There will always be a place at the table for any international agreements.

Let's consider that fast track has been used only five times. Yet without it, the Clinton administration, as an example, has successfully negotiated 198 agreements. I think that speaks for itself whether fast track is needed. We are an economic powerhouse. The world knows that. It is in the best interests of other countries throughout the world to negotiate with us. That is evidenced by the 198 agreements that our trade representatives are so proud of that did not need fast track. So we really ought to do away with these scare tactics that are kind of designed to stampede us like sheep to voting for something in the last waning days of Congress without giving it a slow, deliberative understanding of what we are going to do and what we are going to put in place.

Supporters say we need the agreements so we don't get bogged down in Congress and load it with amendments. I understand this is a slow process, and we are often accused of taking too much time. We often do add many things to the amendments. But I think most of those amendments are done in good faith. But if we are sent here to try to deal with good, fair trade agreements, I don't think there is a big problem. I don't think we should have to worry about it that much without fast track. The bottom line is we are here to represent this Nation and our own constituents from the States from which we were elected.

I know my constituents did not vote for me to send me here to this great institution to give away their voice, to not let them be involved in it. I think most Senators feel the same way. We didn't get elected to represent Mexico or Chile or Japan or some other country. We got elected primarily to represent this Nation and our own States.

I realize that this debate over granting fast-track authority to the administration is not to be a critique of NAFTA. But if fast track has been used only five times, then we have no choice but to bring up NAFTA if we are going to consider the merits of fast track. Just about 4 years ago, Congress passed NAFTA implementing legislation, and that was an over-1,000-page document. It was hailed as a major achievement that would create jobs and not cost jobs in America. I concede that NAFTA has benefited several segments of our society. There is no question about that. But I think, looking at it in toto, it has cost more than it has gained.

Jobs is the perfect example. In October, 1993, I sent a letter with several other Senators to the U.S. Trade Representative, Mickey Kantor, in which I asked about the potential loss of jobs and what the administration planned to do about displaced workers.

In his response to me in November, 1993, Mr. Kantor replied that "NAFTA would account for no more than 400,000 jobs lost over 15 years." I quote that directly from his letter. Perhaps those 400,000 jobs aren't important to some

people—unless it's your job or unless it's the breadwinner of your household. Then it becomes very important.

While I heard a whole number of figures on the number of jobs created by NAFTA used as evidence of NAFTA's success, many of those figures seem to discuss jobs that have been created basically as a result of increased U.S. growth that would have happened with or without NAFTA. Many of them dealt with the service industry jobs, too, but not hard, well-paying manufacturing jobs. I know that we need to increase our exports, and I think that we are trying to do that. We need to look at that in balance, about our imports, too.

The Economic Policy Institute did just that. According to the Institute's recently released study, 394,835 jobs have been lost as a result of NAFTA. That was a net loss of jobs. I don't hardly consider that a success in our negotiating deals with foreign countries. I believe we simply cannot have a strong nation if we do not have a strong manufacturing base. Those jobs that left primarily were manufacturing jobs. If, Heaven forbid, we should get into some major international conflict, there is simply no way we are going to field strong military might from America if we have to import all of our parts for our apparatus from foreign countries.

In effect, we might ask the question: Did it help workers anywhere? In my opinion it certainly didn't help the workers in Mexico under the NAFTA that we did pass. The maquiladora factories that sprang up overnight across the border are still paying poor wages, a dollar an hour or less in most jobs. Many of the workers live in substandard housing. Their children drink contaminated water. There is still a high incidence of sickness among those children. So it didn't help workers on our side of the border, and it didn't help workers on the other side of the border either.

The problem is, we are coming close, now, to our targeted adjournment date, perhaps this Friday. And to meet that date, we may be forced to consider fast track within a more limited amount of time than we should to be dealing with this issue.

But I think Senators will do the right thing. They will do what they can. Those of us who disagree with it, as he does, certainly commend Senator DORGAN for the leadership role he has taken. I believe it is time America stopped being referred to around the world as "Uncle Sucker" and return to that status that we had at one time being Uncle Sam, a nation of proud workers, manufacturing good-quality material for the rest of the world.

I yield the remainder of my time.

Several Senators addressed the Chair.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent for 2 minutes to introduce a bill as in morning business at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Alaska is recognized.

Mr. MURKOWSKI. I thank the Chair.

(The remarks of Mr. MURKOWSKI pertaining to the introduction of S. 1373 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, the time, I understand, is winding down until 5 o'clock when we have a vote this afternoon on the motion to proceed. I wanted to take just a few minutes to comment on some of the things that we have heard in the last couple of hours. I believe Senator HOLLINGS is on his way to the floor. He will be taking some time. We have several other speakers on this side. But I would like to take a moment to respond to a couple of the things that we have heard.

First of all, I feel this is a good debate. It is about time we had this debate in this Chamber. Many of us have wanted to have a discussion about trade and trade issues for some long while. But the opportunity to do that has been limited. Now that fast track has been brought to the floor of the Senate is a very good and useful opportunity for that debate.

A speaker a couple of hours ago came to the floor of the Senate and said the problem that he has on this issue is the American people don't understand trade. It occurs to me that the American people understand trade. They well understand the trade issue. It occurs to me that some of the people here in Washington, DC—yes, maybe even in Congress—don't understand trade.

When the American people see a trade strategy that results in 21 straight years of trade deficits, getting worse year after year, setting new records year after year, I think the American people understand that there is a problem. That is just lost, apparently, on some Members of this Chamber, and perhaps some administrations who are engaged in trade policies that are not working.

So I think it is not accurate to suggest that the American people don't understand trade. Oh, they understand it all right. They understand it when they see factories close and move to Mexico or move to Indonesia or move to Sri Lanka. They understand it when they see their jobs leaving. They understand it when they can't compete with products that are produced at 12-cents-an-hour labor or without the requirement to clean up their emissions or without the requirement to have a safe workplace. The American people understand that. And, that is precisely what drives a lot of this discussion.

We are told there are 50 chief executive officers of major corporations on Capitol Hill today lobbying and discussing with Members of Congress why fast track is important. The point I would like to make is that there is not necessarily a parallel interest between our country's interest and the interests of the American people and these 50 CEO's who have an interest in maximizing profits for their stockholders.

It is likely, in fact, it is certain, that in a number of board rooms and executive offices in this country that the chief executive officers must evaluate where can they produce more cheaply. Each of these CEO's is asking, "Where can I move my manufacturing jobs? Where can I and how can I shut my factory here and move the jobs overseas in order to access cheaper labor, in order to escape the requirements of air pollution and water pollution laws, or in order to escape OSHA and the requirements of a safe workplace? Where can I do that, without giving much thought as to whether it benefits the American economy, but in order to maximize my corporate profits?"

That would be the interest, it seems to me, of most CEO's: the return to the shareholder and the maximization of corporate profits. That is not necessarily parallel with the interests of our country. It might well be that the parochial interests of a corporation to move its production facilities to Indonesia or to move its production facilities to Thailand or Sri Lanka is in the company's best interest, but certainly not in our country's best interest.

So we will, I assume, hear from CEO's today with many of them on Capitol Hill helping President Clinton push for fast-track trade authority.

The point I make is that their interest is not necessarily parallel to the interests of this country. I am not saying they are un-American. I am just saying they have an interest in disconnecting from American manufacturing where they can maximize profits by moving their manufacturing elsewhere, and that is not necessarily in this country's interest.

A statement earlier this morning brought a smile to me. It was a statement by one of the speakers who said, "What we have here are two sides: One believes in free trade." It is like "We are on that side," they say, "and we believe in free trade, motherhood and tourism. So we are good guys."

You can't wear hats in the Senate or whomever said that would certainly have put on a huge white hat. It undoubtedly would be a very large white hat. Then he would have thrown dark hats somewhere to the other side of the Senate, because this speaker said that you believe in free trade and expanded American economic opportunity, or you believe in going to a kind of North Korea, building a wall around your country and then going to hide under a rock. That was the example.

That is, obviously, the first argument one hears in a debate about trade

by someone who wants to describe the opponents as being unworthy and possessing arguments totally without merit: "We are for free trade; you're a North Korea kind of person, you want to put up a wall and go hide under a rock."

The fact is, no one that I have heard speak is talking about putting up walls around our country. I voted against fast track previously. I believe in expanded trade. I don't believe in putting up walls. I believe our economic health is tied to our ability to expand economic opportunity through trade. I just happen to believe our current trade strategy doesn't do that nearly as effectively as we could if we as a country had a little bit of nerve and some will to say to our trading partners, "You have a responsibility to us, and that responsibility is to open your market to American producers."

The Washington Post editorial is not a surprise, obviously. The Washington Post has been blowing a trumpet for this trade strategy all the way up the trade deficit chart, year after year, as bigger deficits grew. Year after year, the Post has given merits to this failed trade strategy. The Washington Post says the following about the position of those of us who have opposed fast track:

> To a large extent, this is simply putting new clothes on old-fashioned protectionism, but fast-track opponents also make an argument geared to the changing conditions of a globalizing economy in which companies are freer than ever to locate across borders, and so workers find themselves more than ever competing across borders.

I always find it interesting that there is no journalist I am aware of—certainly no politician—but no journalist who ever lost their job because of a bad trade agreement. But they sure do give us a great deal of advice on trade, and for that we are very thankful.

There is one song, one note that comes from the Washington Post. It is that you are either for the current trade strategy and, therefore, fast track, or you are a protectionist. The Washington Post, in my judgment, in its editorial, errs by suggesting that those who don't support the current trade strategy are protectionists.

Is it being a protectionist to decide that a trade strategy that results in the largest trade deficits in history year after year isn't working? Is it protectionist to be concerned about a trade strategy that results in an increasing, a mushrooming trade deficit with China, ratcheting up now we expect it close to $50 billion, or a trade strategy that results in mushrooming trade deficits with Japan this year, expected to reach $60 billion this year? Incidentally, that means that every year as far as the eye can see, backward and forward, we can talk about a trade imbalance with Japan of $45 billion, $55 billion or $65 billion a year. Is it really the case that those of us who believe that this does not serve our country's interest are protectionists? Or could it be possible that those of us who believe that trade deficits hurt our country and trade deficits detract from our economic opportunity are those who are supporting change, positive change that would help this country and assist this country in improving its economic future?

I don't expect that those in this town who have only one note to sound on trade will ever concede the point. It seems to me that they think the proof is in the economy. We have a decent economy in this country. I don't deny that. Unemployment is down some. Inflation is way down. Deficits are down, way down. There is no question that the American economy has improved.

But, I would make this point. You can live in a neighborhood and see a neighbor who looks wonderfully prosperous, not understanding that all of those cars in the driveway, the house, the clothes, the jewelry are all on a credit card or some mortgage instrument somewhere and that person, while looking very prosperous, is not far from real trouble.

The point I have made repeatedly is these ballooning trade deficits, the largest in our country's history, are troublesome. You don't hear one word on the Senate floor about them.

I heard a presentation today I thought was a good presentation in favor of fast track. I thought it was well-constructed, well-delivered and persuasive. But, there was not one word about the trade deficit, not one word about the imbalance in our trade relations with our trading partners, with China, with Japan, with Mexico, with Canada. Not one word. Why? Because they only talk about one side of the issue.

Can you imagine a business that says, "I want you to evaluate me, and here is how I want you to evaluate me. I want you to evaluate me based on my revenues, and I will not tell you about my expenditures because that is irrelevant. Just look at my revenues. Aren't I healthy? Aren't I doing well?"

You could probably conclude that if you only look at the revenue side. But what if you look at the expenditure side and see they far exceed revenues? Would you then not conclude that the business is running toward trouble? I would think so. That is exactly what happens on this issue of international trade on the floor of the Senate. They talk about exports and ignore imports.

I heard a description of how many additional automobiles we send to Mexico. What a wonderful opportunity, we are told, to send automobiles to Mexico under the United States-Mexican free-trade agreement. They say, "Did you know that we have gotten more cars into Mexico?" Yet the number of cars coming from Mexico into this country dwarfed that export number by so much you can hardly describe it. We now import more cars from Mexico into the United States of America than this country exports to all the rest of the world.

Let me say that again because it is important. We now, after NAFTA, import more automobiles manufactured in Mexico than we export to the entire rest of the world. How can anyone brag about NAFTA producing an accelerated opportunity for us to send cars to Mexico when, in fact, that quantity is totally dwarfed by the number of new automobiles now manufactured in Mexico that used to be manufactured in this country, and are shipped from there to here?

Despite the attempts of some to portray it as such, the question is not whether we are involved in international trade. It is how we are involved in international trade. Will this country continue to countenance a system in which we accept less than fair treatment from our trading partners?

Another person on the Senate floor within the last hour said the following: "If we are not involved through fast track in trade negotiations, there will be trade agreements going on around the world and we won't be a part of them."

I would like one person in the U.S. Senate to describe to me a substitute for the American economy, the American marketplace. Is there another place on Earth? Spin the globe, look at all of them. Look at every country, every city. Is there another place on the globe that has the power and the potential of this marketplace? The answer clearly is no.

Do you really believe that if we defeat fast track that those countries that desire to access the American marketplace are going to say, "Well, all right, if we can't access the American marketplace, we choose Kenya."

"OK, if we can't access the American marketplace, now we're going to set our sights on Nairobi."

"We are going to set up an office in Kinshasa; that is our future."

Does anybody really believe that? There is no substitute for the American marketplace. Why is it that we are the country that must be dangled on the end of a string? Why is it that those of us who stand up and say it is time for us to demand and require fair trade with respect to China, fair trade with respect to Japan, and, yes, with Mexico and Canada and others—why is it that we are subject to being called protectionists? Is it because the interests of the international economic empires now are to construct a trade regime in which you have no economic nationalism? Is it because if you exert some sort of economic nationalism, you are a protectionist?

They construct a trade regime in which they proscribe for our country a circumstance where they want to

produce elsewhere and sell here. Why? Profits. Is that wrong? No, it is not wrong from their standpoint, but is it always in our country's interest to say what is in the corporate interest is in the American interest? Not necessarily.

There are circumstances where we should say that it is not fair competition for those businesses that stayed here in America. They didn't move anywhere. They stayed here. And they produce here. It is not fair for them to have to compete in circumstances where they cannot get their product into a foreign country because that market is closed to us, but the foreign country can get its product into our market to compete with that business that stayed here. By the way, that producer in the foreign country can produce that garage door opener, that bicycle, or those shoes, paying 12 cents an hour, and put them on the store shelves of America and drive the American businesses out of business.

One of the Senators earlier said, "Well, if that is the way it is, that is tough luck. Let them hang on the walls of Wal-Mart. That is what America is all about. Let them hang the cheaper product there, and it's good for the consumer to be able to access a cheaper product."

I ask, how is that consumer going to pay for that cheaper product without good jobs? And where are the good jobs in this country going to be unless this country demands on behalf of its business and its employees, its workers, that when we trade, our agreement to trade with other countries and our desire to trade with other countries be constructed on a set of rules that are fair. We need a set of rules that says, no, not that you are to mirror exactly what we do in all of these areas, but a set of rules that would say to those countries, "There's an obligation that you have in your trade relationship with our country. And that obligation is to have fairness and access to marketplaces. If our market is open to you, your market must be open to us."

If we don't have the nerve and the will to do that, what on Earth will our future be?

If I read these articles—one printed recently by one of the major newspapers by a fellow who is describing the trade deficit. He said, "Trade deficit. What does that matter? I have talked to economists. It doesn't matter. Let me explain what a trade deficit is." He said, "That's like somebody saying to you, 'I will trade you $10,000 worth of pears for your $5,000 worth of apples.'"

That uninteresting and irrelevant example in this article, describing why the trade deficit is just fine, I guess, represents a view in this town that as long as you are trading more, it does not matter. Its a view that as long as you are exporting more, it doesn't matter if your imports increase fiftyfold, and that somehow we are better off as result.

At the end of the day, you are better off when this country has retained a strong manufacturing base and has required, through the exertion of some nerve and some will to say to its trading partners, "You have a responsibility to the United States of America. And that responsibility is to treat us fairly in international trade. And this country will not sit around and will no longer take any closed markets to our products when our markets are open to your products."

Mr. SARBANES. Will the Senator yield?

Mr. DORGAN. I will be happy to.

Mr. SARBANES. The Senator from North Dakota is making an extremely important point. The assumption is trade, by definition, is good; but the focus is all on exports and not on the balance of trade.

This is what has happened to our trade balance since 1975. You can see this incredible deterioration that has taken place. We are running negative trade deficits year in and year out. And the consequence of doing this, I say to my distinguished colleague, is this is what has happened to the American net foreign investment position.

The United States, in 1980, was a creditor nation to the tune of about $400 billion. In other words, we had claims on others. We were a creditor nation. And now that has deteriorated so that the United States now, when we add in what the trade imbalance will be this year, will be about a $1 trillion debtor nation. We have gone from being the world's largest creditor nation to being the world's largest debtor nation. And then everyone comes along and says, "Well, no one wants to focus on this issue. No one wants to pay any attention to it."

I mean, the Senator from North Dakota has been absolutely right. He said, "Look, there are two sides to this thing. There are your exports and there are your imports." Yes, we are getting additional exports, but we are getting far more imports.

As we get these imports, and we get this deterioration in our trade balance—look at that. Since World War II, we have been running a positive trade balance, modest but positive, year in and year out. And this is the deterioration that has taken place in it over the last 20 years.

And, of course, each year we run these large trade deficits —$100 billion, $150 billion, $120 billion trade deficits year after year after year. It is offset somewhat by the service, but not enough. I mean, the net is reflected in this chart, which is not quite as bad as the previous level but still shows us year after year showing these deficits.

The consequence of that—these amount to about $1.5 trillion over that period of time. We have been running a trade balance deficit since 1975 of $1.5 trillion. And the consequence of doing that is that our net asset position is absolutely deteriorating.

Look at this chart. This is what has happened. This is the U.S. net foreign investment position. In 1980, before we got this tremendous decline, we were a creditor nation, the world's largest creditor nation; in other words, others owed us. And now we are the world's largest debtor nation. And by the end of this year, it will be to the tune of $1 trillion—$1 trillion.

Now, you cannot go on doing this indefinitely. You can do it for a period of time, but you cannot do it indefinitely. In any event, the whole time you are doing it, we are taking on an increase in volume of foreign indebtedness through these large and persistent trade deficits—the losses sustained every year by buying more goods from others than they are buying from us.

And we are undercutting the Nation's capacity for mass consumption by declining wages and loss of high-income employment. As the Senator from North Dakota said, they said, "Well, your consumers can buy cheaper products." But then the question is, "Well, suppose they're not working? Suppose they've been thrown out of a job by these importations?" They can't buy anything. They can't buy anything.

Mr. DORGAN. If the Senator from Maryland would just yield. I guess I have the floor. I am yielding to the Senator from Maryland.

Let me understand what you are saying. I held up the Washington Post and I cited the discussion on the floor of the Senate. The Senator from Maryland now comes to us and says, "You know, we've got these huge deficits," and all these other folks say, "Gee, we're moving in the right direction. What we need to do is more of what we've been doing." Did the Senator graduate in the bottom of his high school class? Is he a protectionist? Is that all this means? Or does the Senator from Maryland understand what the rest of these folks don't, that deficits in the long term have to be repaid?

Mr. SARBANES. That is right. We are not driving the right trade bargains. Something is wrong with a trade policy that gives you this deterioration in your net foreign investment position. Something is wrong with a trade policy that takes the United States, in less than 20 years, from being the largest creditor nation in the world, in other words, people owe us, and in 20 years makes the United States the largest debtor nation in the world. Something is wrong.

The Senator is absolutely right to focus on it. Everyone says, "Well, we succeeded in selling $3 billion worth of airplanes to China on this visit that they had." Our trade imbalance with China is over $40 billion and increasing all the time. It is increasing all the

time. It may soon surpass the trade deficit with Japan. The consequence is that we are selling to them far less—far, far, far less—than they are selling to us.

Mr. DORGAN. On the question of Chinese airplanes—which is an interesting departure point—the Chinese are going to need 2,000 airplanes. They bought a few from us, but the fact is they have been buying from Europe as well, even as their trade surplus with us mushrooms way, way up.

What they have been saying to this country—I know some of the corporate folks won't like me to say this because they are all nervous about this—but the Chinese say, "Yes, we'd like to consider buying some of your airplanes, but you must manufacture them in China."

Mr. SARBANES. That is right.

Mr. DORGAN. This is a country that has a huge surplus with us. Instead of buying what they need that we produce here in this country with American jobs, they have been saying, "Well, we'd like you to consider manufacturing that in China."

That is not the way trade works.

Mr. SARBANES. "Consider" is not the right word. They do not say, "We would like you to consider." The Washington Post ran an article just the other week, and here is the heading of the article: "China Plays Rough. Invest and Transfer Technology or No Market Access." And that article then described how China forces U.S. companies to transfer jobs and technology as a price for getting export sales. So, in effect, what they say is, "We won't take any of your exports if you don't give us the investment and the technology so we can then produce them ourselves."

So what are our people doing? In order to get these short-run exports, they give away the capacity to maintain a long-run position. And the Chinese, in effect, extract that capacity out of them. So, yes, they make a short-run purchase, but at the same time they are getting the investment and technology so they do not have to make long-run—not only will they not make long-run purchases, but, mark my word, they will be exporting these products themselves elsewhere in the world.

Not only will they, in effect, close our people out from getting into the Chinese market; they will become their competitors in other markets on the basis of the investment and the technology that our people transferred to China in order to get these short-term sales.

That is exactly what is going to happen. And the consequence of that is our trade position will continue to deteriorate, and we will go on to become an even bigger debtor nation.

Mr. HOLLINGS. Will the Senator yield?

Mr. SARBANES. Certainly.

Mr. HOLLINGS. I really appreciate the distinguished Senator bringing the issue into sharp, sharp focus. It so happens that I had been looking at the Investor's Business Daily. Just reading a sentence:

> The surge in imports prompted economists to revise down their first-quarter growth statistics.

And, again, just here in Business Week, dated November 3, on page 32:

> Because of the widening in the August trade deficit for goods and services to $10.4 billion, from $10 billion in July, trade is likely to have subtracted a full percentage point from overall demand growth.

The distinguished Senator has chaired the Joint Economic Committee for years and understands this. That is why we are losing our own growth. We are trying to invest, trying to bring about economic growth, but not looking at the import side, as the distinguished Senator has so clearly brought to the attention of all the colleagues here, that we actually should be growing much faster, and saving, excepting these cancerous deficits in the balance of trade.

I really appreciate the Senator from Maryland, and I apologize for interrupting, but I hope he will continue.

Mr. SARBANES. The Senator is absolutely on point.

Just let me read you two quotes from two very able authors. One is Benjamin Friedman, who is a professor of economics at Harvard, and his book called "Day of Reckoning."

I again want to go back and emphasize the fact that we have gone from being the world's largest creditor nation to now being the world's largest debtor nation. This is the deterioration that has taken place in the U.S. net foreign investment position.

This is what Professor Friedman says about that:

> World power and influence have historically accrued to creditor countries. It is not coincidental that America emerged as a world power simultaneously with our transition from a debtor nation, dependent on foreign capital for our initial industrialization, to a creditor nation supplying investment capital to the rest of the world. But we are now a debtor again, and our future role in world affairs is in question. People simply do not regard their workers, their tenants and their debtors in the same light as their employers, their landlords and their creditors. Over time, the respect and even deference that America has earned as world banker will gradually shift to the new creditor countries that are able to supply resources where we cannot, and America's influence over nations and events will ebb.

That is the big issue that is behind all of this. That is the issue we really ought to be debating. The whole direction in which—everyone comes out here and says—you know, I listened to the President yesterday. He said, "We've got trade." I will not quarrel with that. "I'm trying to negotiate good trade agreements with other countries." But look what is happening to us. We have had this incredible deterioration in our trade balance and this represents $1.5 trillion dollars of deficits over the last 20 years. This is what has happened to our net foreign investment position.

This is a devastating chart when you think about what it has done to the United States. William Wolman, chief economist at Business Week, had this to say, and it ties right in with the Senator's comments about economic growth, "The Implication of Debtor State for U.S. Economic Growth."

> The transformation of the United States from a major international creditor to an international debtor has major implications for future United States economic growth. It is no accident that back in the 1950's and 1960s when the United States was a creditor nation interest rates were lower here than they were abroad and the dollar was a strong currency. But since the United States has become a debtor nation U.S. interest rates are higher than those in the other industrial countries, and the dollar, despite its revival in 1996, has become a weak currency. The effect is, of course, to squeeze the average American standard of living both because Americans are forced to pay high real interest rates for what they borrow and because a weak dollar means that America must produce and export more goods to earn foreign currencies than it had to when the dollar was a stronger currency. Debtor status has the same effect on a country as on citizens of that country. What is in effect the disposable income of the United States is under downward pressure, just as surely as the disposable income of its highly indebted citizens.

You can't get people to focus on this. Trade has two sides to it: What you export and what you import. If you import more than you export, you will be running trade deficits. If you are running trade deficits, that means people abroad are accumulating claims against us that we have to pay off over time. So we have now gone from being a creditor country to being the world's largest debtor country. We continue to be a world power but how long can you sustain that position? It is not as though we have stopped the hemorrhaging.

If we run a $125 billion trade deficit, our net position will deteriorate another $125 billion. This line will continue to go down as long as we are running a negative trade debt. Suppose we cut it in half, suppose we reduce it from $120 billion to $60 billion, which would be a terrific accomplishment. Say you do that in a year's time, you reduce it from $120 billion to $60 billion, the net position deteriorates another $60 billion, another $60 billion. The next year you cut it to $30 billion, it deteriorates another $30 billion. We are getting ourselves deeper and deeper into the hole. We can't get anyone to focus on this.

The distinguished Senator from North Dakota I think has brought our attention back to an exceedingly important point, and I thank him very

much for yielding to me to make these points.

Mr. DORGAN. I appreciate very much the comments of the Senator from Maryland. As always, he is on point. I chided him a bit about his position in his high school class, but I suspect he was right at the top.

I yield 15 minutes to the Senator from South Carolina.

Mr. HOLLINGS. I thank our distinguished colleague for continuing along with the very thought that the Senator from Maryland provokes here which is so important to this particular debate, the fact that we should realize the arithmetic of import jobs as well as export jobs. The cumulative sum total, that 1975, 22 years, is right at $1.90 trillion.

Now, they like to use 20,000 jobs created for every $1 billion in exports. The Department of Commerce changed that to 14,000 some 2 years ago and that has been their figure. Using the same figure—because I want to refer specifically here to the special study the Presidential Commission on the United States Pacific Trade and Investment Policy recently released its final report and it stated "from 1979 to 1994, twice as many high-paying jobs in the United States economy were lost to imports as were gained from exports."

Now, using the arithmetic of $1 billion equals 20,000 jobs, that would be some 38 million jobs that were lost over that time period, or using the lower figure of 14,000, it would be some 27 million lost jobs.

Yes, we can talk that the economy is up and going but you get right to the point of understanding why we have 2.8 percent unemployment in Greenville County but 14 percent unemployment in Williamsburg County, and the people back home understand this trade problem better than many on the floor of the national Congress. They continue to see 6,375 jobs leave. Levi Strauss fired one-third of their employees, 11 plants in 5 States making jeans. Where have they gone? They are going offshore. They have been transferring them offshore, and after they let them go, they have to announce, as they do under the plants closing notice—they never announce it during the middle of the debate on the House side, but the lawyers had to comply with the plant closing notice. That is what is happening. We are getting Honda, I am getting BMW in South Carolina, I have Hoffmann-La Roche. I appreciate it and I am working hard, but I am looking at the basic jobs here paying $7 an hour. As I was pointing out with the Oneida plant they are closing in Andrews, and they have some 487 workers, the average age is 47 years old. Washington tells them, "Retrain, retrain, retrain." Well, tomorrow morning, say we have 487 skilled computer operators. Are you going to hire the 47-year-old skilled computer operator or the 21-year-old? You are not taking on the health costs and the retirement costs for the 47-year-old, so this little rural town is high and dry.

They understand at home that we are losing out. We are making great gains, but all this downsizing and everything else like that has stagnated wages in our economy. In that sense, we are going out of business. We have been giving away the store. We have Senators running around here, "If we are going to continue to lead"—we are not leading, my dear Senator. We are not leading in this thing.

I wish they would have adopted ADAM SMITH and free markets but they have adopted Friedrich List, that the strength of a nation is measured not by what it can consume but by what it can produce. We have to have the economic strength if we are to be a world leader. That is what we are losing. That is what is at stake. That is what is in the conversation here.

These colleagues that come and say the President can't get at the table—come on. He has been at the table in 200 agreements.

Mr. SARBANES. Will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. SARBANES. The Senator is absolutely right. When you talk about trade you have to talk about trade balance. Now, we ran a trade balance from the end of World War II until 1975. We were exporting a little more than we were importing. The imports that were coming in were causing dislocation in our economy, no question about it. But at the same time we were gaining a plus from the exports. In fact, there were a little more exports than there were imports.

What has happened, as the Senator from South Carolina points out, we are now importing far, far, far more than we are exporting. In fact, as he points out with respect to trade goods it has been an almost $2 trillion deficit since 1975. Everyone comes along and says, "Look, we have a little more exports." Look at how many more imports we have. All of those imports are costing people jobs. So the displacement of jobs taking place by the increase in imports far, far, far exceeds the additional jobs gained from the expansion of exports.

That is what people have to understand and they are not understanding it. To the extent we run these trade deficits then we end up losing our position as a creditor nation.

This is a devastating chart, showing the United States in a creditor position in 1980, and look what has happened to us. We have come down just like this, and by the end of the year we will be at $1 trillion deficit debtor status. Debtor status, $1 trillion, the United States. In 1980, less than 20 years ago, we were in a creditor status to the tune of $400 billion. So there has been an almost $1.5 trillion deterioration in our international position in less than 20 years. It is the very thing the Senator from South Carolina is talking about.

Mr. HOLLINGS. And that is not leading. That is not leadership. You and I as Senators are concerned with the economic strength of the United States, with the work force and otherwise. We want to get back where we are leading.

The people should understand global competition, "You ignorant Senators, you protectionists." They better understand when China orders $3 billion they order one-half for themselves and from countries like Japan that make the electronics. That Boeing 777, they make the tail section—they don't give you the order unless you put the manufacturing facility in country. I know, I had a GE turbine plant when I was Governor. Brazil told them they would not order those turbines unless, they put the plants down in Brazil. So the GE plant at Gadsden, SC, has closed down and gone to Brazil. We are speaking from actual experience.

It is not any fanciful conjuncture here about leading and not being at the table. Yesterday, Senator, right in the Committee of Commerce, we passed the shipbuilding agreement, the OECD shipbuilding agreement that has been negotiated with some 13 countries in Europe and in the Pacific, and we did that without fast track. We had an international telecommunications treaty earlier this year, with 123 countries, without fast track.

What we are trying to do is get them to have a chance to stop, look, listen, debate the things like we did with the most important arms treaty, SALT I, and the intermediate missile treaty. All of those were without fast track but they act as if our poor President is not allowed to come to the table. He is at the table. We want him at the table. But we just want to have a chance to look and see before we vote.

Mr. SARBANES. Will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. SARBANES. The American market is still the most lucrative market in the world. They want access into the American market.

I cannot accept for a moment in these bilateral dealings, countries won't negotiate a trade agreement with the President which could then be submitted to the Congress for the Congress to consider, to amend if it deemed it advisable, and to vote on. We have done that consistently, as the Senator pointed out, including the telecommunications agreement, a very complicated measure. We do it in arms control agreements. They are open to amendment and are a far more serious matter than a trade agreement.

I want to say one other thing to the Senator because he talked about the Chinese getting the investment and the

plants in their own country, and he uses the example that occurred in Brazil. The Chinese don't make any bones about it. They don't like to conceal it. The Washington Post had an article last week, and here is the heading to the article, "China Plays Rough: Invest and Transfer Technology or No Market Access." Invest and transfer technology or no market access.

The article went on to describe how China forces United States companies to transfer jobs and technology as a price for getting exports sales. They say, "We will take the exports but you have to give us the investment and the technology," and that means in the future they won't take other exports because they won't need them. They will have the investment and the technology to produce the goods themselves, and I predict not only will they do it for themselves they will then be producing and selling them internationally, and they will go from being an importer of American high-technology products to being an exporter themselves of high-technology products from the investment technology that we are compelled to give to them.

Mr. HOLLINGS. You go right to the point.

In Shanghai, General Motors agreed not only to build a plant there in order to produce and sell cars in the People's Republic of China, but more particularly, to design the most modern computer equipment that is going to Shanghai, as we speak, to design the automobiles. They have taken it out of Detroit and are putting it into downtown Shanghai so all our brain power and our wonderful technology is being exported like gangbusters, and they talk about us leading and the President can't get at the table.

Come on, they have to get with the program here and understand that as Senators and Congressmen we have a responsibility with respect to this economy, and the work force that is the highest, most productive in the entire world. You can go over to the Bureau of Labor Statistics, economic section of the United Nations, and No. 1 for the last 20 years has been the United States, not Japan. Japan is down there at No. 6 or 7 now. So our workers have been the most productive. Who hasn't produced, Senator, is you and I up here. That is what I am trying to get over to our fellow Senators so they will understand the problem we are confronting.

Mr. DORGAN. I wonder if the Senator will yield for a moment.

Mr. HOLLINGS. Yes.

Mr. DORGAN. There is this blame America strategy that has been around for years that, if you can't compete, whatever the situations are, tough luck. That means in a free-trade circumstance, jobs might go elsewhere, but consumers benefit by cheaper imports.

The interesting thing about this is, most of our large trading partners—especially, for example, Japan and China—are engaged in managed trade, not free trade. We, on the other hand, have always been a leader in what is called free trade.

I described yesterday watching two people dance at a wedding dance when I was a kid. He was dancing a waltz and she was dancing a two-step. It didn't work out well. They were dancing different dances. In international trade, what is happening to us is, we are confronting Japan, for example, with whom we have an abiding yearly massive trade deficit of $40 to $60 billion every year, as far as you can see back and as far as you can see forward. We have that kind of trade deficit. Why? Because Japan has a managed trade strategy, and that is the method by which they trade with us.

We, apparently, are perfectly content to say, "Well, if that is the way it is, there is nothing we can do about that." But there is something we can do about that. We can provide a little real leadership, with a little nerve and will, and say to Japan that part of the price for this trade agreement and for their ability to access the American marketplace, a marketplace that has no substitute anywhere on this Earth, is to open their markets completely to American goods and not to do it tomorrow, or next month, or next year, or even the next biennium—do it now.

But this country doesn't have the nerve or the will to do that. In fact, it was left to some little maritime commission, finally, to raise this issue on a $5 million fine and say, "That is fine. If you want to play that game and you won't pay your fines, then you can't dock your ship in this country." One little commission—an unelected commission—was the only body I know of that finally had the will and nerve to say that is not the way we do business here. Fair is fair. In trade, we demand and require fair trade and fair access.

So, the comments that both the Senator from Maryland and the Senator from South Carolina have made are right on point. The thing that baffles me is that those of us who desire to force open foreign markets, to reinforce open markets, and do more than just chant about free trade, but really seek to force open foreign markets and unlock the opportunities in this country for our producers and our workers, we are the ones that are called protectionists. What on Earth are they talking about?

Mr. HOLLINGS. Will the Senator yield?

Mr. DORGAN. I am happy to yield.

Mr. HOLLINGS. I will never forget the second inauguration of Ronald Wilson Reagan. It was in the rotunda, and you and I were there, Senator. President Reagan said, "I solemnly swear that I will faithfully execute the office of the President of the United States and will, to the best of my ability, preserve, protect, and defend the Constitution of the United States."

We have the armies who protect us from enemies from without, and the FBI protects us from enemies within. We have Social Security to protect us from the ravages of old age. We have Medicare to protect us from ill health. We have clean air and clean water to protect our environment. We have safe working places and safe machinery.

Our fundamental duties here are to protect. Be invited, if you please, to the Council of Foreign Relations, run for President of the trilateral commission. They asked, "Are you a protectionist, Senator?" I had to say, "Yes, the truth of it is, I believe that is my fundamental responsibility here." They say, "If you are a protectionist, you are not enlightened, you can't see the world and understand competition." When you are losing your shirt, as the Senator from Maryland said—through 22 years of negative trade balances—all they want to talk about is the exports and not the negative side of the equation.

I cited on yesterday our experience with President Kennedy and the extreme action that he took when 10 percent of domestic consumption of textiles, clothing, was represented in imports, and he thought it was a crisis, and he put in his seven-point practice. Now two-thirds of the clothing within the sight of my debate here this afternoon is imported, 83 percent of the shoes, 53 percent of the ferroalloys, 59 percent of the cooking and kitchenware, 64 percent of the mineral processing machinery, 61.4 percent of the machine tools for metal forming, and 44.1 percent of nonmetal working machine tools—you can go right on down the list. There is the majority of automatic data processing machines, diodes, electrical capacitors and resistors. That is at 70 percent right now. I remember having the capacitor plant of GE, and I have lost it now. It has gone overseas. You have 100 percent of tape recorders, tape players, VCR's, and CD players. You can go right on down. I remember that we could not engage in Desert Storm, the gulf war, unless we got the displays from Japan. That is why I had to put the "buy America first" provision for ball bearings in the defense bill. We are fighting a rear guard action so that we would be able to defend the country, much less be economically strong.

The NAFTA tent is being pitched on the front lawn of the White House, and the corporate jets are descending on National Airport offloading the Nation's top-paid CEO's to lobby for the administration's effort to renew fast-track trade authority. Of course it is no longer referred to as fast track. Instead the administration has offered a clumsy euphemism—normal trade authority—to obscure the fact that the

sole purpose of fast-track is to stifle debate by subverting the Congress' constitutional obligation to regulate foreign commerce. Yet there is nothing normal about a $100 billion plus trade deficit, nothing normal about Congress abandoning its constitutional responsibilities, nothing normal about stagnant wages and an erosion of our manufacturing base.

The administration argues that they need fast-track authority because no one will negotiate with the United States unless they have fast track. A more likely scenario is that the administration would prefer that Congress not review a legacy of poor trade deals; eroding manufacturing strength and a trade policy that puts the interests of the multinational corporation before working-class Americans. While the administration embraces the Fortune 500's agenda, it has turned a cold shoulder to those who have been left behind by globalization, the working men and women of this country.

The end of the cold war has created a seismic shift in the global economy. The American worker has now been thrown into bare knuckle competition against the new entrants to the global economy: countries whose productive and motivated work force will accept much less than our workers. As globalization has increased world trade, the American worker has faced an all out assault on their wages, benefits, and overall standard of living.

Instead of engaging in a debate on the impact of this changed world, our trade policy remains a prisoner to a cold war mentality, treating trade as a stepchild to foreign policy, continuing to serve up unilateral concession after unilateral concession in the hope that our trading partners will be converted by the persuasiveness of our elegant economic models and focusing exclusively on export statistics, failing to consider the impact of imports or even the nature of the exports themselves.

Rather than facing this new era of fierce economic competition with the hard edge realism that places the national interest in our own hands, we will be relying on multilateral institutions like the WTO to protect our national interest. Now we will be asked to embark upon a course which is bound to produce asymmetrical market openings and in which the people, through their elected representatives, will be shut out.

The sad truth, however, is that it is impossible to have an honest debate about trade policy, the trade deficit, or the erosion of our manufacturing sector. Instead of focusing on the present and future, pictures of Smoot and Hawley will be dusted off and put on display. The proponents of fast track will unleash a barrage of hyperbolic rhetoric declaring an end to civilization as we know it if we fail to pass fast track.

NAFTA

If the proponents of fast track insist on engaging in a debate about the past, then let us examine how the rhetoric and the agreement has stood the test of time. During the NAFTA debate we were told that a failure to pass NAFTA would have a devastating consequences for the United States and Mexico. If NAFTA failed, Mexico's economy would collapse, drugs would flood across the border, immigration would increase, and dangerous leftists, who were denied the presidency thanks to massive electoral fraud, would replace Carlos Salinas, a man virtually canonized both by United States officials and by a synchophatic press blind to the endemic corruption that permeated his regime.

Three years later what has NAFTA wrought? The Mexican economy collapsed, wages fell by 40 percent, two million Mexicans sank further into poverty, and America's trade surplus with Mexico disappeared, replaced by a $15 billion annual deficit. United States factories accelerated a move to Mexico, not to supply a Mexican consumer market, which even the American Chamber of Commerce in Mexico concedes does not exist, but to ship products into the United States. Of our $54 billion in exports to Mexico in 1996, more than 50 percent were components sent to the mequiladora region alone. Those exports will never see the Mexican consumer market. Rather, the overwhelming majority, over 98 percent according to the Mexico Department of Commerce—[SECOFI] will return to the United States as finished products. Moreover, according to Cornell professor Kate Bromfenbremmer, United States employers continue to use the possibility of movement to Mexico as leverage to limit wage gains.

Meanwhile, the Asians and Europeans, the ones that were supposed to be the losers as a result of NAFTA, have maintained trade surpluses with Mexico. They poured money into building new factories in Mexico taking advantage of Mexico's cheap labor force and duty-free access to the United States market.

As for the political situation in Mexico, since NAFTA was passed Mexico has suffered a peasant rebellion, a wave of assassinations and kidnappings, and an explosion in drug trafficking and money laundering. Carlos Salinas, the American Enterprise Institute's Man of the Year, is living in exile while the popular leftist opposition leader Cuauhtemoc Cardenas is elected mayor of Mexico City and an anti-NAFTA opposition coalition took control of Mexico's Congress. Just Friday, Salinas' brother confessed to widespread corruption in the New York Times.

OTHER AGREEMENTS

It is not just the NAFTA claims that fail to stand the test of time, overstating the benefits of trade agreements is a time-honored tradition. When we ratified the Tokyo round of the GATT it was hailed as a significant achievement that would open markets and create millions of new jobs in manufacturing. In the end, the only market that opened was ours, and the results were disastrous. From the end of the Tokyo round to the Uruguay round we lost two million manufacturing jobs and posted over $1.5 trillion worth of trade deficits.

A generation later the Uruguay round has delivered the same disastrous results as the Tokyo round. Since passage of the WTO, we have recorded two of the largest trade deficits in our history. Last year alone, the United trade deficit in goods was $191 billion. In 1995 our deficit was $173 billion. If this trend continues this year, the 1997 trade deficit could exceed $200 billion.

Moreover, our trade deficits with the so-called big emerging markets [BEMs]—markets that this administration has targeted for future growth—are appalling. The big emerging markets include: Argentina, Mexico, Brazil, Poland, Turkey, China, South Korea, Taiwan, Hong Kong, Phillippines, Vietnam, Brunei, Malaysia, Thailand, Singapore, Indonesia, India, and South Africa. Since the completion of the Uruguay round, the trade deficits with these countries have exploded. In 1993, the United trade deficit with these countries was $43 billion. After being the subject of focus by the Clinton administration, the trade deficits with these countries had widened to $77 billion in 1996. Moreover, with the recent Asian currency devaluation these deficits are poised to explode.

The countries themselves recognize the value of devalued currency. On October 17, Taiwan devalued its currency not because it was under attack, not because the country's fiscal policies were unsound, but merely to remain competitive with the other Asian tigers as an exporter.

Multinational companies also recognize this. Cheap currency, along with cheap labor, encourage U.S.-based multinationals to locate new factories abroad. The results are devastating for the American worker. The New York Times recently published a chart showing that the majority of GM's new component factories are outside the United States. Many of these facilities are located in Mexico. These factories won't supply the Mexican consumer market. Rather they will employ cheaper labor for imports into the United States.

At the same time that GM opened these new plants across the globe, its U.S. employment declined by over 25 percent. This decline did not occur during a devastating recession. Rather it occurred during a period of sustained growth. GM is not alone. In 1985, General Electric employed 243,000 Americans, by 1995 it employed only 150,000

and according to executive vice president Frank Doyle, "We did a lot of violence to the expectations of the American work force." Another leading U.S. company, IBM, now employs more people outside the United States than here in America and has shrunk to half its former size. Yet these are the companies that are lobbying for fast track. The same companies are asking for fast track are the ones that are cutting jobs. In fact our largest exporters have not created a net new job in the 1990's.

While our trade deficits continue their unabated rise, domestic wages stagnate, and job security vanishes, the administration and its corporate allies continue to tout export-led growth as if it were a wonder drug that will cure our economic ills. Unfortunately, the only wonder about export-led growth is how a handful of our largest companies account for 80 percent of our total exports. These are the same companies who have spent most of the 1990's downsizing their work forces and moving production off shore. This offshore shift is reflected in trade balance deficits as far as the eye can see. Is it any wonder that these companies are paying up to $100,000 a piece to push fast track. This small investment will enable them to save millions by taking advantage of an abundant supply of cheap labor. The real fast track is how quickly manufacturing jobs can be moved abroad.

So in this era of free trade, what kind of jobs are we creating? Are they the high-technology, high-wage jobs of the future? Not according to the Department of Labor. In cataloging the occupations with the greatest growth in the future, Labor believes that the following occupations offer the best opportunity for growth: cashiers; janitors and cleaners; retail salespeople; waiters and waitresses; registered nurses; general managers and top executives; systems analysts; home health aids; guards; and nursing aids.

Only one high technology job on the list and no occupations related to exports. Moreover, a recent study suggested that our best paying jobs are the ones that are subject to the most competition from imports. That makes perfect sense. Manufacturing jobs pay better than service industry jobs. Is there any doubt that our trade policy should be designed to expand these opportunities?

II. LABOR AND ENVIRONMENT STANDARDS

During this limited fast-track debate, we have heard time and time again that it is inappropriate for the United States to dictate changes in other country's domestic laws. This argument is heard most frequently when labor and environment standards are suggested as appropriate topics for trade negotiations. In fact, Ambassador Barshefsky has stated, "it is not realistic to suggest that countries will rewrite their domestic labor and environmental laws for the privilege of buying more of our goods." Yet apparently these countries, including the United States, have no trouble changing their domestic copyright and patent laws for just that purpose.

Moreover, the recent IMF bailout of Indonesia, like many IMF rescue packages, contained a number of provisions affecting domestic rules that have an economic impact, including banking laws, domestic corruption rules, and government spending decisions. In an example closer to home, the United States, in the United States-Japan framework negotiations, agreed to reduce its budget deficit, as part of that overarching trade agreement. In fact, that's what fast track is all about, changing domestic laws as a result of trade agreements.

In addition, U.S.T.R. recently concluded negotiations designed to harmonize drug and medical device standards and the administration is seeking authorization to begin the process of harmonizing transportation and automotive environmental standards. If it is acceptable to harmonize vehicle standards, what is wrong with harmonizing labor rules and industrial environmental standards?

The question then is not whether domestic laws can be changed as a result of trade negotiations, it is whether labor and environmental standards have an impact on trade, competitiveness, and the overall economic standing of the United States. To that question the answer is undoubtably yes. Permitting products made under substandard working conditions to enter the United States, gives those products an unfair advantage. The result is pressure to U.S. wage rates, with tacit approval of substandard labor rules abroad.

These imported products come from countries with no minimum wage, social security, environmental rules, worker compensation, or unemployment insurance and they pressure U.S. wage rates which continue to decline. Median U.S. family income is 2.7 percent below 1989 levels. Moreover, when adjusted for inflation, the incomes for the bottom 60 percent of households have fallen over the past 7 years. In addition, last year, during what is generally considered to be a good economic year, the median earnings of full-time male workers fell. Can there be any doubt as to why the OECD declared that the United States had the widest pay disparity in the industrialized world between the highest and lowest paid employees?

Failure to address this issue, offers tacit approval for unsafe conditions around the world. In his recent book, "One World Ready or Not," Bill Greider discussed devastating industrial accidents around the world resulting from a failure to enforce basic workplace standards. Perhaps the most chilling example involved a fire in Thailand at the Kader industrial toy factory that officially killed 188 and injured 469. The actual toll was undoubtedly higher. This death toll far surpassed the Triangle Shirtwaist Co. fire of 1911. The United States' unwillingness to address this issue, by requiring that products entering the country be produced in a safe and humane manner, must ultimately bear some of the responsibility for this tragedy.

We must begin addressing these issues. Without labor reform abroad, we are destined to merely create export platforms designed to provide the United States with cheap products produced in a fashion that has not been acceptable to the United States for nearly a century. The end result will be to first reduce U.S. wages and then, in time, our labor and environmental protections.

However, history offers us a simple solution. Like Henry Ford earlier this century, the United States can seek to raise wage rates and provide workers with the opportunity to purchase the products they manufacture. Moving others higher is an infinitely better choice than the United States moving lower.

III. QUALITY OF PREVIOUS FAST-TRACK AGREEMENTS

The administration claims that fast-track authority is normal trade negotiating authority. However in the 221 years since the drafting of the Declaration of Independence, only five trade agreements have been approved through the use of fast-track authority: first, the Tokyo round 1979 trade agreement; second, the United States-Israel free trade agreement; third, the Canada-United States Free-Trade Agreement; fourth, the North American free trade agreement; and fifth, the Uruguay round trade agreement in 1994. It is now appropriate to review what has happened in the aftermath of each of these agreements to determine whether U.S.T.R. was successful in their negotiations. Unfortunately, I believe the answer to this question is that these negotiations have resulted in poor agreements and in poor results for the United States. After each of these agreements, the United States' trade deficit with each of the targeted countries degraded, in many instances significantly. Moreover, after the two multilateral trade agreements, the overall U.S. merchandise trade deficit has increased.

The 1979 Tokyo round agreement was designed to eliminate worldwide non-tariff trade barriers with a specific emphasis on the Japanese. In 1978, before the agreement was reached, the United States-Japan trade deficit was $11.7 billion. The U.S. merchandise trade deficit with all of our trading partners was $5.8 billion. By 1996, the United States-Japan deficit had reached $47 billion and was $191 billion, before

technical adjustments, with the rest of the world. This sad story is continued in each of the subsequent fast track agreements. Prior to the United States-Israel trade agreement in 1985, the United States maintained a surplus of several hundred million dollars with Israel. That surplus began to degrade immediately following the agreement and by 1996, the United States had a $400 million deficit with Israel. The same pattern has become apparent in our free-trade agreements with Mexico and Canada. With Canada a $10 billion deficit became a $21 billion deficit by 1996. The Mexican situation is equally poor. A $3 billion deficit with Mexico became an approximately $17 billion deficit by 1996. Last, following the Uruguay round, the American trade deficit has moved from $166 billion in 1994 to $191 billion in 1996 and with the Asian currency crisis could easily top $200 billion in 1997. Now we are being asked to approve fast-track free trade negotiations with Chile. How long will the 1996 U.S. trade surplus of $1.8 billion last?

CONGRESSIONAL AUTHORITY

Clearly our trade policy has failed to yield tangible results, but as Jack Kennedy once said, "Our task is not to set the blame for the past, it is to set the course for the future." It is time we articulated a trade policy that promotes the interest of working Americans. The first step is to give the people a voice in trade policy by taking back Congress' constitutional authority to regulate foreign commerce.

If we can be trusted to ratify arms control treaties and the chemical weapons convention, what is it about trade agreements that make them so significant that the Constitution must be suspended and debate and amendments limited?

We have been told time and again that agreements would unravel if Congress was allowed into the process. Yet, when an administration needs to garner votes to secure passage of a trade agreement, the bazaar is opened and the agreements are amended.

It is of course untrue to say that fast track precludes any amendments. Trade agreements cannot be amended on the Senate floor. Instead, amendments to agreements are cut during the process of putting together implementing legislation. This is a procedure in which the Finance Committee takes on the aura of the College of Cardinals. Behind closed doors deals are cut, three puffs of white smoke appears and a trade agreement secures enough votes for final passage. This is a wonderful process if you happen to benefit from it, like the sugar industry or the citrus farmers who secured last minute changes to the NAFTA. It is not, however, what our Founding Fathers envisioned.

Instead of trying to stifle debate we should be encouraging it, debating who the winners and losers are as a result of our trade policy, both at home and abroad. Debating what we gain and what we lose, the proponents of fast track want to frame this debate as a test of American leadership. In one sense it is about leadership. Real leadership would be to break with the failed policies of the past while standing up for the principles that are the foundation of our democracy. Real leadership would be to show confidence that the agreements that are negotiated are able to stand up to full and vigorous debate, rather than being negotiated removed from review.

Real leadership would be to stand up for the children who toil in the sweatshops of the world turning out products bearing the logos of our great consumer products companies. Real leadership would be to acknowledge that the world has changed, that Asia has embarked on a different model of development and that we are not going to convert them into clones of America. Most of all, real leadership would be to stand up to predatory trade practices that are laying waste to our manufacturing sector, not just with rhetoric, but with deeds.

The hope and promise of America is that an ever-rising tide will lift all boats. Those that are pushing for fast track have been tossing Americans overboard to gain ballast in the global economy. We in the Congress see it every week when we go into the communities that have been ravaged by the global economy. I see in my own backyard; the shattered dreams of the workers at Oneita Mills and United Technologies. They deserve a voice, which is the birthright of all Americans, and fast track takes that voice away.

I ask unanimous consent that an article and a chart on this subject be printed in the RECORD.

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

TRADE ON WRONG TRACK

(By Pat Choate)

The question is not whether we will live with more globalization, for we surely will, but to what purpose, under what rules, and determined by whom.

As to purpose, trade is not a religion, as actions of the Clinton administration seem to suggest.

Rather, trade is a tool of macroeconomics, no greater or lesser than fiscal, monetary or exchange-rate policy.

Simply put, we trade for the benefit it brings—more and better jobs and a higher living standard.

Yet current U.S. trade policies are generating precisely the opposite result.

Indeed, even as trade is becoming a growing portion of our gross domestic product (GDP), it also is a growing drag on GDP growth by 1.6%.

In short, our current trade policies are harming the nation, including its consumers and workers.

The goal of trade negotiation is to set rules by which global commerce operates.

But this administration and the Republican congressional majority are openly advocating little more than 19th century laisez-faire capitalism.

No trade-related protection for the environment or worker rights.

No guaranteed workplace health and safety standards.

No prohibitions against child labor.

Such rules do nothing but create a race to the bottom between developed and underdeveloped countries.

Finally, and perhaps most importantly, the fast-track battle now before Congress raises the question of who will decide the rules of globalization—the president and his corporate trade advisers or the American people through their elected congressional representatives.

Contrary to administration assertions, President Clinton already has the authority to negotiate additional trade deals.

Other nations will negotiate.

Over the past four years, for instance, the United States concluded 200 trade deals without fast-track.

What the president really is seeking is a truncated legislative procedure by which Congress virtually preapproves any trade agreement that he makes.

Correctly, the administration emphasizes the importance of trade to the nation.

For this very reason, Congress should consider proposed trade agreements under its normal constitutional congressional procedures.

This alone guarantees a full and open consideration of whether these deals truly are in our national interest.

1966 Data

Industry/commodity group	*Ratio imports to domestic consumption (in percent)*
Metals:	
Ferroalloys	52.8
Machine tools for cutting metal and parts,	44.3
Steel Mill products	16.7
Industrial fasteners	29.5
Iron construction castings	46.2
Cooking and kitchen ware	59.5
Cutlery other than tableware	31.8
Table flatware	63.6
Certain builders' hardware	19.5
Metal and ceramic sanitary ware	18.2
Machinery:	
Electrical transformers, static converters, and inductors	38.6
Pumps for liquids	29.6
Commercial machinery	19.7
Electrical household appliances	18.2
Centrifuges, filtering, and purifying equipment	51.2
Wrapping, packing, and can-sealing equipment	26.7
Scales and weighing machinery	29.8
Mineral processing machinery	64.2
Farm and garden machinery and equipment	21.7
Industrial food-processing and related machinery	23.0
Pulp, paper, and paperboard machinery	34.4
Printing, typesetting, and bookbinding machinery	54.8
Metal rolling mills	61.4
Machine tools for metal forming	61.4
Non-metal working machine tools	44.1
Taps, cocks, valves, and similar devices	27.6

1966 Data—Continued

Industry/commodity group	*Ratio imports to domestic consumption (in percent)*
Gear boxes, and other speed changers, torque converters	30.5
Boilers, turbines, and related machinery	48.0
Electric motors and generators	21.1
Portable electric hand tools	27.4
Nonelectrically powered hand tools	34.1
Electric lights, light bulbs and flashlights	31.0
Electric and gas welding equipment	18.4
Insulated electrical wire and cable	30.9
Electronic products sector:	
Automatic data processing machines	59.3
Office machines	48.0
Telephones	26.2
Television receivers and video monitors	53.4
Television apparatus (including cameras, and camcorders)	74.7
Television picture tubes	33.8
Diodes, transistors, and integrated circuits	60.6
Electrical capacitors and resistors	68.1
Semiconductor manufacturing equipment and robotics	21.9
Photographic cameras and equipment	84.0
Watches	95.9
Clocks and timing devices	54.9
Radio transmission and reception equipment	47.9
Tape recorders, tape players, VCR's, CD players	100.0
Microphones, loudspeakers, and audio amplifiers	67.6
Unrecorded magnetic tapes, discs and other media	48.2
Textiles:	
Men's and boys' suits and sport coats	39.4
Men's and boys' coats and jackets	56.3
Men's and boys; trousers	37.7
Women's and girls' trousers	47.9
Shirts and blouses	54.8
Sweaters	71.1
Women's and girls' suits, skirts, and coats	55.9
Women's and girls' dresses	26.9
Robes, nightwear, and underwear	51.0
Body-supporting garments	37.0
Neckwear, handkerchiefs and scarves	55.5
Gloves	68.5
Headwear	50.5
Leather apparel and accessories	70.2
Rubber, plastic, and coated fabric material	86.4
Footwear and footwear parts	83.1
Transportation equipment:	
Aircraft engines and gas turbines	47.5
Aircraft, spacecraft, and related equipment	30.5
Internal combustion engine, other than for aircraft	19.9
Forklift trucks and industrial vehicles	21.5
Construction and mining equipment	28.6
Ball and roller bearings	24.9
Batteries	26.4
Ignition and starting electrical equipment	22.3

1966 Data—Continued

Industry/commodity group	*Ratio imports to domestic consumption (in percent)*
Rail locomotive and rolling stock	22.8
Carrier motor vehicle parts	19.5
Automobiles, trucks, buses	39.0
Motorcycles, mopeds, and parts	51.8
Bicycles and certain parts	54.5
Miscellaneous manufactors:	
Luggage and handbags	76.9
Leather goods	37.4
Musical instruments and instruments	57.7
Toys and models	72.3
Dolls	95.8
Sporting Goods	32.0
Brooms and brushes	26.5

*1996 data from ITC publ. 3051.

Mr. HOLLINGS. I yield now to our distinguished colleague from Maryland the remaining time that I have.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, I want to get into the RECORD the figures that underlie this chart on the deterioration in the U.S. net foreign investment position.

In 1976, the United States had a $180 billion positive net position. We were a creditor nation, to the extent of $180 billion. That rose until, in 1980, it hit its peak at just under $400 billion. That is net. That is in our favor, $400 billion. Since 1980, that has begun to deteriorate, as we can see. It crossed into the minus figures in 1986, at minus $13 billion. In 1986, 11 years ago, we were at $13 billion minus. Since then, it has come down and we were at $870 billion in 1996, and it is estimated that the 1997 figures will go to $1 trillion in debt, in a debtor position.

This is incredible that, in just over 10 years, we have gone from balance in our net foreign investment position to a $1 trillion debtor position. I mean, we have been adding it at the rate of $100 billion, $120 billion, and $150 billion a year because of what happened to our trade balance, which the able Senator from South Carolina pointed out. So we have now come down to the point where we are $1 trillion in a debtor position—the world's largest debtor country.

Now, these are the issues we ought to be addressing. Fast track doesn't begin to address that issue. All fast track is trying to do is get the Congress to give up its right to review these agreements. Everyone says, well, we ought to do that. Look at how we have been doing on the trade front. Well, how have we been doing on the trade front? Look at this deterioration over the last 20 years. By coincidence—perhaps not so much by coincidence—ever since we started doing fast track, we started getting deterioration in the trade balance, year after year. I think these trade agreements need to be brought back to the Senate to give us a chance to review them. If they had to come back here and be reviewed, not on a "take all or nothing" basis, which, of course, is a loaded deck because as soon as that happens, then the argument they make to you is not economic; it is political.

If the President negotiates a trade agreement, let's say, with Chile, and then he brings it to the Congress on fast track, all or nothing, then we start asking economic questions about the trade agreement. We say, well, you know, this balance here doesn't seem to work. You don't open up their market the way you should and so forth. The next thing they say to you is, oh, well, we have to approve it; otherwise, the political relationship will go to pieces. That is what we were told on the Mexico agreement. We had debate on the floor of the Senate, and piercing remarks were made about the economics of that Mexican agreement and how it would not work and how disadvantageous it was. Well, then the argument shifted in order to try to push it through. The administration didn't talk anymore about the economics of it; they started talking about the politics of it. They said: Well, Mexico is our next-door neighbor. If we don't approve this trade agreement, we will have a crisis in our relationship.

In effect, that was probably true. But that's the argument that then is used, not the economic argument. So I think these agreements ought to be brought to the Senate. We ought to have a chance to amend them, if we choose to do so, not give away or derogate our authority in that important regard. Frankly, I think if the agreements have to come to the Senate in that form, they are going to negotiate tougher agreements.

If the administration knows that those agreements are going to be submitted to the Congress and subject not only to the up-or-down vote of the Congress, but also subject to amendment, they are going to have to negotiate a much tighter agreement that will withstand scrutiny. And I think it will achieve a better balance, a better balance between our opportunity to go into the other countries' markets and their opportunity to come into our market because, clearly, what has been happening for the last 20 years is that our market has been opened up far more than other nations have reciprocated.

Mr. HOLLINGS. Mr. President, right to the point, with respect to how you make your agreements and the charge now that this is not a referendum on NAFTA and Mexico, at the time NAFTA came up with respect to Mexico—I had voted for the free-trade agreement, the North American Free Trade Agreement with Canada, because we had similar economies: individual rights, appeal processes, open markets, those kinds of things, and a revered judiciary.

I will never forget that my colleague from New York, the distinguished senior Senator, Senator MOYNIHAN, said, "How can you have free trade when you don't even have free elections?" Well, we look to the European experience. The Europeans found out that the free-trade approach did not work. They taxed themselves $5 billion to build up the entities of a free market in Greece and Portugal before they admitted Greece and Portugal into the Common Market, and they did just exactly that.

Instead, we were told, no, Mexico was a prototype, said the Secretary of the Treasury and the Vice President of the United States. We went pell-mell headlong, and everything they contended has gone awry the other way. They said that Mexican wages would be up. They have gone from $1 an hour down to 70 cents an hour. The American Chamber of Commerce in Mexico City says that 60 million Mexicans are living in poverty, and 25 Mexicans make as much as 25 million Mexicans. They said that we would have a plus balance of trade. Instead we went from the plus balance to a negative balance. They said immigration would be better. It is worse now. They said drugs would be better. It has gotten worse. Just look at the morning Washington Post.

You could go right on down. Everything they said happened the other way. As a result, we never have really built up the entities of a free market like, for example, we have in Chile. I said 4 years ago I would be glad to vote for a free-trade agreement with Chile. They have a revered judiciary, they do have free-market rights. They have labor rights, they have rights of appeal. So there it is. When they say NAFTA referendum, yes, it is. There is no education in the second kick of a mule, Mr. President.

We understand when they gave us that fast track on it that we were getting in trouble. But they wouldn't listen. Now is the time to stop, look, and listen, and deliberate and consider the agreement itself and not fall for this parliamentary booby trap of the White House just opening up the bazaar and selling off line-item vetoes over on the House side as fast as they can trying to change that CBI vote they got on last evening over in the House of Representatives. So the bazaar is open. They are trying to buy off the votes. They are amending while we are talking about having hopefully the right to amend.

I yield the floor.

Mr. GORTON. Mr. President, more than almost any other debate in this Senate this year, this one seems to me to pit hope versus fear, to pit the lessons of history against the blindness to those lessons. One Senator, who will remain nameless, this morning made the statement that free-trade arrangements arising out of fast-track proposals like this would harm not only the people of the United States, but the people of the other nations entering into such a free-trade proposition.

Mr. President, that exhibits a blindness to what history has shown us for more than half a century. Without exception, each liberalization of trade policies on the part of the United States that had been met by a liberalization on the part of our trading partners has benefited the people of both countries. We are in an extended and significant period of economic gains today, as we speak here, in the aftermath of a series of policies carried out by administrations, both Republican and Democratic, to free trade across the entire world. The North American Free-Trade Agreement and the most recent General Agreement on Tariffs and Trade all reflect the increasing dependence of all of the nations of the world on trade and the fact that all can prosper from a greater degree of free trade.

Now, Mr. President, I think it's possible to find examples in history, perhaps to find a few examples of the present day, of nations that have tried to create a sense of self-sufficiency with little, if any, foreign trade of any commodity whatsoever. When one searches out such examples, however, Mr. President, one finds, in every case, that those countries are poverty-stricken and show no particular movement out of that poverty-stricken nature. It is only when these nations free their economy and tend to free their trade policies that they begin to prosper.

It's also possible, I suppose, to imagine a United States which, in every single commodity consumed in the country, was a more efficient producer than any of its trading partners and, therefore, would have no need for imports at all. But, of course, that doesn't happen in the real world. One's very success would create fields in which we continue that domination and other fields in which countries begin to catch up with us.

Trade is a two-way street. Trade is a benefit not just to those who work in the trade field, but to consumers who are permitted a greater choice of higher quality goods at lower prices than would be the case if trade were restricted. That, of course, does inevitably result in losers in our economy because, as we export more, as we produce more for export, we also, as a prosperous American society, have more money to spend and often choose to purchase imported goods in some areas.

There are many occasions on which it can be argued that there isn't a huge increase in employment resulting in freer and greater trade. But it is extremely difficult to argue the proposition that export-oriented industries, generally speaking, in the fields in which American production is most efficient and effective, whether industrial or agricultural, pays its employees far more than do those unskilled trades that are affected by foreign competition, and which jobs are more likely to be lost because someone else can do a better job than we do.

So even if total employment is a zero-sum game, which it is not, the wages and salaries of those involved in trade-oriented occupations will be much higher than those occupied in fields that are artificially protected from foreign competition.

Now, does that mean, Mr. President, that under any and all circumstances we should be indifferent to the antitrade activities of some of our trading partners? Certainly not. As this body knows, I have been highly critical of some of the trade policies of this administration with respect to China, with respect to Japan, and sometimes with respect to the European Community, when those policies have imposed artificial restrictions on American producers. I wish that this administration took a much stronger stance last week with respect to Chinese restrictions on our goods, given the huge nature of our bilateral trade deficit. But the fact that we can criticize the administration for not having more eloquently and more decisively supported American interests is not an argument against granting our administration the opportunity to negotiate free-trade agreements. It is, if anything, an argument for it because, without exception, Mr. President, the nations, particularly in Latin America, with whom we are likely to negotiate free-trade agreements, have greater tariffs and greater restrictions against our goods than we do against theirs at the present time. So it is clear that a reciprocal lowering of those barriers at both ends will benefit a wide range of exporting industries in the United States.

Now, should we provide the President, at the same time, with more tools to defend American interests? We certainly should. For example, I support the efforts of my colleagues, Senator GRASSLEY and Senator DASCHLE, in proposing to amend this legislation with the text of S. 219, the Agricultural Products Market Access Act of 1997. That bill would set up a system for agricultural trade identical to that used to identify violations of intellectual property rights, the special 301 procedure. The bill would require the Office of the U.S. Trade Representative, annually, to designate as priority countries those trading partners having the most egregious trade barriers to American agricultural products. The USTR would then have the power to investigate those countries to determine whether countervailing measures are merited.

My State, Mr. President, is a great producer of agricultural products for

export, just as it is of intellectual properties and of aircraft. We believe in the prosperity that comes from free trade. We want that free trade to be truly free in both directions, and no power that we could grant the President is more likely to lead to that free trade in both directions than the fast-track legislation that is before us now. That legislation, Mr. President, should be passed.

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

The PRESIDING OFFICER. The Senator from Maryland has 41 minutes and 50 seconds. The Senator from Delaware as 77 minutes.

Mr. SARBANES. Mr. President, in view of that, I think the other side should now use some of its time since we are down now to 40 minutes and they have almost double as much.

How much is on the other side?

The PRESIDING OFFICER. Seventy-seven minutes.

Mr. SARBANES. They have about twice as much time as we have.

The PRESIDING OFFICER. If neither side yields time, the time will be charged equally to both sides.

Mr. SARBANES. Mr. President, I ask unanimous consent that we go into a quorum call and the time to be charged to the other side.

The PRESIDING OFFICER. Is there objection?

Ms. COLLINS. I object.

Mr. ROTH. I object.

Mr. SARBANES. I am glad to see the chairman of committee. We are down to 40 minutes and there are almost 80 minutes on the other side. And as we approach the conclusion of the debate I think it would be reasonable at this point for the other side to use some of its time.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from North Dakota is recognized.

Mr. DORGAN. Madam President, my understanding is that the other side may not use all of its time and would then perhaps want to yield whatever they don't use and have a vote earlier than 5. I understand that the unanimous-consent request that was entered into calls for a vote no later than 5 o'clock. So presumably, if all of our time is used and they yield back whatever time they don't use on that side, they would expect to have a vote earlier than 5 o'clock.

Mr. ROTH. That is correct.

Mr. DORGAN. Madam President, we have about four Members on our side that still desire to speak on this matter. We have alerted their offices. We expect some of them to be here momentarily and expect to use the remaining time. I think that is the purpose of the Senator from Maryland asking to reserve the 40 minutes. I certainly have no objection.

Mr. SARBANES. All I am trying to protect again is the situation in which all time is used up on this side and then there are 80 minutes left on the other side.

Mr. ROTH. I say to the distinguished Senator from Maryland that at this time we only have one request. So we probably are going to yield back time. We are waiting to see if anybody else wants to speak.

Mr. DORGAN. The Senator from Maryland is simply asking if we could preserve 40 some minutes that we have. Will the Presiding Officer indicate to us the time available?

The PRESIDING OFFICER. The amount of time remaining is 38 minutes and 48 seconds.

Mr. DORGAN. We will not seek to delay the vote. If the Senator's expectation is to try to get to a vote before 5 we would not seek to delay that but we would like very much to have a couple of minutes to try to make sure we get the speakers here so we have the 38 minutes available for the remaining speakers. If it turns out we don't need that, we would be happy to yield that back as well. We have now requests for speakers that are available to use the time.

Mr. ROTH. Why don't we just go ahead and call for a quorum, and take it from both sides equally? We are now checking to see if we need to preserve time.

Mr. SARBANES. The problem about that solution is it will then use up part of the 40 minutes that we have left which the Senator has calculated is needed in order to complete the remainder of his speakers that we have.

Mr. ROTH. How much time do you need for that?

Mr. SARBANES. Forty minutes.

Mr. DORGAN. We desire to use all of the 40 minutes. As I understand the Senator from Delaware, he is now checking to preserve that. It would not be our intention to delay the vote to the extent he is going to yield time. We certainly understand the vote can be held earlier. We are now making certain that those who asked to speak come to the floor to have the opportunity to do so. If that gets substantially delayed, we would understand the Senator's desire to proceed. I do not want to lose, at least to the extent we can prevent it, the 40 minutes that is available.

Mr. SARBANES. If the Senator will yield, our people are not here because we had calculated that the time would go back to your side. And the fact there is so much of an unbalance, I think demonstrates that.

Mr. ROTH. I have a request from the distinguished Senator from Pennsylvania. I will yield him 5 minutes of my time. I yield 5 minutes to the junior Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Thank you, Madam President. Hopefully this will provide an opportunity for the chairman to get some of the Members to the floor, and break up this discussion which is using all of your time.

Let me first rise, having sat in the chair for the last hour. I listened to much of the debate. As someone who has been listening and who voted against NAFTA, someone who had some of the same concerns that the Senator from South Carolina voiced about the structure of the Government, judicial system, and other things, and as a result I felt very comfortable voting against NAFTA. But in the House I voted for fast track because I believe that it is important for us to continue to expand our trade horizons. We are not debating the trade agreement. We have seen lots of things about the trade deficit, balance of trade, and all of these other things. But that is not really at issue here because we are not debating a trade agreement. We are debating really a process—not an agreement.

And the process is for the ability of the President to be able to sit down and negotiate a deal that is going to open up markets around the world, hopefully in South America. The Senator from South Carolina said he was ready to vote for an expansion of NAFTA to Chile possibly. We may have that opportunity. I don't think we get to that opportunity, which I think is an important one for this country, unless we have fast-track authority for this President. I would like to see the same frankly for Argentina and Brazil. I think it would be a tremendous opportunity for this country to expand our markets in the hemisphere to countries that are capable of competing on a fair basis with this country. Those are great opportunities for American workers as well as for better economic and diplomatic relationships between the countries in North and South America.

So, I see this not only as economic but also as a cultural and diplomatic opportunity for us. But it does not happen unless we put the process in place for the President to negotiate these agreements.

I know the Senator said there are lots of other agreements that have been negotiated. That is true. But these are major negotiations. These are negotiations that without a structure such as fast track I don't believe you are going to get an honest negotiation with one side sitting across from the other and saying, "Let's put together our best agreement. Let's work on give and take. You give. I give. We work on all of the details on how we structure a formalization of free trade between to two countries." And say, "Oh, by the way, after I have given up some and you have given up some, and we have been able to negotiate as best we can to a final agreement, I am going to take it back to the Congress, and they

can change it and put it all back in our favor."

I don't know of too many countries that are going to be willing to do that, who are going to be willing to sit down in the first place and say, "We are going to negotiate with you in good faith, and, by the way, your good faith means nothing because you cannot stand behind your word because the Congress can come, amend, and change what we negotiated in a final agreement."

That is what makes this debate somewhat vexing in my mind because we are talking about all of these horrible inequities that have resulted as a result of our trade policy. The people who are arguing against fast track want to continue our trade policy. This policy they say is so bad, they want to keep it in place by not allowing the President to negotiate better agreements with other countries or in the world bodies to be able to open up trade to create a better trade opportunity for us around the world.

So I don't understand, and frankly, I am a little disturbed that we keep hearing the rhetoric of bad trade and horrible agreements at the same time not wanting to change those to make them better for this country. I think fast track is the opportunity to do that.

Mr. SARBANES. Will the Senator yield?

Mr. SANTORUM. Certainly. I am happy to yield.

Mr. SARBANES. In 1975 we first provided fast track. On this chart, this is 1975. Look at what happened with the trade balance.

Mr. SANTORUM. I am accepting the Senator's arguments as true—that in fact what you are signifying happened is true. By staying there and not changing things does the Senator think things would get better? To me that is the sin of when you believe that you tried the same thing, and you are going to get a different result by trying the same thing. Then you start to wonder what the thinking is.

Mr. SARBANES. I say to the Senator, if he is supporting fast track, he is the one who wants to try the same thing because this was all under fast track.

Mr. SANTORUM. I voted against NAFTA. So I think I have some legitimacy here. I am not debating that some of the agreements we have entered into in this country—you can't say only the ones entered into under fast track. We have entered into a lot of other agreements that have had an impact. But I am not debating that there are agreements that have not been beneficial to the balance of trade to this country. What I am debating is that by not changing any of those agreements somehow things are going to get better. That is really the argument here—unless we make change in those agreements things will not get better. We cannot make those changes unless we have fast track.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MOYNIHAN. Madam President, will the distinguished chairman yield to me 3 minutes?

Mr. ROTH. I yield the distinguished Senator 3 minutes.

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

Mr. MOYNIHAN. Madam President, I simply would wish to say that I have listened with great respect to the Senator from Maryland as regards the time sequenced in which the fast-track legislation went into effect and the foreign trade deficit began to grow.

I say two things.

The first is that the essentials of the fast-track negotiations have been in place since 1934. Nothing that discontinuous occurred in 1974. What simply was required was at that time the trade negotiations turned from tariffs on things—machines, iron ore, oil, whatever—to the question of the more complex but growing area of services, intellectual property, and matters like that. That is what impels us to give the President negotiating authority beyond the simple reduction of tariffs.

The reciprocal trade agreements that began back in 1934 said the President may cut these tariffs up to 50 percent, and proclaim it after he has reached it to his satisfaction and agreement. The increase in the trade deficit corresponds precisely to the onset of enormous budgetary deficits by the Federal Government. It is elemental bookkeeping of economics—that unless you have a very high savings rate, which we do not have, you will finance a Federal deficit by borrowing from abroad, and that borrowing will take the form of imports. In economics this is a fixed equation. One side equals the other. And at just that moment, as the Senator from Maryland pointed out, deficits begin to grow, we have the second oil shock followed by the huge deficits of the 1980's. They are an equivalence which comes almost at a level of bookkeeping. They have to happen.

Now, we have on point where our deficits are disappearing and we should have every reason in the world to think that trade deficit will disappear as well—it need not do—if our savings remain at the low level they are. But if they return to a normal level, which we hope they will, now that the deficit is not using them up, or now that more resources are available, that deficit will shrink dramatically, or we will have to write all the textbooks over again.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. MOYNIHAN. I thank the Chair.

Mr. SARBANES. Will the Senator yield? Will the Senator yield me 2 minutes?

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Will the Senator yield for a question?

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. I yield 2 minutes.

Mr. MOYNIHAN. Of course.

The PRESIDING OFFICER. The Senator from Maryland is recognized for 2 minutes.

Mr. SARBANES. Madam President, in light of the comments, I ask unanimous consent to have printed in the RECORD a press release from the Economic Strategy Institute entitled "New ESI Study Finds Causes and Costs of Trade Deficit More Complex Than Traditional Economic Rhetoric."

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

NEW ESI STUDY FINDS CAUSES AND COSTS OF TRADE DEFICIT MORE COMPLEX THAN TRADITIONAL ECONOMIC RHETORIC

WASHINGTON, DC.—For years mainstream economists and economic journalists explained away public concern over the U.S. trade deficit by arguing the true cause of the deficit was the huge U.S. federal budget deficit and, more recently, low U.S. savings. However, a new study released today by the Economic Strategy Institute refutes these traditional explanations and argues they are no longer adequate to explain what is, in reality, a significantly more complex problem negatively affecting a wide variety of economic statistics, including aggregate demand, gross domestic product, the budget deficit, business financed research and development, wage rates, and exchange rates.

Titled The Trade Deficit: Where Does It Come From and What Does It Do?, the study examines the recent trends in the U.S. federal budget deficit and the U.S. savings rate over the past decade and uses an economic model to examine the costs of these deficits to the U.S. economy.

In contrast to a decade ago, private savings now exceed private investment, the U.S. economy continues to grow at a slower pace than the global economy, and net inflows of foreign private investment are smaller. From 1986 to 1996, the United States achieved a $92 billion improvement in the sum of its private savings balance and government deficits; yet, the trade deficit and the broader current account balance only improved by $29 billion and $5 billion, respectively. In 1997, the combined federal and state deficit continues to fall, yet the trade deficit will again exceed $100 billion, while the current account deficit will be about $150 billion.

	Private savings less investment (billions of $)	Federal and State deficits [1] (billions of $)	U.S. growth (percent)	Global growth (percent)	Net foreign private investment [2] (billions of $)	Net exports (billions of $)	Current account (billions of $)
1986	−12.4	−152.6	2.9	3.4	89.5	−140.0	−153.2

	Private savings less investment (billions of $)	Federal and State deficits [1] (billions of $)	U.S. growth (percent)	Global growth (percent)	Net foreign private investment [2] (billions of $)	Net exports (billions of $)	Current account (billions of $)
1996	9.0	−82.0	2.4	3.8	66.8	−111.0	−148.2

[1] These figures include both government current spending and receipts, and governmental capital spending and borrowing for roads, schools, equipment, etc. The federal current spending deficit and the combined federal/state current balances are the figures cited in daily news accounts and political discussions of taxes, spending and deficits. The federal/state current deficit fell from $82.6 billion to $5.1 billion from 1986 to 1996, and should be in surplus in 1997.

The capital spending deficit represents the addition of new capital assets (roads, buildings, etc.) and new liabilities (bonds) on the government's balance sheet, and it is not an item on the government's current income and expenditure statement; however, it is part of the nation's combined public and private capital financing needs and is an element in the national savings balance. Notably, the government capital deficit increased only $12.1 billion from 1986 to 1996, and the marked improvement in federal and state finances was attributable to genuine progress in federal/state current spending deficit.

[2] See Footnote 1.

Authored by Dr. Peter Morici, director of the Center for International Business at the University of Maryland and an adjunct senior fellow at the Economic Strategy Institute, the study examines the old chestnut that the current account is simply the other side of an immutable accounting identity—the difference between domestic savings and investment—and finds that is becoming increasingly clear that trade and current account deficits are strongly influenced by forces quite separate from U.S. fiscal policies and domestic savings and investment behavior.

Morici argues that most economists overlook the fact the accounting identity can and does work in reverse. Increased foreign demand for U.S. securities, instigated by events independent of U.S. government policies and business conditions, can powerfully influence the U.S. current account deficit and domestic economy.

For example, in the 1990s, the Japanese, the Chinese, and other governments have dramatically increased their purchases of U.S. government securities, propping up the value of the dollar against other currencies. This has helped to sustain both their trade surpluses and U.S. trade deficits, even as the United States has put its fiscal house in order. In most cases, he argues, these purchases are not market-driven decisions made in response to higher U.S. interest rates. Rather they often reflect policy decisions to block exchange rate adjustments, and reduce internal pressures on national governments to revise protectionist trade polices and the reliance on export-driven growth.

"Other things being equal, one would expect U.S. government budget balances and trade and current accounts to be correlated," Morici argues. "This is not the case, however, which reflects the strong influence of other, offsetting factors. Significantly, these statistics do not imply that government deficits have little consequence for U.S. external balances. Rather, they illustrate that simple accounting identities do not justify blind assertions of causality."

To analyze how U.S. fiscal policies, the actions of foreign governments, or abrupt shifts in private investor sentiment may affect trade current account deficits and the domestic economy, Morici constructed a model of 1996 macroeconomics activity and potential GDP for the study and analyzed the trade and current account deficits may instigate in markets for domestic goods and services, capital, and foreign exchange. He found trade deficits impose costs on the U.S. economy in several ways:

In the near term, trade deficits may reduce aggregate demand, and lower real GDP by redirecting labor and capital away from export and import-competing activities, where these resources are generally more productive.

Eliminating the trade deficit, through a combination of reduced government deficits and foreign government purchases of U.S. securities, would increase real GDP by $44 billion or about 0.6 percent.

Eliminating the trade deficit would increase business-financed R&D by an estimated 3 percent. Production function studies indicate that the R&D-capital elasticity of output-per-hour in the private business sector is about 0.19. This implies that persistent trades deficits have lowered the growth of labor productivity and potential real GDP in the United States by about 0.5 to 0.6 percentage points per year. Trade deficits appear to be responsible for a significant share of the slow down in the growth of U.S. productivity and GDP in recent years.

In addition to these dead-weight losses, persistent trade deficits impose other, distributional consequences. The same forces that give rise to trade deficits also raise the exchange rate for the dollar by about 7 percent. This lowers the prices received for exports and import-competing products, and lowers the wages and profits earned by workers and firms in these industries. In turn, prices, wages, and profits are higher elsewhere in the domestic economy.

Given an estimate of the share of the economy whose wages and other factor prices are substantially influenced by the prices of traded goods and services, the amount of income redistributed may be estimated. In 1996, exports plus imports were about 24 percent of GDP. By these estimates, 1.6 percent of GDP is being transferred through reduced wages and payments to other factors. If a much more conservative estimate of the share of factor markets affected by trade is applied, this estimate of income transferred become 0.6 percent of GDP, which is still a formidable figure.

"These estimates," Morici argues," go a long way toward explaining the fierce resistance to continued globalization encountered from workers and firms whose present and prospective incomes have been adversely affected by this process."

Mr. SARBANES. It says:

For years mainstream economists and economic journalists explained away public concern over the U.S. trade deficit by arguing the true cause of the deficit was the huge U.S. Federal budget deficit and, more recently, low U.S. savings.

Exactly the argument the Senator from New York has just made.

However, a new study released today by the Economic Strategy Institute refutes these traditional explanations and argues they are no longer adequate to explain what is, in reality, a significantly more complex problem negatively affecting a wide variety of economic statistics, including aggregate demand, gross domestic product, the budget deficit, business-financed research and development, wage rates, and exchange rates.

And then it goes on in effect to say that this traditional analysis is really simplistic; it doesn't really answer the situation. It is almost dismissive of any trade deficit problem. In fact, if you look at the movements here, there is not a direct correlation between the various factors the Senator talked about. I mean you have a decline in the goods trade balance here at the time the trade deficit is still going up.

Mr. MOYNIHAN. We held tightly.

Mr. SARBANES. I am sorry. You have an improvement in the trade deficit when the deficit was going up. Then here the deficit has been coming down, the domestic deficit, yet the trade deficit has been worsening.

Mr. MOYNIHAN. May I simply say to my friend that I admit the complexity of this matter.

Mr. SARBANES. Absolutely.

Mr. MOYNIHAN. I do no more than argue what economists now believe, that they may have to change their mind. I don't in any way contest. But I am just saying tomorrow when we have more time I wish to discuss this at greater length.

Mr. SARBANES. Does the Senator see any problem with running trade deficits?

Mr. MOYNIHAN. There is no alternative when you have a huge budget deficit, sir.

Mr. SARBANES. What do you do when you don't have a budget deficit and you are still running large trade deficits?

Mr. MOYNIHAN. Then you better rewrite your textbooks.

Mr. SARBANES. That's what I think needs to be done.

Mr. MOYNIHAN. That has not happened yet.

Mr. SARBANES. That is why I wanted to submit that study for the RECORD.

Mr. MOYNIHAN. That hasn't happened yet.

Mr. SARBANES. The real world may be ahead of the textbook writers.

Mr. MOYNIHAN. That's been known to happen.

Mr. SARBANES. Yes, it has.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. I ask unanimous consent that the vote occur on or in relation to the motion to proceed to S. 1269 at 4:20 today, with Senator DORGAN or his designee in control of 40 minutes, and Senator ROTH or his designee in control of the remaining time, with the 5 minutes prior to the vote in control of Senator ROTH and the 5 minutes prior to Senator ROTH's time in control of Senator DORGAN.

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

Mr. ROTH. I now yield 10 minutes to Senator CHAFEE.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Madam President, thank you. I thank the chairman for yielding me this time.

Madam President, some have argued that fast-track procedures are either unnecessary or that they are a threat to Congress' constitutional authority, or both.

The answer to that is fast track is none of the above. It is both necessary and constitutional. First of all, fast track is absolutely critical if the United States is to continue to expand global market opportunities for American manufacturers and service providers and their workers. Without fast track, no President can assure our trading partners that the terms of a hard-won agreement will not be rewritten by Congress. That is the problem.

Now, sometimes it is worthwhile to look at history. In 1934, Congress approved the Reciprocal Trade Agreements Act, which gave the President authority to lower tariffs with our trading partners. That worked fine for several decades. This was when we still had an emerging global trading system which primarily relied on tariffs. Between 1934 and 1945 the United States concluded 29 bilateral agreements for tariff reductions. When the GATT system came into being in 1948, the system still worked. Tariff reductions were the main focus of five successful negotiating rounds between 1947 and 1962.

But here comes the modern system. By the 1960's, the world trading system had become much more sophisticated and so had trade barriers. In 1962, the Kennedy round began, and for the first time the negotiations addressed not just tariffs but nontariff problems such as antidumping measures. When the negotiations concluded on the Kennedy round in 1967, the Johnson administration brought the agreement back home, but Congress promptly passed legislation nullifying part of the Kennedy round agreement, effectively amending the deal that had been so carefully worked out with the GATT nations.

The result. What happened? The Kennedy round went into effect without our participation. The message which that sent to our trading partners was obvious. Hard-fought trade deals with the United States will not stick. And the corollary lesson to the United States was equally clear. Before the United States will be allowed back at the negotiating table, it must restore its credibility by demonstrating its ability to stick to a deal.

Therefore, when the Tokyo round began, President Ford appealed to a Democratic Congress for a solution. The dilemma was noted that our negotiators cannot expect to accomplish the negotiating goals if there is no reasonable assurances that the negotiated agreements would be voted up or down on their merits. So a set of procedures was developed, the so-called fast track. As has been noted here many times, that fast-track authority has been extended to every President, Democrat or Republican. It has been authorized or reauthorized or extended four times, and it is the means by which every major trade agreement since the 1970's has been implemented.

In mid-1994, fast-track lapsed, and since then our trading partners, quite rightly, have questioned our ability to stick by a deal, and they have been reluctant to deal with us. Some have cited the fact that the administration has concluded all but a handful of 222 trade agreements without fast track. "You don't need fast track. Why, we had 222 agreements without it."

That is misleading. There are 200 plus agreements listed by the administration as accomplishments, but look at the list. Most of the agreements tend to be small, product-specific arrangements like an agreement on ultra-high-temperature milk or the List of Principles for Medical Devices. They are certainly important, but they hardly qualify as major stimuli to our national economy.

In contrast, the handful of agreements that require fast track are the critical, comprehensive, multisector agreements that address both tariff and nontariff barriers.

Now, let's get to this constitutional argument that has been tossed around. Fast track represents, it is said, a surrender of Congress' constitutional duty under article I of our Constitution, which says that "The Congress shall have Power . . . To regulate Commerce with foreign Nations. . . ."

Under fast track, Congress' role in trade negotiations has not been diminished or disregarded. Clearly it would be impossible for 435 Representatives or 100 Senators, all of whom believe they are qualified to be President—indeed, I believe there has been a terrible overlooking that they are not chosen as President—each of these individuals could not carry out at the same time our trade negotiations. Now, what fast track does is it allows the President to carry out the negotiations but imposes strict requirements for ongoing consultations to ensure that Congress' voice is heard.

Madam President, it has been my privilege to have served on the Finance Committee for 19 years now. When we have a fast-track measure come up, there is constant consultation with that committee and other Senators on the negotiations that are taking place that subsequently fast track will be asked for. So the Israel, Canada, Mexico, and Uruguay Round Agreements were guided by thousands, literally thousands, of briefings and discussions between the negotiators and Members of Congress or their staffs. Congress will continue to be consulted. So, indeed, we do write the legislation to implement these agreements, and Congress' authority is not being constitutionally revoked or the Constitution is not being overridden.

Madam President, the fast-track partnership has guaranteed Congress' continued fulfillment of its constitutional role in international negotiations.

Now, is every Member of Congress going to be satisfied? No, apparently not, as we have heard this afternoon and yesterday. But will the partnership produce agreements that have taken into account a broad variety of U.S. interests and views? That is absolutely true.

I would just briefly like to touch on what happens if we do not approve fast track. That is the argument in the Chamber here. Do not have it. I know that it is always prefaced by the opponents saying, "I'm not against free trade," and then they proceed to inveigh against fast track.

The United States is the world's largest trading nation, the largest exporter and the largest importer. We are the giant of the world trade area. We enjoy prosperity today in large part because of our trading activities.

This is what Dr. Alan Greenspan said a week ago, on October 29:

> The quite marked expansion in trade has really had a pronounced positive impact on rising living standards. Since 1992, exports have been responsible for one-third of our economic growth. Trade now represents a solid 30 percent of our GDP, and our exports continue to rise. This export activity supports some 11.5 million well-paying jobs across the Nation.

They certainly do in my State where we are very, very grateful for our trade and where we believe the opportunities for trade should increase. Our exports from small Rhode Island hit $1 billion last year, with projections for this year estimated at $1.2 billion. State officials in my State count on exports as a key element in our economic growth and are aiming to reach $2 billion in exports by the year 2000, which is only what, 3½ years from now.

If we want to continue this prosperity, we must continue to advance trade liberalization worldwide. In order to do this, we must have fast track.

Now, there is urgency to this. We are seeing the southern nations of this hemisphere—Brazil, Argentina, Paraguay, Uruguay—mount an aggressive effort to develop a free-trade region throughout the Western Hemisphere. Chile, which is more than a little tired of waiting for us, has completed separate trade agreements with Canada and Mexico as well as Colombia, Venezuela, Ecuador, and they are reaching out to Central America and Asia likewise. Mexico has concluded agreements with Colombia, Venezuela, and Costa Rica, and are talking to the other nations including the Caribbean nations.

The European and Asian nations are getting in on this. Both the European Union and the Southeastern Asian nations are courting the South American countries. Chinese and Japanese officials are eyeing the major Latin American nations.

The United States is in real danger of falling behind all of this. That has ramifications for American workers and their families.

One example that hits close to home for Rhode Islanders is Quaker Fabric Co., a Fall River, MA, textile firm employing 1,800 workers—many of them Rhode Islanders. Quaker recently lost a $1.8 million annual contract in Chile to a Mexican competitor whose product is exempt from Chile's 11-percent tariff thanks to the Chile-Mexico trade pact. And Quaker was told by an Argentine buyer that he was switching to a Brazilian fabric supplier whose product, while of lesser quality, is not subject to a 25-percent tariff. Quaker's president tells me that if Quaker could just gain equal footing in the region with its Latin competitors, the company could boost export sales and add 200 more jobs.

It is examples like these that have spurred the National Governors' Association and the U.S. Conference of Mayors—whose members are keenly interested in economic growth—to strongly endorse fast track reauthorization.

Opponents of fast track would have one believe that there are other options than fast track. That is not true. If we want to play in the trade game, if we want to make agreements with trading partners, if we want to continue to engage in the world of trade, we must have fast track. If not, we cannot enter into significant agreements with our partners, and others will quickly move in to fill the vacuum—and reap the jobs—we have left behind.

In sum, fast track is in the best interests of the United States. It is a necessary prerequisite for negotiations; it is constitutional; and it is critical for economic and job growth in our nation. I urge my colleagues to support the pending legislation.

Mr. DORGAN. Madam President, I yield 10 minutes to Senator REED.

Mr. REED. I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Madam President, I am here today to comment once again on not only the fast-track agreement but also the overall context of U.S. trading. The discussion between the Senator from Maryland and the Senator from New York pointed out the complexity of looking at the trade deficit. But there are some things that are quite clear despite the complexity.

In 1980, we had a surplus of roughly $2.3 billion. By 1996—we have now a deficit of $165 billion. That is the time in which fast track has been operative. That is the time in which fast track has been the centerpiece of our legislative efforts, our international efforts to increase trade in the world.

This deficit right now is a result of many things. It is a result of, in some respects, our fast-track policy. But it is a result also of our inability, I think, to deal with some of the more basic issues in international trade, dealing with some countries that utilize access to our market but at the same time deny us access to their market. It is a phenomenon also caused by the proliferation of multinational corporations that move their operations, in many cases, out of the United States because of our environmental laws, because of our labor laws, because of many stringent requirements that raise and maintain the quality of life and the standard of living here in the United States. And they have gone to other countries. In fact, some of our policies have encouraged their departure.

One of the striking differences between this fast-track bill today, 1997, and the fast-track bill that was adopted in 1988, is that we have neglected to include within the principal negotiating objectives attention to the rights of workers of our potential trading partners. We have also neglected to include currency coordination, which is an important aspect of ensuring that a free-trade system operates appropriately and correctly. We have also narrowed significantly the scope of concerns which we can address with respect to the environment.

Regardless of our budget situation, we will have contributed to the further deterioration, if this bill passes, of our trade position, because we have included increased incentives to deploy capital from the United States from other parts of the world to developing countries, which effectively will mean that they will be our competitors.

I know, when the Senator from Maryland and the Senator from New York were talking, they were talking about the overall trade balance, making the distinction between our trade balance and our Federal deficit. But I think if you just aggregate that trade balance, you will see clearly that in terms of manufactured goods we are consistently losing. And that is the most prescient, tangible point with respect to the arguments that, because of some of these trading rules, literally our good manufacturing jobs are going overseas.

Mr. SARBANES. Will the Senator yield on that point?

Mr. REED. I will be happy to yield.

Mr. SARBANES. Since 1974, our trade deficit on merchandise goods is $1.8 trillion. In just over 20 years, $1.8 trillion. Up until 1975 we had been running modest surpluses every year in our merchandise trade deficit. So there has been a dramatic deterioration.

Mr. REED. The Senator is quite correct—reclaiming my time. It illustrates his point, that there may be, in fact, countervailing foreign investments in this country to make up for our budget deficits, but that does not explain the phenomenon of losing consistently and persistently the battle for the sale of manufactured goods from our suppliers to other countries around the world.

Mr. SARBANES. If the Senator will yield further? To the extent there are such investments, those then become claims which foreigners hold against us. So what has happened is we have gone from being a creditor nation in 1980, where we were a creditor nation to the tune of $400 billion, to today where we are a debtor nation to the tune of $1 trillion. So, because they sell more to us than we sell to them, they build up claims against us and we become a debtor. Now we are the biggest debtor nation in the world.

Mr. REED. Again, the Senator is absolutely correct. Frankly, to move to an analogy which is a little more colloquial but perhaps just as compelling, if we were managing a professional baseball team and we lost every year for 10 or 15 years, I don't think we would be managing that baseball team.

That is essentially, if you charge us as managers of our international trade policy, we have lost every year for the last several decades. The trade policy has to be changed. Frankly, I don't believe anyone here is advocating that we could not use a good fast-track procedure. The argument is this is not a good fast-track procedure; that we are neglecting several of the most critical items when it comes to realistic competition between countries in the world today for international trade. We are totally neglecting the differential between our wage structure, particularly our manufacturing wage structure, and the wage structures overseas. We are neglecting it by simply saying that is not important to us, we don't care if workers in Third World countries are making 2 or 3 cents an hour or 20 cents an hour, when our workers are making $6 or $7 an hour or more. We don't care about that.

We should care about that because, frankly, that is one of the reasons why we have a huge trade deficit, particularly in manufactured goods. Because there are incentives now, huge incentives, to deploy capital from the United States into these countries so that they can set up manufacturing plants. And we have seen it consistently. We have seen it even deliberately, blatantly, in the sense of finding places where the labor laws are so lax that there are incentives for companies to move in.

In Malaysia it was an explicit condition of the movement of many American manufacturers into that country that Malaysia would not have, or enforce, strong labor laws. They would not give their workers the right to benefit from these new industries coming in and developing and selling successfully in the world economy.

Is that wrong? It's wrong for those workers, which is a concern. But what

is more of a concern for me, it is wrong for our workers because how can we expect to be competing against workers with new, modern technology based on new capital investments, workers who are as well skilled as ours may be, in a world in which they are paid a fraction of what is the minimum wage here in the United States?

Then you can also look at the issue of environmental quality, which is so important. It is not important in just a touchy-feely sense; we want to make sure there are forests and the streams are filled with fish, et cetera. It is really a very practical sense.

When a group of multinational countries now can go into Mexico, set up new manufacturing plants and literally take all their effluent and just pour it into the local sewer—something they could never do in their home country, not in the United States, not in Europe—that is an advantage for them to go there. We have to recognize that. We can't be naive and sloganize here on the floor and say it's just free trade, and free trade. Free trade makes sense if there are the conditions for free trade: That there are, in fact, complementary monetary and fiscal policies in each country; that there is, in fact, respect for workers' rights and workers' ability to organize.

One of the assumptions underlying free trade is that when workers are displaced by imports in one sector of the economy, they move to a more efficient job in another sector of the economy. And we know that is not the case. It doesn't happen. Maybe it will happen in 50 or 100 years. But in the lives of Americans today, and their children's lives, that doesn't happen. We see dislocation. And we see dislocation that can be avoided, at least minimized, if we adopt strategies in this fast-track legislation that will direct the President to deal with these issues, to deal with them aggressively and to come back to us with an agreement that does talk about how we are going to raise the standard of living, through trade, of individuals in our trading partners' countries; of how we are going to deal with environmental issues in those countries; how are we going to make sure that currency valuations changes, manipulations, don't undercut all that we think we have gained at the bargaining table.

The classic example of course is Mexico. We went in and reduced significantly, we thought, the tariffs that the Mexicans would charge us, the tariffs that we would charge them, thinking that now our goods would move back and forth freely. All of that was wiped out by a 40-percent reduction in the value of the peso; the purchasing power of Mexican citizens who might want our goods. And to not be concerned about that, to not elevate that issue of currency coordination to a major negotiating objective is absurd. It is particularly absurd within the last 2 weeks when all we have read about is the currency attacks in the Far East and Thailand, in all of these countries, leading to a shock wave on Wall Street.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. REED. I request an additional 3 minutes.

Mr. DORGAN. I yield an additional 3 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Let me just, in the remaining 3 minutes, say that individuals, colleagues who come to the floor and just talk slogans about free trade have not, I think, understood what is going on. Why does Japan run a $47 billion a year surplus with the United States? Because they exclude our goods. Why does China run a multibillion-dollar surplus with the United States? Because they exclude our goods; and because they manipulate their currency to reduce the wages, effectively, of their workers; because they are insensitive to environmental quality; because they claim, for cultural reasons, historical reasons, they don't have to abide by intellectual property rules or anything else.

Those are the real issues that we face concerning our ability to compete in the world economy. What does this legislation do about those things? Ignores workers' rights; ignores environmental quality; and to a great degree it ignores currency coordination as major negotiating objectives. In effect what we said is: Listen, we are going to give the President fast-track power to do everything except what is most important to be done. And that is our objection. No one is here on the floor saying that we can withdraw from the world trade economy or we should withdraw from the world trade economy. What we are saying is let's negotiate agreements that will benefit all the citizens of this country; that will benefit working men and women throughout this country; that will ensure that they have a fair opportunity to work and earn wages that are decent. And that is not going to happen under this agreement.

What we have to do, I believe—and I hope we can—is ensure that the negotiating objectives are changed; that we do provide the President with the directions, with the incentives, with the authority to go out there and talk seriously about all these issues. Frankly, there was some discussion before that our trading partners won't take us seriously. What they won't take seriously is any President of the United States talking about workers' rights, about environmental quality, and about a strong stable currency coordination in the world, if we pass this fast-track agreement. Because we basically told them we are not interested. What we are interested in here is promoting capital deployment from the United States into areas of the world that don't treat workers properly, that don't care about the environment, and may or may not manipulate their currency to maintain the advantage they have against the United States.

This is not an agreement that we should support. If we want fast track, let's get it right, let's do it right. This is not the right way to go.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. DORGAN. Madam President, I yield 10 minutes to the Senator from California, Senator BOXER.

The PRESIDING OFFICER. The Senator from California is recognized for 10 minutes.

Mrs. BOXER. Madam President, I compliment my colleague, Senator REED, for his very astute remarks. I thank the Senator from North Dakota for putting together what I think is a very excellent presentation. He has been carrying it through and I am proud to stand with him and the others who feel that we should not grant fast-track authority in this particular case.

Madam President, as a student of economics, I learned that if you listen to an economics debate you will find that people generally fall into categories.

When it comes to trade, I believe there are three categories. First, it is the free-trade-or-nothing category where you can't tell them anything about the evils that could come. They don't want to see the statistics about what happens to the downward pressure on wages. They don't want you to tell them even that there is any degradation to the environment. I call it the see-no-evil category. They don't want to know.

Then there is another category which is the no-trade-no-matter-what category. I think those are the ones who don't want to hear any of the benefits that can come from trade. Maybe they are a little long run they say, or maybe we need to work more closely to make sure that the problems are resolved, but they don't want to hear that. That is the hear-no-evil category.

Then there is this third category that I think a lot of my colleagues are in, and I certainly put myself in that category. And that third category is the fair-trade category, not the free-trade-at-any-cost category, not the no-trade-no-matter-what category, but the fair-trade category.

I want you to know, Madam President, I have voted for fast-track authority several times. When it came to Canada, when it came to Israel, when it came to the GATT, I was there, because I felt when our administration, whoever it is, Republican or Democratic President, negotiates with countries who have similar standards of living, similar environmental laws, I don't fear downward pressure on wages, I don't fear downward standards for the

environment, I don't fear downward standards on food safety, because when we are dealing with countries who care about what we pay, who have the same values in terms of worker rights and environmental rights, I feel comfortable giving fast-track authority to the President.

I have to say that in this case, I feel very uncomfortable about giving this authority. I have been trying to find out what is the minimum wage or the wage paid for a manufacturing job in Indonesia, in Malaysia which are countries that, as members of APEC, may very well will be part of this authority. I have not been able to find out the minimum wage or the average wage for manufacturing jobs is in those countries. I am told that a statistical abstract put out by the Department of Labor does not contain the average hourly wage for manufacturing jobs in those countries. I am also told that the Department of Labor's statistical abstract does not contain the hourly manufacturing wage for Chile either. Rather, someone at CRS extrapolated from other available information to come up with an approximate hourly wage in Chile of $2.32. This compares to an approximate average hourly salary of $17.74 in the United States for manufacturing jobs.

So here we have colleagues willing to hand over authority to make agreements with countries that we don't even know what they pay their workers, let alone what their environmental laws are.

It seems to me there has to be a better way. I was listening to Senator BYRD's speech, and when he said, "Why are we here?" I think that is a reasonable question, because if you read article I, section 8 of the Constitution, it grants Congress the sole power to regulate trade and commerce with foreign nations and to make all laws which are necessary to carry out that power.

Once in a while, we cede away our power. As I said, there have been times when I felt it was OK to do that. But in this case, when you don't even know who it is you are dealing with, what they pay their people, what their environmental laws are, it makes very little sense, and I think it puts our workers and our environment at great risk. The benefits of trade, under these circumstances, will certainly not outweigh the disadvantages.

I represent the largest State in the Union, along with Senator FEINSTEIN. I have watched the NAFTA. It was a close call for me on the NAFTA. I wound up saying no, because I believed the same problems existed then: the downward pressure on wages; the lack of environmental laws.

I have to say that as you look at the different analyses as to whether NAFTA has worked—did it do better or not—as we have already heard today, we went from a trade surplus of about $5.4 billion with Mexico in 1992 to a trade deficit of more than $17 billion in 1996.

Increased trade. Who benefited? Ask the California wine industry, I say to my friends. I represent the proudest wine industry maybe in the world. Those wines that are made in California are world renowned. Yet United States wine exports to Mexico have dropped by approximate one-third. United States wines face a 20 percent tariff in Mexico.

However, coincident with NAFTA, Mexico gave Chilean wines a tariff reduction from 20 percent to 8 percent and guaranteed duty-free status within a year. But U.S. wines were subject to a 10 year phase-out of the 20 percent tariff. Ambassador Kantor, who I believe really wanted to make something good happen, promised to negotiate, within 120 days of NAFTA coming into force, a reduction of Mexican tariffs on United States wines—it did not happen. In fact, Mexican tariffs on United States wine and brandy are still at their pre-NAFTA levels, as a result of an unrelated dispute regarding corn brooms.

So as my kids used to say when they were younger, it is time to take a time out. Take a deep breath, see where we are on the agreements we have already signed that haven't lived up to their promises.

Sometimes when my colleagues—and I just heard one of them on the floor—talk about fast track, they get this energy. It is almost an out-of-control enthusiasm. I think sometimes when you go on a fast track, you go too fast. What is the rush? Why not allow this Congress to do our work? I didn't come here to exert downward pressure on workers' wages. I came here to make life better for the people of California. I didn't come here to see our environmental laws degraded, yet we have already seen examples of trade policy pressuring the United States to lower its environmental protections. Look at what recently happened with our dolphin protection laws. A trade deal with Mexico prevailed over our law and resulted in our law being weakened. In 1999, the definition of our beloved "dolphin safe" label could change because of trade pressures—not because we love dolphins any less. They just take a back seat.

We saw shipments of poisoned berries come into our country. If we had enough inspectors there would probably be a better chance that these situations would not occur. Time out, folks, before we see that kind of situation expand. Sure, there will be more trade. But is that the kind of trade we want, where we have to recall berries because we don't have enough inspectors?

I invite my colleagues to go down to the San Diego border. The border infrastructure is inadequate for the amount of trade. The new trade with Mexico as a result of NAFTA has placed severe stress on our southern border transportation infrastructure. According to the California State World Trade Commission, the result has been bottlenecks and traffic jams at border crossings, safety hazards, and declining environmental quality in the areas around the ports of entry. Why don't we do first things first? Why don't we bring these agreements to the Senate, to the House, let us debate and, to my colleague who says, "Well, every Senator wants to be President so it would be impossible because we are all so," I assume he meant "egotists that we would write it our way," I say I know a few Senators who don't want to be President. As a matter of fact, most of them don't. Most of them want to be Senators.

I have seen this U.S. Senate work on chemical weapons treaties, all kinds of treaties that were difficult, and do you know what, Madam President? We did the job. That is what we are sent here to do, not to throw the ball over to the Executive and say, "It's yours, we don't care about wages, we don't care about the environment, we're just for trade at any cost." I hope that we don't take that course.

If you want to look at the jobs lost through NAFTA, the Department of Labor certified that there were 116,418 workers who notified them in April 1997 that they would lose their jobs as a result of NAFTA. There are estimates that go as high as 400,000 job losses. That is just job losses. What about the downward pressure? What about those who leave manufacturing jobs and have to go to service-sector jobs which pay less? That is the kind of disparity we see.

I ask unanimous consent for 3 additional minutes.

Mr. DORGAN. I yield the Senator 3 additional minutes.

Mrs. BOXER. I thank my colleague for the additional time.

So when we look at the issue of trade, there are some who say the most important thing is the efficient flow of capital. Capital will flow to the low-wage countries, and that is the only thing we should be concerned about.

But it seems to me in the United States of America, going into the next century, we have to value not only the flow of capital, which I believe ultimately will flow to the most efficient place, but we have to value the workers, we have to value the environment and we have to value our quality of life.

I ask unanimous consent that these documents from environmental organizations be printed in the RECORD.

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

[News Release From National Wildlife Federation, Oct. 8, 1997]

ENVIRONMENTALISTS UNIFIED ON FAST TRACK: CHANGE IT OR REJECT IT

WASHINGTON, DC.—Today, the National Wildlife Federation, National Audubon Society and Defenders of Wildlife called on Congress to reject fast-track trade bills currently under consideration until they guarantee that meaningful environmental safeguards become part of future international trade agreements.

Despite rhetoric to the contrary, neither of the fast-track bills offered by the Senate Finance or House Ways and Means Committees satisfies the objectives for green trade negotiations recommended by the groups. One key problem with these bills is that they establish new and stringent restrictions on the President's ability to negotiate environmental safeguards in future trade agreements. "Instead of merely including the word 'environment' in the fast-track proposals as a way of appeasing our concerns, we urge Congress and the Administration to begin addressing strong environmental standards among our trading partners," said Barbara Bramble, Senior Director for International Affairs at the National Wildlife Federation.

The environmental groups assert that neither bill offers a comprehensive agenda for the environment in trade negotiations. They both fail to insist that negotiators create a level playing field to ensure that trading partners compete fairly by enforcing environmental laws. They provide no specific objectives for improving the transparency of the World Trade Organization (WTO). And they fail to ensure that environmental agencies like the Environmental Protection Agency (EPA) are active participants in trade policy negotiations. "We must find a stronger voice for the environment during trade negotiations, which are now dominated purely by commercial interests," said Dan Beard, Vice-President for the National Audubon Society.

Also extremely troubling is the fact that none of the bills explicitly exclude the so-called Multilateral Agreement on Investment (MAI) from fast-track consideration. The MAI would make it much easier for multinational corporations to freely move capital and production facilities without responsibility for environmental performance, and would create new litigation hooks for corporations to sue national governments over environmental standards. Already under NAFTA, the U.S.-based Ethyl Corporation has filed a $251 million lawsuit against Canada because the Parliament banned the import and interprovincial transport of a toxic gasoline additive. "We must ensure that international trade pressures such as the MAI and NAFTA do not accelerate the 'race to the bottom' for investments in poorer areas of the globe," said William Snape, Legal Director for Defenders of Wildlife.

Strong economies and clean environments are two sides of the same coin, assert the three conservation groups. "Our vital national interests are best served when trade negotiators bring home agreements that simultaneously strengthen our economy and protect our environment" said John Audley, Trade and Environment Program Coordinator for National Wildlife Federation. "The fast-track bills offered by Congress fail this test and we must accordingly reject them."

The National Wildlife Federation is the nation's largest conservation group, with over 4 million members and supporters across the United States. The National Audubon Society, with approximately 600,000 members nationwide, is dedicated to protecting birds, wildlife and their habitat. Defenders of Wildlife has over 200,000 members and supporters, and seeks to protect all native plants and animals in their natural habitats.

LEAGUE OF CONSERVATION VOTERS,
Washington, DC, November 4, 1997.

U.S. House of Representatives,
Washington, DC.

Re: H.R. 2621, the Reciprocal Trade Agreement Authorities Act of 1997—Oppose Anti-Environmental Fast Track Trade Negotiating Authority

DEAR REPRESENTATIVE: The League of Conservation Voters is the bipartisan, political arm of the national environmental movement. Each year, LCV publishes the National Environmental Scorecard, which details the voting records of Members of Congress on environmental legislation. The Scorecard is distributed to LCV members, concerned voters nationwide and the press.

This week, the House is likely to vote on H.R. 2621, the Reciprocal Trade Agreement Authorities Act of 1997. The bill establishes new and stringent restrictions on the President's ability to negotiate environmental safeguards in future trade agreements. This legislation does not satisfy the objectives for green trade negotiations recommended by national environmental organizations. In particular, H.R. 2621:

fails to require that trade rules do not undermine legitimate environmental, health, and safety standards;

fails to insist that our trading partners enforce strong environmental laws in order to establish a high, level playing field as a basis for international economic competition;

fails to mandate increased opportunities for public participation in World Trade Organization deliberations and dispute resolution that might affect environmental, health, and safety safeguards;

fails to ensure that US government agencies with responsibilities for environmental protection, resource conservation, and public health and safety are active participants in trade negotiations which could effect policy matters under their authority;

does not explicitly exclude the Multilateral Agreement on Investment (MAI) from fast-track consideration, an agreement that would allow investors to sue for compensation before international tribunals if pollution laws are alleged to reduce their property values;

fails to provide for environmental assessments of trade agreements early enough in negotiations to influence the outcome of those negotiations and

does not provide Congress sufficient leverage to ensure that trade agreements serve the broad public interest.

LCV's Political Advisory Committee will consider including votes on H.R. 2621, The Reciprocal Trade Agreement Authorities Act of 1997, in computing LCV's 1997 Scorecard. Thank you for consideration of this issue. If you need more information, please call Betsy Loyless in my office at 202/785/8683.

Sincerely,

DEB CALLAHAN,
President.

Mrs. BOXER. Madam President, you will find a huge number opposing this fast-track legislation. The National Wildlife Federation basically says that they are against it for one reason. They have no assurances that the Environmental Protection Agency of America will be active participants in the trade negotiations. There are many other organizations which I don't have the time to name at this point.

We have to make a choice. We have to decide, if we value our workers as much as we value the free flow of capital, we have to ask ourselves, do we value clean air and clean water as much as we value the free flow of capital?

We have to say, do we value our safe food supply as much as we value the free flow of capital? And do we feel that it is important to have an adequate infrastructure in place of inspectors at the border to make sure the food supply is safe, to make sure that our products are being treated fairly? And should we even care about a positive trade balance? Sure, you open up the doors, but what has happened to us, as my colleagues brilliantly pointed out, is the balance of trade has flipped, and where we used to be predominant and we sent more exports than we took in imports, we see a reverse. We now have negative numbers.

So I believe, again, in summing up, that we do have three choices: Free trade at any cost; see no evil; don't tell me about the problems; no trade at any cost; don't tell me about the good parts of trade; and the middle course that my colleagues are taking, which is fair trade. Yes, trade is crucial, it is important. We are part of one world, but we in the U.S. Senate who care about values and American jobs and an American environment, who care about clean and safe food, who want food safety laws in place, also want to have an opportunity to alter or amend trade agreements as we deem appropriate and necessary.

Thank you very much.

The PRESIDING OFFICER (Mr. ALLARD). The Senator's additional time has expired.

Mr. HAGEL addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Mr. President, thank you. I yield myself 4½ minutes.

The PRESIDING OFFICER. The Senator is recognized for 4½ minutes.

Mr. HAGEL. Mr. President, today the United States is unilaterally disarmed in the intense global competition for new markets. For the first time since 1974, the President lacks fast-track authority to negotiate agreements that would help open up new markets and reduce international barriers to U.S. exports.

This failure means slower economic growth, lost markets overseas, and fewer opportunities for high-paying jobs. Fast-track authority allows the President to submit to Congress a clean vote on trade agreements negotiated with other countries.

Under our Constitution, the Congress alone has the power to "lay and collect . . . Duties" and "To regulate Commerce with foreign Nations. . ."

The Constitution, however, uniquely empowers the President to send and receive ambassadors and negotiate with foreign powers. Over 20 years ago, the fast-track mechanism was created to accommodate this divided authority. Renewal of fast-track authority will enable our Nation to continue pressing for world economic systems based on free markets, free trade and free people.

As a nation, the continued growth of our economy depends on trade. In the past 50 years, trade share of the world's gross domestic product grew from 7 percent to 21 percent. Today, trade makes up 24 percent of the U.S. economy.

This decade, export growth has created 23 percent of all new U.S. jobs, and those export-related jobs pay 13 percent more than the national average.

Clearly, our economy will suffer without the ability to continue to negotiate timely new agreements to further open foreign markets to U.S. goods, commodities and services.

Those opposed to renewing the President's fast-track authority argue that the lack of such authority does nothing to hinder the President's ability to negotiate new trade agreements. Unfortunately, this is not the case.

No nation will enter into a major new trade negotiation with the United States if the product of those negotiations can be picked apart in the U.S. Congress. With any agreement that can later be unilaterally changed or amended by the Congress, we run the risk of having no agreement at all.

As long as the President lacks the ability to present such agreements to the Congress for our clean approval or disapproval—and bad agreements deserve to be defeated—our Nation will be endangering its ability to compete in today's competitive global economy.

Our Nation should be working aggressively to reach new agreements that will expand free trade and open up the emerging economies of Asia, Latin America, Eastern Europe to American exports. We should be building on the major achievements of the last global trade talks. These talks, the Uruguay round of the General Agreement on Tariffs and Trade, for the first time, established rules for services and agriculture goods, two areas where the United States leads the world in global competitiveness.

Instead, the United States is losing opportunities for economic growth and job creation. It is time to do what is right for American workers, farmers, ranchers, and businesses. It is time to restore fast-track negotiating authority for the President.

I hope that my colleagues take a good look at this and do support fast-track authority for the President.

Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Could the Chair inform me of the circumstances with time remaining?

The PRESIDING OFFICER. The Senator from North Dakota controls the time from now until 4:15; and then at 4:15, the Senator from Delaware will control the last 5 minutes.

Mr. DORGAN. Mr. President, let me then use the remainder of my time and begin by quoting from a letter written by Mr. Kevin Kearns, the president of the United States Business and Industrial Council. I ask unanimous consent that it be printed in the RECORD.

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

UNITED STATES BUSINESS AND INDUSTRIAL COUNCIL,
Washington, DC, November 5, 1997.

Hon. BYRON L. DORGAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR DORGAN: I understand that Members of Congress will be lobbied intensively over the next several days by Chief Executive Officers of major multinational corporations belonging to The Business Roundtable as part of their campaign to pass the fast track trade bill.

I am writing to emphasize to you and to other Members of Congress that these companies do not speak for the entire American business community. Far from it. In fact, they represent only the tiny handful of giant multinational firms that have monopolized the benefits of current trade policy, and that now seek to further extend their advantages at the expense of smaller American companies and their employees. Over the last two decades these large multinational companies have done much more to send good jobs and valuable technologies overseas than to create them here at home.

In fact—and I find this quite ironic—many of these large multinationals no longer consider themselves American corporations. Their CEOs make this point openly and proudly. One therefore wonders what business they have lobbying the U.S. Congress at all, since they are apparently not American corporate citizens but citizens of the world. Perhaps they should be up in New York lobbying the United Nations rather than in Washington lobbying the U.S. Congress. In fact, the first question Members of Congress should ask them during their lobbying visits is, "Do you represent an American company?"

I can assure you that the 1,500 members of the U.S. Business and Industrial Council are American-owned and managed companies. They typify the vast majority of American businesses that have been impacted negatively by U.S. trade policy. Since they are run day in and day out by their owners, many are not large enough to, nor are they interested in, moving the bulk of their manufacturing overseas. They are interested, however, in preserving the American manufacturing base and in creating additional wealth for themselves, their employees, and their communities here in the United States.

Some have been victimized by predatory foreign trade practices such as dumping and subsidization—and by the U.S. Government's neglect of their problems. Still others find themselves under pressure to cut wages and benefits in response to the slave-labor wage rates or adversarial practices of foreign competitors. Many that are engaged in international trade have been pressured by foreign governments to source abroad or to transfer key technologies as the price of doing business in that foreign country.

But most important, they have been hurt—as have most of our citizens—by years of poorly run trade policies that have given us massive, growing trade deficits year after year. These deficits, in turn, cut the U.S. economic growth rate significantly—by as much as 2 percentage points in recent years.

The Census Bureau's latest figures show dramatically just how few American companies have profited from recent trade agreements. At last count, only 6 percent of the nation's 690,000 manufacturers exported at all, and the percentages are much lower for service companies. Large companies—with 500 or more workers—accounted for fully 71 percent of export value, even though these firms comprised only 4 percent of total exporters. And fully 11 percent of U.S. exports were generated by just four individual companies.

Yet despite this domination of trade flows by the big multinationals, these firms have not created a single net new American job in some 25 years. Another way of looking at job creation is this: all the net new employment in the U.S. economy in recent years has been created by companies with fewer than 100 employees—the overwhelming majority of which do not export at all. Although fast track proponents tout the job-creating benefits of international trade, those jobs on a net basis are not being created in the United States.

USBIC's members and their counterparts don't have plush Washington offices. They do not maintain large public relations staffs. They can't hire expensive lobbyists, and they're too busy running their companies to jet in and out of the nation's capital themselves, like the corporate elite. All these owner-operators do is try to turn a profit, support their families, create jobs, and help sustain the local communities they have been a part of for generations. In opposing fast track, they are acting first not as business interests but as citizens dismayed at the nationwide cost of 25 years of falling living standards and rapidly growing income inequality. They are well aware that these latter two facts of modern American life cannot promote a stable business environment or a stable country over the longer run.

These businessmen understand that the nation urgently needs a new trade and international economic strategy that lifts incomes, strengthens families and communities, allows entrepreneurs to make a profit here at home, and ensures America's future prosperity. They strongly oppose fast track renewal, and hope that members of Congress will distinguish the special interests of the multinational corporations from this overriding national interest.

Please feel free to have Members or their staffs contact us directly for the small and mid-size business point of view on fast track. We will be pleased to try to answer any questions promptly and forthrightly.

Sincerely,

KEVIN L. KEARNS,
President.

Mr. DORGAN. Mr. President, let me quote from this letter. I will not read it all, but, Mr. Kearns, who heads an organization called the United States Business and Industrial Council says:

I can assure you that the 1,500 members of the U.S. Business and Industrial Council are American-owned and managed companies.

They typify the vast majority of American businesses that have been impacted negatively by U.S. trade policy. Since they are run day in and day out by their owners, many are not large enough to, nor are they interested in, moving the bulk of their manufacturing overseas. They are interested, however, in preserving the American manufacturing base and in creating additional wealth for themselves, their employees, and their communities here in the United States.

Some have been victimized by predatory foreign trade practices such as dumping and subsidization—and by the U.S. Government's neglect of these problems. Still others find themselves under pressure to cut wages and benefits in response to the slave-labor wage rates or adversarial practices of foreign competitors. Many that are engaged in international trade have been pressured by foreign governments to source abroad or to transfer key technologies as the price of doing business in that foreign country.

And then he goes on in his letter. Let me read the conclusion:

USBIC's [the Business and Industrial Council] members and their counterparts don't have plush Washington offices.

He is pointing out the large number of CEOs who have flown into Washington to lobby on behalf of fast track. He said:

[Our businesses] don't have plush Washington offices. They do not maintain large public relations staffs. They can't hire expensive lobbyists, and they're too busy running their companies to jet in and out of the nation's capital themselves, like the corporate elite. All these owner-operators do is try to turn a profit, support their families, create jobs, and help sustain [their] local communities they have been a part of for generations. In opposing fast track, they are acting first not as business interests but as citizens dismayed at the nationwide cost of 25 years of falling living standards and rapidly growing income inequality. They are well aware that these latter two facts of modern American life cannot promote a stable business environment or a stable country over the longer run.

Mr. President, this has been a rather interesting discussion. I listened to much of the debate with great interest. As I mentioned, there have been a number of, I think, good presentations today. I do say that there are differences of opinion that are very substantial.

There are some who think that the current trade strategy is just fine, and that it works very smartly. They think it is a wonderful thing for our country, and we just need to do more of it. That is the group that says, "Let us pass fast track. If we don't, somehow America is headed for trouble. But things are going fine. We like the way things are. Our trade policy works. Let's continue it."

Others of us think that swollen and bloated trade deficits, that reach record levels year after year, are heading this country toward trouble.

General Custer, incidentally, lived for 2 years near Bismarck, ND, before he left for what is now Montana to meet Sitting Bull and Chief Crazy Horse. And because I am from North Dakota, we know a great deal about the history of that campaign.

We know by reading the book, "Son of Morning Star," for example, that General Custer sent his scouts ahead to try to figure out what was ahead of him. And the scouts really reported, "Gee, things look pretty good. Things are going pretty well here. Things look pretty good around the next hill or the next bend."

Of course, we now know from historical accounts things really did not go very well for General Custer and the 7th Cavalry. I find today an interesting group of colleagues who might well qualify for that scouting assignment. "Things are going pretty good. The road up ahead looks pretty bright. If we just keep doing what we're doing, our country is going to be just fine."

I have observed, during other discussions, especially in fiscal policy, people came to the floor of the Senate and said, "Let's run things like you would run a business." I would ask my colleagues this: After hours and hours of debate about trade, is there anyone here who would stand up and tell me, if you ran a business the way this country runs its trade policy that you would be doing fine? Wouldn't everybody in this Chamber understand and agree that if you ran a business the way this country is running its trade policy, you would be broke?

How many CEO's would go to their boardrooms and say, "Listen, I would like to have a talk with you. I want to talk about our receipts. I want to talk about all the sales we have and all the money that is coming in." And the board says, "Well, that's fine, Mr. CEO or Mrs. CEO, but could you tell us a little about your expenditures?"

The CEO knows the expenditures far exceed the receipts, but the CEO says, "No, no, we're not going to talk about expenditures. Are you crazy? We're going to talk about receipts. We're going to talk about how well I'm doing."

That is the message we have been hearing out here on the floor of the Senate for hours. "Gee, look how well we're doing. Look at these exports. Look at these exports, sales." They are ignoring, of course, the massive quantity of imports coming in, displacing American manufacturing capacity in this country, and putting us in a swollen and mushrooming trade deficit situation, that if judged as a business would render us unable to continue. And yet we have people say, "Gee, this is going just fine. This is just the right road for us."

It is not the right road for us. The right road isn't protectionism. The right road isn't to put walls around our country. The right road isn't to retreat from the global economy.

But the right road is to insist in this country that we have some courage to stand up and tell, yes, the Japanese and the Chinese and the Mexicans and the Canadians, and so many others, that we expect and demand more of you. We expect fair trade.

Is there someone in this Chamber who wants to stand up and tell us they are opposed to fair trade? Does that person exist? Is there someone willing to do that? Who here is opposed to fair trade? Maybe I need to ask it when more Members are present in the Chamber. But is there someone who will say, "No. Me, I'm opposed to fair trade." I don't think so. I don't think there is one person in this Chamber who will volunteer to say, on behalf of their constituents, they oppose fair trade.

Why then do they insist that those of us who believe that we ought to expect fair trade in our trade relationships, why do they insist that somehow we don't act in the best interests of this country and in the best interests of this country's future economy? I do not understand that.

With respect to whether it would be Japan or China, or many other trading partners, who are worthy partners and good trading partners of ours, it would seem to me to be in this country's best interests to say to those countries, which expect a balance in trade that is a fair balance, "You cannot run $50 billion, $60 billion a year, every year, in trade deficits with us."

Now, they will continue to do it as long as we allow them. You can only expect that someplace in these other countries those folks are sitting around saying, "We don't understand why they let us keep doing this, but it's a wonderful thing. It strengthens us and weakens them." They would say that I presume. Because when they have big surpluses with us, we become a cash cow for their hard currency needs and it weakens our country.

They must surely be puzzled why no one in this country has the nerve and the will to say, "Stop it. We won't allow that. We won't allow these huge trade imbalances. We expect and demand, not only reciprocal trading opportunities with you, open markets from you, but we demand some reasonable balance of trade."

Now, we were told just a few minutes ago that the reason we had a trade deficit is because we had a budget deficit. Simple, except that does not work. Our budget deficit is going way down, and our trade deficit is going way up. I know that is what they used to teach in economics. I used to teach economics. As I said this morning, I overcame that experience.

But as the budget deficit has been going way down; the trade deficit is going way up. So how does it work then with those who have been claiming now for years that we simply have a trade deficit as a matter of calculation because we have had a fiscal policy deficit?

Stephen Goldfeld once said that, "An economist is someone who sees something working in practice and then asks whether it can work in theory."

Can we fail to observe here that the budget deficits are going down, way down. They are down 5 years in a row, but the trade deficit is going up? Can we fail to notice that or fail to explain it? Or do we simply cling to the same tired economic doctrine about trade that has been proven wrong?

When I was a young boy, I had a neighbor who was a retired person. His name was Herman. And Herman used to order everything through the mail that he could get that promised him one thing or another. Now Herman had rheumatism. And I went over to Herman's one day, and he was sitting there with a box that was plugged into the wall with a cord. It was a wooden box with some wires leading to two metal handles. And he explained that he had purchased this from a catalog because it was supposed to cure his rheumatism. He was sitting in his chair there holding on to these handles. He held on to them for 6 or 8 months, I guess. It did nothing to help him with his rheumatism, but that was a box he bought because that he thought it would deal with his rheumatism.

We have a lot of folks around here sitting with those metal handles because someone claimed that this trade strategy we have works. All the evidence suggests it does not.

One of these days, one way or another, we ought to take a look at the evidence and decide when something doesn't work you ought to change it.

The first law of holes is that when you are in a hole, you might want to stop the digging. When you see trade deficit after trade deficit, year after year, that reaches record levels—and this year the merchandise trade deficit will be very close to $200 billion—it is fair for us to ask on the floor of the Senate, does this trade policy work? Is this trade policy in the best interests of this country? Or can we, with more nerve, will, and courage, stand up for the economic interests of this country and demand and expect more of our trading partners, more in the manner of policies that will benefit and strengthen this country?

Mr. President, I have consumed my time. The Senator from Delaware and the Senator from New York have both been courteous during this discussion. And we have had the opportunity to have a lengthy and, I think, good debate. And more will follow. We will have a vote on the motion to proceed, at which point, if that prevails, we will be on the bill itself. And those of us who care a great deal about this will be, at that point, allowed to continue.

Mr. President, I yield the floor.

Mr. ROTH. Mr. President, at the outset of this debate I set out my reasons for supporting fast-track authority. Having heard the debate and the point made by my esteemed colleagues, I want to distill what, I believe today, our vote is about.

First, I submit that the question before this body is whether we will shape our own economic future or leave our fate in the hands of others. We must decide whether we will allow the President to take a seat at the negotiating table or force him to stand outside the room while others write the rules for the international economy.

A vote for fast track is a vote for a brighter American future. Toward that end, this bill arms the President with the authority to open foreign markets and allow our firms to do what they do better than anywhere else on Earth: That is, compete.

Second, the making of trade policy must be a full partnership between Congress and the President. The bill before this House ensures that Congress is, in fact, a full partner in the process. Indeed, it is difficult to concede of any other measure where we subject the President's action to such scrutiny and constraints. The bill requires the President to notify us in advance of his intent to make use of this authority. He must then consult prior to and throughout the negotiations up to and including comprehensive consultations immediately before initialing an agreement. If the agreement is signed, we then proceed to develop the implementing legislation in consultation with the President.

After all that, Congress still exercises a veto over the President's action by voting on the agreement and implementing bill. Those conditions are necessary to ensure the President fulfills the objectives set by Congress. They are also needed to ensure that Congress and the President do, in fact, speak with one voice on trade matters.

I firmly believe that bill strengthens the role of Congress and the trade agreements process to an unprecedented extent and lets our trading partners know that the President is answerable to Congress for any agreement he may reach.

Third, laying the foundation for our economic future will require a partnership here in Congress, as well. We will not make progress toward our common goal of providing for America's economic future without strong bipartisan support for our trade policy.

I was extremely heartened by the vote yesterday and expect to see the same bipartisan support for the motion under consideration and for the bill itself. At the same time, the debate identified important issues that must be fully examined in order to sustain that bipartisan future.

As chairman of the Finance Committee, I intend to ensure that the committee addresses those issues of critical importance to the well-being of every American. I look forward to working with my colleagues toward this end. Nonetheless, I believe we must take the first step now to exert the leadership on trade that only the United States can provide. The President must have fast-track negotiating authority. I urge my colleagues strongly to support the motion to proceed.

Mr. MOYNIHAN. Mr. President, I rise simply to affirm in the strongest terms that the chairman of the Senate Finance Committee has been faithful to his duties. He has kept a committee united, minus one vote, in an otherwise unanimous decision. He has been meticulous in his concern that American workers will have their interests pursued here, the environment will be looked after, but ladening these matters on trade negotiations will only ensure they will fail and not bring the benefits we desire.

I want to congratulate him. We cannot do any better than we did yesterday, but let's hope we do as well.

Mr. ROTH. 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 question is on the motion to proceed to S. 1269, the Reciprocal Trade Agreements Act of 1997.

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 Alaska [Mr. STEVENS] is necessary absent.

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

The result was announced—yeas 68, nays 31, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—68

Abraham	Dodd	Lautenberg
Akaka	Domenici	Leahy
Allard	Frist	Lieberman
Ashcroft	Glenn	Lott
Baucus	Gorton	Lugar
Bennett	Graham	Mack
Biden	Gramm	McCain
Bingaman	Grams	McConnell
Bond	Grassley	Moynihan
Breaux	Gregg	Murkowski
Brownback	Hagel	Murray
Bryan	Hatch	Nickles
Bumpers	Hutchinson	Robb
Chafee	Hutchison	Roberts
Cleland	Inouye	Rockefeller
Coats	Jeffords	Roth
Cochran	Johnson	Santorum
Collins	Kempthorne	Smith (OR)
Coverdell	Kerrey	Thomas
Craig	Kerry	Thompson
D'Amato	Kohl	Warner
Daschle	Kyl	Wyden
DeWine	Landrieu	

NAYS—31

Boxer	Faircloth	Kennedy
Burns	Feingold	Levin
Byrd	Feinstein	Mikulski
Campbell	Ford	Moseley-Braun
Conrad	Harkin	Reed
Dorgan	Helms	Reid
Durbin	Hollings	Sarbanes
Enzi	Inhofe	Sessions

Shelby Specter Wellstone
Smith (NH) Thurmond
Snowe Torricelli

NOT VOTING—1

Stevens

The motion was agreed to.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. NICKLES. Mr. President, first, I wish to compliment Senator ROTH and Senator MOYNIHAN for their leadership on this very important issue on fast track.

I will announce—I think it has been disclosed to both sides—that will be the last rollcall vote today.

MORNING BUSINESS

Mr. NICKLES. Mr. President, I ask unanimous consent that there now be a period of morning business until the hour of 6 p.m. with Senators permitted to speak for up to 10 minutes each, with Senator GORTON permitted to speak for 15 minutes.

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

SENATOR WAYNE ALLARD: RECIPIENT OF THE GOLDEN GAVEL AWARD

Mr. NICKLES. Mr. President, it is a longstanding tradition in the Senate to recognize and honor those Senators who serve as Presiding Officers of the Senate for 100 hours in a single session of Congress. Today, we add to the list of Golden Gavel recipients Senator ALLARD of Colorado, whose presiding hours total 100 hours today.

November 5 is a very significant date for Senator ALLARD and his family, as on November 5, 1996, 1 year ago today, Senator ALLARD was elected to the U.S. Senate. Therefore, it is an appropriate date to recognize his contributions as a Presiding Officer of the Senate.

With respect to presiding, Senator ALLARD has been extremely generous with his time and has often rearranged his schedule at a moment's notice—and, I might add, with the assistance of his very courteous staff—to assist in presiding when difficulties arise. As a Presiding Officer, his dedication and dependability are to be commended. It is a great pleasure to announce Senator WAYNE ALLARD of Colorado as recipient of the Senate's Golden Gavel Award.

My compliments to my friend, my colleague, and the Presiding Officer.

The PRESIDING OFFICER. Thank you.

(Applause, Senators rising.)

ORDER OF PROCEDURE

Mr. NICKLES. Mr. President, for the information of all Senators, we will now have a period of morning business until the hour of 6 p.m. with Senators to be allowed to speak for up to 10 minutes each.

Mr. DORGAN. Will the Senator yield for a question?

Mr. NICKLES. Yes.

Mr. DORGAN. Mr. President, I wonder if the Senator from Oklahoma could inform us of the unanimous-consent request that affects business on the floor of the Senate tomorrow. My understanding is the pending unanimous consent request deals with the DOD authorization bill. The reason I ask the question is I am interested in learning when we will come back to the regular order, which will be the fast-track consideration of the fast-track proposal.

Mr. NICKLES. To respond to my colleague, the Senate has already agreed to a unanimous-consent request that would call for the DOD authorization bill to be voted on tomorrow at some time, at 2 p.m. I think the order calls for 4 hours of debate. We will go on it at 10, and vote at 2.

That is on the DOD conference report.

Beyond that, I am not prepared to tell my colleague what—I know the House is planning on voting on the fast-track authorization on Friday. There is some discussion that since that is a House bill and we are working on the Senate bill, we might entertain taking up the House bill when it passes so we wouldn't be working on two different bills.

Mr. DORGAN. If the Senator will yield further, my understanding is the motion to proceed prevailed by the most recent vote, and the result is now the regular order of the Senate would be the fast-track legislation. The Senator asked unanimous consent to go to morning business. I didn't object to that. We also have a unanimous consent for tomorrow's proceedings dealing with DOD authorization. At that point, does the Senator expect to go back to the legislation pending, or can the Senator inform us whether he will be propounding additional unanimous-consent requests with respect to Senate business?

Mr. NICKLES. To respond to my friend and colleague, I think the next order, after we pass the DOD authorization bill, would be to take up the District of Columbia appropriations conference report, or appropriations bill. In addition to that, we may well be taking up Amtrak reform legislation, which has also been working its way through, not exactly on a fast track, but it has been working its way through, and hopefully we can get it done as well.

Mr. DORGAN. When does the Senator expect us to get back to the fast-track legislation?

Mr. NICKLES. That remains to be seen. That is really Senator LOTT's call. It may well be Thursday. It may well be Friday. It may well be after the House would take it up.

Mr. DORGAN. Further inquiry. I will appreciate the Senator's response.

As I understand it, conference reports are privileged matters.

Mr. NICKLES. That is correct.

Mr. DORGAN. They can be brought to the floor of the Senate at any time. Amtrak and other intervening legislation will require unanimous consent, is that correct?

Mr. NICKLES. I would have to ask the Presiding Officer on Amtrak. My colleague is correct on the conference reports on appropriations bills. Yes, they could.

We have four appropriations bills that we are trying to get through. It happens to be that we are at a deadline by November 7, so our highest priority is try to complete the various authorization bills.

Mr. DORGAN. If I might just inquire further, the reason I ask the question is that because we are on the legislation dealing with fast track, there are a number of Senators who will be wanting to offer amendments. It will not be a pleasant experience to learn that we move to other things and then come back to fast track with some understanding there is no time for amendments. I am just inquiring to try to determine what the expectation of the leadership is with respect to the fast-track legislation.

Mr. KERRY. Mr. President, would the acting leader yield for a minute?

Mr. NICKLES. First, let me respond to my colleague, Senator DORGAN. I hear what the Senator is saying. I know that the Senator has some amendments he wishes to offer on fast track. I know that we wish to pass fast track. We also wish to pass Amtrak reform and we also wish to pass all the appropriations bills, and we only have a couple of days. So we are going to try to accommodate everybody's requests. But the highest priority I believe will be to pass the appropriations conference reports as soon as possible. I believe the D.C. bill will be the first one up. That is not a conference report. It is a bill. But I think we have an agreement on D.C., so we will get that one accomplished. Hopefully then we will have three other conference reports we will be able to do in the next day or two, and we will have, I am sure, some additional time for my colleague to spend on fast track as well.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Chair recognizes the distinguished Senator from Massachusetts.

Mr. KERRY. Mr. President, if I might share with my friend from North Dakota information with respect to at

least Amtrak. We have an agreement now reached with respect to Amtrak. The language is now in print, and I believe it is being hotlined on both sides.

So with respect to the Amtrak effort in terms of any interruption, we would anticipate that going through here in a minimal amount of time. I am not sure how much the chairman of the committee, Senator MCCAIN, wants, but I would not imagine it will take more than half an hour or so. And so I do not think that will interrupt the course of business with respect to fast track in any significant way.

Mr. DORGAN. If the Senator will yield, an agreement on Amtrak would be welcome news I think to all Members of the Senate, and it would not be my intention to try to obstruct that. I am simply trying to determine when we might get back to fast track so that we might entertain amendments.

NOMINATION OF BILL LANN LEE TO BE ASSISTANT ATTORNEY GENERAL FOR CIVIL RIGHTS

Mr. THURMOND. Mr. President, I rise today to express my opposition to the nomination of Bill Lann Lee to be Assistant Attorney General for Civil Rights. I have reached this conclusion only after much thought and careful consideration. But I am certain that this is the right course. I commend Senator HATCH for his leadership and the excellent statement he delivered on the floor yesterday in this regard.

When the possibility that Mr. Lee would be nominated for this position was first brought to my attention, I was impressed by what I heard. Mr. Lee was born to a hard-working, determined family of Chinese immigrants. His success at Yale and Columbia University Law School reflects that he inherited a commitment to succeed. I was also assured then, and continue to believe, that he is a man of character, honesty, and intellect. I relayed that impression to the White House.

After Mr. Lee was nominated, I met with him and made clear that I had an open mind regarding his nomination. I told him that his positions on the issues would be critical, and that the committee was eager to hear his answers to questions.

Before the hearing, some expressed alarm at many of the cases and positions that Mr. Lee had taken during his leadership in activist civil rights organizations. They were concerned about whether he would use his job and army of attorneys in the Justice Department to advance the same agenda he had pursued for the Legal Defense Fund. I understood this. But, at the same time, I have known since my days as a small town lawyer that a good attorney is a strong advocate for his client, regardless of whether he agrees with everything the client wants.

Mr. Lee had an obligation to convince us at the hearing that he could transfer from the role of creative advocate for activist civil rights organizations to neutral and objective enforcer of the Nation's civil rights laws. This he failed to do. He would not give any cases or positions that he had brought on behalf of the Legal Defense Fund that he would not bring as head of the Civil Rights Division. He would not cite any difference between himself and the last civil rights chief, Deval Patrick, who was an unwavering proponent of the civil rights agenda of the left. Unfortunately, it became clear during the hearing that Mr. Lee's advocacy is guided by a dedicated personal commitment to the positions he has advanced over the years.

Mr. Lee started by proclaiming that proposition 209 is unconstitutional. In proposition 209, the people of California voted to end all government preferences and set-asides on the basis of race, sex, or national origin. Then, with the active support of Mr. Lee and his organization, a Federal judge blocked the will of the people, saying the referendum was unconstitutional. The claim was that proposition 209 violated the 14th amendment, when in reality it mirrored the 14th amendment. Far from violating the Constitution, proposition 209 essentially states what the Constitution requires. The Ninth Circuit recognized this simple fact on appeal. Regardless, Mr. Lee is steadfast in his view that it was unconstitutional for the people of California to bring preferences to an end.

Another disturbing but related issue involves judicial taxation. I firmly believe that Federal judges do not have the Constitutional power to raises taxes or order legislative authorities to raise taxes. It is a simple issue of separation of powers. Taxes are a matter for the legislative branch, the branch that is responsive to the people. The organization for which Mr. Lee works was instrumental in the decision of a Federal judge in Missouri to order that taxes be raised. Mr. Lee would not disavow this approach. Although he stated that if confirmed he would not ask a Federal judge to order a legislative authority to raise taxes in the school desegregation context, he refused to rule out such a request in other civil rights contexts. He fails to recognize that fundamental principles of separation of powers prohibit judicial taxation.

Mr. Lee's views on proposition 209 and judicial taxation represent support for a dangerous tactic of legal activists. They use the unelected, unaccountable Federal judiciary to accomplish what they cannot achieve through the democratic process. When they lost at the ballot box on proposition 209, they got a lone Federal judge to block the will of the people. When they wanted to implement their lavish desegregation experiment in Missouri, they got a lone Federal judge to raise taxes. They have pursued their solutions in utter disregard of the people.

Today, Mr. Lee and his allies are failing to find support even in the courts. The Federal judiciary, led by the Supreme Court, is fashioning a civil rights jurisprudence based on the merit of the individual rather than preferential treatment for groups. Mr. Lee has fought against and continues to be uneasy with this constructive, solidifying law. It is clear that he would use his position and arsenal of attorneys to dilute or circumvent this progress toward ending preferential treatment.

An excellent example of the failed approach of the past is forced busing of school children. At the hearing, Mr. Lee continued to express support for the use of forced busing in some circumstances, even in the 1990's. He would not back away from his unbelievable assertion in a Supreme Court brief that "the term 'forced busing' is a misnomer."

Mr. President, many of us in the Senate are concerned about judicial activism on the bench, and we have every reason to be. We must keep in mind that a judicial activist decision starts with a proposal by a legal activist. We cannot and should not stop private organizations from advocating legal activism if they wish. However, we have a duty to reject legal activism as the guiding principle for our Nation's top civil rights law enforcement officer.

I must strongly oppose this nomination.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I rise today to express my deep dissatisfaction with the misguided views of President Clinton's nominee for Assistant Attorney General for Civil Rights.

As many of my colleagues have made clear, Mr. Lee is a fine man, with accomplished legal credentials. His story of hard work and success is truly inspiring. But, Mr. President, the position of Assistant Attorney General for Civil Rights should not be filled based on an inspiring story, but rather, on a nominee's commitment to the bedrock principle that every American should be seen as equal in the eyes of the law.

The nomination of Bill Lann Lee is in serious peril, and for good reason. Mr. Lee has a long, well-documented, and disturbing allegiance to the policy of government-mandated racial preferences. In spite of the Constitution and recent court decisions, Mr. Lee continues to assert that government jobs and contracts should be handed out based on the immutable traits of race and gender.

Mr. Lee's views, however, go one giant leap beyond simply allowing racial preferences. Mr. lee has argued

that the Constitution, in fact, requires racial preferences. Let me restate that. Bill Lann Lee has filed papers in Federal court asserting that the very Constitution which prohibits discrimination based on race and gender, in fact, requires the government to engage in discrimination based on race and gender.

As absurd as this theory sounds that is what Bill Lann Lee argued in court briefs this year as he fought the will of the California voters in proposition 209. Thankfully, the Ninth Circuit Court of Appeals unanimously rejected the Lee theory. In simple, straightforward language, the court explained, "the 14th Amendment, lest we lose sight of the forest for the trees, does not require what it barely permits."

And, as expected, the Supreme Court this week refused to validate the Lee theory and allowed the ninth circuit ruling to stand.

THE CONSTITUTION DOES NOT REQUIRE DISCRIMINATION

Throughout Mr. Lee's lifetime of advocacy, he has consistently overlooked one profound point, that is: Every time the government hands out a job or a contract to one person based on race or gender, it discriminates against another person based on race or gender.

Mr. Michael Cornelius recently spoke poignantly to this point before the Constitution Subcommittee in the House of Representatives. He explained that his firm was denied a Government contract under ISTEA, even though his bid was $3 million lower than the nearest competitor. Mr. Cornelius' bid was rejected because the Government felt that the bid did not use enough minority or women-owned subcontractors.

If you think that's bad, think about this: The Cornelius bid proposed to subcontract 26.5 percent of the work to firms owned by minorities and women. Yet, 26.5 percent was not enough in the world of so-called goals and timetables that Mr. Lee thinks the Constitution requires. Mr. Lee's goals and timetables are more appropriately called quotas and set-asides.

You see, the Government took the contract away from Mr. Cornelius and awarded it to a bidder that proposed to contract 29 percent of the work to minority firms, and who charged the Government $3 million more than Mr. Cornelius.

And, unfortunately, it doesn't end there. When the Government denied the job to Mr. Cornelius, it also denied the job to all of Mr. Cornelius' employees—over 80 percent of whom are minorities.

So the Government, in its infinite wisdom, not only committed discrimination, but it paid $3 million in the process.

I have filed an amendment to ISTEA that would remove this pernicious practice of awarding jobs and contracts based on skin color. Racial preferences are discriminatory, unfair, and unconstitutional. This principle is being reaffirmed courtroom by courtroom, State by State all across this country.

But what does Mr. Lee think? Does he think the Constitution bars these kind of racial preferences? Absolutely not. So, I think it's fair to say that Mr. Lee's message to Mr. Cornelius is: "Sorry about the discrimination against you, your family, and your employees. But, the Constitution requires it."

JOINING THE CLINTON CORPS OF SOCIAL ENGINEERS

The Clinton administration is all too eager to add Mr. Lee to its army corps of social engineers. Civil rights lawyers like Norma Cantu and Judith Winston undoubtedly relish the opportunity to add a lawyer with the misguided views of Bill Lann Lee to their brigade.

Cantu and Winston, have helped lead the administration's battle against the courts and the Constitution. These lawyers, like Lee, have become skilled at establishing racial preferences behind the scenes through the jungle of Federal regulations and by way of the quiet camouflage of consent decrees.

Cantu and Winston, recently launched a politically motivated investigation of the University of California graduate schools. As you may remember, Mr. President, in 1995, the regents of the University of California voted to end heavy-handed racial preference policies in student admissions, opting instead to base admissions solely on merit. These policies had for years resulted in a two-tiered admissions system, by which students of preferred racial and ethnic backgrounds were admitted with inferior qualifications than those of other racial and ethnic backgrounds.

The regents recognized that this system embodied unconscionable discrimination which hurt not only those better-qualified applicants that were denied admission, including many Asian-American applicants who suffered severely under the preference policy, but it also hurt minority students who faced stigmatization as racial preference admittees.

Now, as a result of the regents' decision, the University of California will no longer punish or reward applicants based on their race, but will rely on widely accepted, long-standing admissions criteria that focus on individual achievements, such as grades, test scores, and life accomplishments.

Most Americans would applaud the regents for their prudent decision. But not Cantu and Winston. They are using their civil rights positions at the Department of Education to launch a Federal taxpayer-funded investigation to determine whether schools are discriminating by refusing to discriminate.

The Los Angeles Times reported that Winston has asserted that:

> The University of California may have violated federal civil rights law by dropping its affirmative action rules and relying on test scores and grades as a basis for selecting new students.

This baseless investigation turns the principle of nondiscrimination on its head by threatening schools that use race-blind admissions policies and objective measures of merit. This investigation has provoked criticism even from those who typically defend race preferences. For example, University of Texas Law School professor Samuel Issacharoff, recently stated that "[Ms. Winston] is voicing a theory that does not have support in the courts." Professor Issacharoff went on to explain that he was "not aware of any legal support for the idea that would say the Harvard Law School, for example, cannot accept only the cream of the crop if doing so would have an impact on a minority group."

And in an editorial, the Sacramento Bee, a newspaper I might add that supports race preferences, referred to the administration's legal theory as "an Orwellian misreading of the law." "Equally important," the Bee concluded, "the investigation is an abuse of federal power, designed to punish California and its citizens for [its] decision on affirmative action. * * *"

So where did this investigation originate? Who could muster the contorted legal arguments to justify these threats and these expenditures of taxpayer dollars?

Were these complaints filed by a student who alleged discrimination? A student organization? A family in California? No. I'll tell you who filed the complaint that launched this Federal investigation: Bill Lann Lee, as head of the Western Office of the NAACP Legal Defense and Education Fund.

And, it does not end there. The Labor Department has also joined the pile-on to punish California for its decision to push for a colorblind society. DOL is investigating the charge that U.C. graduate schools are committing employment discrimination against the minorities who are not accepted into U.C. graduate schools, and thus, not able to apply for campus jobs.

And where did this complaint originate? Again, it wasn't a student. It was Bill Lann Lee and his legal defense fund filing another complaint launching yet another federally funded investigation of race-neutral policies based on yet another legal theory that is outside the boundaries of both the Commission and the courts.

And, what is the administration's threatened sanction against the University of California for its race-neutral approach? The termination of hundreds of thousands of dollars in Federal funds.

And what does this pattern and practice tell us that Mr. Lee will do with an army of lawyers at the Justice Department? He will bring down the power of

the Federal Government upon State and local governments that refuse to mandate racial preferences. This, Mr. President, is simply unacceptable.

Mr. Lee's views are neither moderate nor mainstream. And, his views are not isolated incidents. They are not glib, off-handed statements made during his youth. They are not dusty law review articles written by a starry-eyed graduate student. And, they are not creative theories espoused in the ivory tower of academia.

Mr. Lee's well-documented views are the voice of a man who exhibits an alarming allegiance to racial preferences and a disturbing disregard for the Constitution. This voice—this man—should not be entrusted with the noble task of upholding the equal protection clause of the U.S. Constitution.

Several days ago, I placed a hold on Mr. Lee's nomination, and today, I respectfully announce my formal opposition to his nomination. We must end the divisive practice of awarding Government jobs and contracts and opportunities based on the immutable trait of skin color and ethnicity. Respect for our Constitution, our courts, and—most importantly—our individual citizens, demands no less.

Mr. THURMOND. Mr. President, I wish to commend the able Senator from Kentucky for the excellent treatise he just made.

Mr. AKAKA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 1376 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. AKAKA. I yield the floor.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Alabama.

NOMINATION OF BILL LANN LEE

Mr. SESSIONS. Mr. President, the position of Assistant Attorney General for Civil Rights is important to our Nation. The most important reason is what it signals about the direction the President plans to take on key civil rights issues of the day.

In my opinion, this Nation is moving in the right direction on civil rights. We have gone through a turbulent period where legal segregation has now been ended, and we are now ending a period during which the courts have used racial preferences and remedies to cure certain aspects of past discrimination.

While this procedure can be defended perhaps in the short run, particularly when it is directly attached to a specific prior discriminatory act, such a policy cannot be a part of a permanent legal and political system.

Our Supreme Court, which has led the drive to eliminate legal discrimination on a variety of fronts, is wisely taking a long-term view of the impact of racial preferences in America. After thoughtfully considering our future, the Supreme Court, in the Adarand case and in rejecting just this week the idea that California's civil rights initiative is unconstitutional and in other cases has clearly stated that this Nation must not establish a governmental system which attempts to allocate goods, services and wealth of this Nation on the basis of one's race, on the basis of the color of their skin. The result will be contrary to the equal protection clause of the great 14th amendment to our Constitution, and contrary to our goal of a unified America in which people are judged on the contents of their character and not on the color of their skin.

Mr. President, with regard to the nomination of Bill Lann Lee of California to be Assistant Attorney General for Civil Rights, I want to say with confidence that he is a skilled and able attorney, an honest man, a man who appears to have integrity and the kind of characteristics that make for a good attorney.

His entire career has been spent in skilled advocacy in the civil rights arena. He is a Columbia Law School graduate who could have practiced on Wall Street but chose public interest law instead, and he should be commended for that. Sadly, however, I must join the chairman of the Judiciary Committee, Senator Orrin HATCH, and the former chairman of that committee, Senator THURMOND, who is here tonight and just made an excellent series of comments on this issue, to announce my opposition to Mr. Lee. Simply put, Bill Lee, like President Clinton, is outside the mainstream of American civil rights law, the very laws he would be charged with enforcing.

While the American people and the Federal judiciary have steadily moved toward a color-blind ideal, Bill Lee has clung to a policy of racial preferences and spoils. Bill Lann Lee strongly advocates racial and gender preferences which are, in effect, virtually quotas in virtually every area of our society, including college admissions, congressional voting districts and employment.

I believe a nation that draws voting districts on the basis of race, that uses race as a factor in college admissions and hiring and promotion decisions is, in fact, destined to have unnecessary racial strife and hostility and it does not bind us together as a nation.

In my opinion, it would be unwise for the Senate to confirm Mr. Lee as Assistant Attorney General for Civil Rights. The Assistant Attorney General for Civil Rights is one of the most important law enforcement positions in the Federal Government. If confirmed, Mr. Lee would have a powerful arsenal of more than 250 lawyers at his disposal.

After our hearings that I participated in and participated in his questioning, and after review of his record, I have concluded that Mr. Lee will continue to push for lawsuits, consent decrees and other legal actions that are outside the mainstream of current American legal thought. He sets the civil rights policy for the United States, and since his views are not in accord with the people, the Congress and the courts, he should not be confirmed in that position.

Let me give you several examples. Last fall, the people of California, after full debate, passed proposition 209, California's civil rights initiative, which simply prohibits the State from discriminating against or granting preferences to anyone on the basis of race or gender.

The very day after—he opposed that referendum—he lost that issue at the ballot box, Mr. Lee and his organization, the legal defense fund, filed suit arguing that proposition 209 was unconstitutional. This is a curious, even bizarre argument, because proposition 209 mirrors the language of the Civil Rights Act of 1964, one of the great civil rights acts that changed race relations in America. It also mirrors the 14th amendment.

Even the ninth circuit, the most liberal circuit in America, unanimously rejected Mr. Lee's position. Moreover, on request for a rehearing, the full ninth circuit voted to deny a rehearing en banc. But even the most liberal circuit—it is considered the most liberal circuit in the country—rejected Mr. Lee's argument that proposition 209, passed by the people of California to eliminate racial preferences, was unconstitutional. This is what the court said:

> As a matter of conventional equal protection analysis —

That is the 14th amendment, the equal protection clause they are referring to——

> As a matter of conventional equal protection analysis, there is simply no doubt that Proposition 209 is constitutional . . . After all, the goal of the Fourteenth Amendment to which this Nation continues to aspire, is a political system in which race no longer matters. The Fourteenth Amendment, lest we lose sight of the forest for the trees, does not require what it barely permits.

That means that the 14th amendment certainly does not require quotas and preferences and it certainly, if anything, will only permit them if they meet the strict test of scrutiny.

A lawsuit against proposition 209 is another example of those who, when they lose their issue at the ballot box, have taken to the habit of going to Federal courts to ask the courts to overrule the will of the people through the elected representatives or through the initiative process.

At his confirmation hearing, Lee again stated his odd argument that proposition 209 is unconstitutional. As Senator HATCH said, this is not an itty-bitty issue whether or not proposition 209 is constitutional.

This initiative was a good initiative, carefully drawn, fully considered by the people of California. And Mr. Lee continues to assert to this day that it is violative of the Constitution of the United States. This is not fair to California, and we should not subject this Nation to those kinds of views.

Not surprising, just this week the Supreme Court of the United States rejected his position on proposition 209 when it denied certiorari. It refused to review the ruling of the California court, the ninth circuit court, and held the ninth circuit opinion intact.

It is important to note, I think, for the Members of this body, that this is the position of President Clinton. He adheres to the same view about proposition 209 being unconstitutional. And his Justice Department joined the ACLU and Bill Lee's legal defense fund and filed an appeal arguing that 209 was unconstitutional. In effect, the President of the United States is asking the unelected judiciary to overrule the well-debated and well-considered initiative of the people of California.

So I think it is important for this body, as we consider this nomination, to consider what kind of message we are sending when we either confirm or reject Mr. Lee.

I think we need to send a message that this body stands with the people and the courts and not this strained view of proposition 209.

There are a couple of other examples that I think point out the position of Mr. Lee on racial preferences that indicate that he would not be a fit nominee for this position.

In recent years, the Supreme Court, in the Croson decision and the Adarand decision clearly held that racial preferences are unconstitutional. The Supreme Court now subjects all Government racial preferences to what is called strict judicial scrutiny. As you know, it is very difficult, Mr. President, for a government program to withstand strict scrutiny.

At his confirmation hearing however, Mr. Lee badly mischaracterized the spirit of these cases. He stated that the Croson and Adarand decisions stand for the proposition that "affirmative action programs are appropriate if they are conducted in a limited and measured way."

This is not the position that the Supreme Court stated in Adarand. It greatly undermines that important decision. And it would be unwise for this body to confirm a nominee who would not faithfully follow the Adarand decision.

As Senator HATCH, who chaired the committee, said so eloquently yesterday on the Senate floor, Bill Lee's description of Adarand purposely misses the mark of the Court's fundamental holding that such programs are presumptively unconstitutional.

Moreover, Bill Lann Lee testified in his confirmation hearings that he was opposed personally to the holding in Adarand. I asked him what his personal view was. He said he personally opposed that ruling. Senator John ASHCROFT asked Mr. Lee whether the set-aside program at issue in Adarand is unconstitutional, where a set-aside was given to a contractor simply because of their race or sex.

In response, Mr. Lee noted that the Supreme Court in Adarand had remanded the case to the district court, which promptly, by the way, ruled the program unconstitutional. And in so doing, the district court stated:

> I find it difficult to envisage a race-based classification that is narrowly tailored.

But despite the district court's strong holding, Lee, like the Clinton Department of Justice, continues to state and continues to believe that "this program is sufficiently narrowly tailored to satisfy the strict scrutiny test."

Mr. Lee simply refuses to accept the fact that strict scrutiny is an exceedingly difficult and high standard for a government agent to meet before it can establish racial preferences, that is, before it can give preferences to somebody for no other reason than their race.

Under Mr. Lee's interpretation, all of the approximately 160 Federal racial preference programs that now exist would continue to be constitutional, although most scholars would say that under the Adarand decision, many of them, if not most of them, would fail to meet constitutional muster.

So, Mr. Lee's interpretation of Croson and Adarand would make these seminal decisions virtually irrelevant. Almost any program could survive his definition of the strict scrutiny standard.

Mr. President, America needs an Assistant Attorney General for Civil Rights who will honestly, soberly, and accurately read and apply the law—even when he disagrees with it.

Unfortunately, as his confirmation hearing and followup answers indicate, he has been unable to shed his role as an activist, a partisan civil rights litigator. If confirmed, Lee would support the constitutionality of racial preferences and use his team of some 250 lawyers to further an agenda that is not in keeping with the current state of American law.

Let me talk about another example that is important for us to consider.

Forced busing. Mr. Lee sued extensively over the years on issues involving busing. And once, for example, in Brown versus Califano, in 1980, a Supreme Court case, Lee challenged the constitutionality of a congressionally passed statute, passed by this Senate and the House, that prohibited the Department of Health, Education, and Welfare from requiring States to bus children for racial purposes.

Of course, under the statute, States could adopt forced busing if they wanted, and the Federal courts could still order busing. The statute merely prohibited the Department of HEW from forcing States to bus children on its own motion.

In his brief challenging that law, Mr. Lee stated that the congressional amendments "demonstrate discriminatory intent to interfere with desegregation."

Of course, that is an unfounded and unfair charge to make. Many people—I know Senator BYRD, on the other side of the aisle, had led the fight for that statute. He was not trying to undue and return to segregation. He simply was concerned, as millions of Americans have been, that the experiment with busing was not working. And he did not want the Department of Education, on its own, requiring it, and since, as years have gone by, it has been well-recognized that the experiment with busing has not achieved the goals that were intended, and is, in essence, for all practical purposes, a failure.

Parents of all races oppose mandatory busing, and the law in Brown versus Califano reflected this. Again, the Federal courts rejected Lee's argument and upheld the statute. But that is just another example of where Mr. Lee has sued to implement a political agenda that he lost during the democratic process. That is, he lost it in the hearts and minds of the people and through their elected representatives. And he, therefore, sought to have the courts overturn that.

In another forced busing case, Mr. Lee wrote the following in his brief. This is what he wrote:

> The term "forced busing" is a misnomer. School districts do not force children to ride a bus, but only to arrive on time at their assigned schools.

I think many people feel that that is the kind of comment that shows arrogance and insensitivity to those who are concerned about children who have no way to go to school but by bus, to be told, "Well, you don't have to ride a bus. You just have to show up at a certain school on time."

In conclusion, Mr. President, America is at a crossroads in the civil rights debate. The American people believe overwhelmingly that government services and benefits should be administered in a color-blind fashion. As a nation we have made tremendous progress toward racial harmony, and though our work to eradicate racism is not finished and much bias and prejudice still exists in our land that we should not tolerate and should seek to

eliminate, we should be proud of the great progress that has been made in the past 30 years.

Mr. President, it gives me no pleasure to announce this vote against Mr. Lee. He is an admirable person, a fine lawyer. Please make no mistake, my opposition to him is in no way an attack on his integrity and character. However, his positions, particularly his tendency to file lawsuits to promote his agenda and his misreading of Supreme Court precedents, simply make him the wrong person at the wrong time to be the Assistant Attorney General for Civil Rights.

I yield the floor.

Mr. THURMOND. Will the Senator yield?

Mr. SESSIONS. I do.

Mr. THURMOND. I wish to commend the able Senator from Alabama for the excellent remarks he has made on this subject.

Mr. SESSIONS. I thank the Senator from South Carolina for his leadership as chairman of the Judiciary Committee and his comments earlier this afternoon.

I yield the floor.

REACTION TO LEACH/MCKINNEY LOGGING PROPOSAL

Mr. GORTON. Mr. President, legislation was recently introduced in the House of Representatives that would ban all commercial logging on Federal lands. This legislation would be devastating not only for the Pacific Northwest, which is highly dependent on its forest products industries, but disastrous for the entire Nation as well.

I'm appalled. Let me state that the bill introduced by Representatives MCKINNEY, LEACH, MCDERMOTT, and others has absolutely no chance of passage. None. Yet, it's another confirmation of the radical nature of our opponents in this debate about managing our national resources. After years of talking about compromise and balance, it's clear by the introduction of this bill that their view is that one of our greatest renewable natural resources shouldn't be used for any constructive economic purpose. The sponsors of this bill are clearly indifferent to human costs and economic disruption this radical policy would impose on our Nation's economy, and particularly on our timber dependent communities.

Support for this bill—which I repeat, has no chance of passage—comes from the Sierra Club and other environmental organizations that earlier this year endorsed a policy of zero cut of timber on public lands. More recently, during debate on the Interior appropriations bill, many of these same groups supported an amendment substantially reducing the budget for Forest Service roads. Had these groups succeeded, the Federal Timber Sale Program, which already has been reduced by two-thirds over the past decade, would have been reduced by another 50 percent. This was clearly a tactic employed by radical environmental groups with the ultimate goal of eliminating all Federal timber harvests.

Proponents of a zero cut policy on Federal lands lead an effort to further erode the economic backbone of rural Americans. It is an effort by mostly urban environmentalists—armchair environmentalists—who have forgotten, or who never knew, what it takes to produce fiber and shelter, and are indifferent to the communities and jobs that produce these commodities.

Published reports about this legislation fail to mention that Federal timber sales are already in severe decline, primarily from the limitations placed on the Forest Service by the Clinton administration's environmental considerations and species protection efforts. In 1987, the Federal Timber Sale Program provided nearly 12 billion board feet of timber. Now, 10 years later, less than 4 billion board feet were sold. This translates to double-digit unemployment in Washington State's timber dependent communities. I cannot imagine how terrible it would be for these already depressed communities if timber harvests were banned on public lands.

For the record, I would like to note that 23 of Washington's 39 counties have been designated as "distressed" counties under State guidelines, meaning that their unemployment rates have been 20 percent above the State average for 3 years and median household incomes less than 75 percent of the State median. This is, to a great extent, the direct result of economic devastation in our timber dependent communities.

These are counties with towns like Port Angeles. A pulp mill closure in February resulted in about $17 million in direct payroll losses and hundreds of jobs. As I speak today, representatives from the Port Angeles community are hosting a summit for similarly distressed communities that are finding it hard to survive in an era of declining timber sales.

These areas of the State do not share the wealth of the booming Seattle economy. In 1996, 75 percent of the timber sold by the U.S. Forest Service was to small businesses. These small operations are predominately headquartered in rural areas; in places such as Forks, WA, where jobs and the community's stability are dependent upon the timber industry. These are communities struggling under existing environmental restrictions and species protection efforts. The recent House proposal would serve as a death blow to these struggling communities.

Proponents of the zero-cut scheme also erroneously claim it will benefit the Federal Treasury. Nothing could be further from the truth. Despite the fact that annual timber sale revenues dropped by over $462 million due to logging restrictions, the Forest Service Federal Timber Sale Program generates annual net revenues of $59 million to the U.S. Treasury.

In addition, due to declining timber harvests, imports of softwood lumber between 1992 and 1995 increased by 4 billion board feet. As a result, the average price of an 1,800 square foot new home has gone up $2,000. The environmentalists don't like to talk about the inflationary results of their anti-timber campaigns—where is their righteous indignation when working Americans and families find it increasingly difficult to put a roof over their heads?

What is most disappointing in this debate is that news articles and extreme environmental organizations fail to mention the greatest loser if such a proposal was ever enacted: our public education system. Some 25 percent of the revenue from Federal timber sales goes directly to counties to be used for roads and schools. These counties rely on these Federal revenues. In addition to providing essential local services as schools and roads, these counties also provide direct and indirect services to national forests, national parks, wilderness areas, fish and wildlife refuges, and reclamation areas. Without some timber harvests in these financially-strapped counties, the public education of our children will suffer.

The argument that the only good harvest is no harvest at all overlooks the fact that up to 10,000 acres of Federal timber lands fall victim to forest fires every year. This does not even take into account the insect and disease outbreaks which ravage thousands of acres of public lands.

In 1994, devastating wildfires ravaged forests in Washington State. The fires were fueled by the excessive buildup on the forest floor. The forest floor was composed of dead, dying, insect infested, and diseased timber which had built up due to a lack of active management on Federal forest lands, including thinning and removal of insect-infested trees.

The health of our forests will deteriorate under the status quo, as dead and dying trees are left untouched.

Thinning, on the other hand will create a desired condition in which more trees will survive because of less competition for a limited amount of available moisture. By reducing natural fuel loads through thinning, removal of underbrush, and dead and dying trees, we will be creating a win-win situation in which our forests will be healthier and our mills will be stronger.

I think it is also important to note that as I heap scorn on the proposed legislation in the House and its supporters, we are beginning to see a rejection of this extreme approach by dedicated environmentalists who live

in timber-dependent communities. Unlike their counterparts in Washington DC, and other urban areas who are busy turning out fundraising letters, these true conservationists send their children to the local schools, see the devastating impact of these radical policies on the local economy, and fear for their lives, livelihood, and homes due to the severe wildfire threat.

As a member of the Senate Energy and Natural Resources Committee, it was encouraging to see the progress that is being made at the local level in northeastern California. There, local environmentalists, timber workers, and public officials have crafted a reasonable land management plan that resores balance to our forests known as the Quincy Library Group approach.

Unlike this approach—a balanced, responsible approach to forest health and forest management—the zero-cut proposal introduced last week in the House does nothing more than carry out the agenda of extreme national environmental organizations. I urge moderate, responsible environmental organizations to join me in soundly defeating the proposal in the House and here, if and when the bill is ever brought before either chamber.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from Oklahoma is recognized.

Mr. NICKLES. I thank the Chair.

(The remarks of Mr. NICKLES pertaining to the submission of S. 1381 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

TRIBUTE TO REAR ADM. (SELECT) JAY M. COHEN, U.S. NAVY DEPUTY CHIEF OF LEGISLATIVE AFFAIRS

Mr. LOTT. Mr. President, I wish to take this opportunity to recognize and say farewell to an outstanding naval officer and good friend, Rear Adm. (select) Jay M. Cohen. For the past 4½ years, Rear Admiral (select) Cohen has served with distinction as the Navy's Deputy Chief of Legislative Affairs, and it is my privilege to recognize his many accomplishments and to commend him for the superb service he has provided this legislative body, the Navy, and the Nation.

A native of New York City, Rear Admiral (select) Cohen was commissioned as an ensign upon graduation from the U.S. Naval Academy in 1968. Since then, Rear Admiral (select) Cohen has spent the majority of his career patrolling the ocean depths as a Navy submariner. Following submarine training, he began his submarine service aboard U.S.S. *Diodon* (SS 349) in San Diego. Nuclear power trained, he has served in the engineering departments of U.S.S. *Nathaniel Greene* (SSBN 636) and U.S.S. *Nathan Hall* (SSBN 623), and as the executive officer aboard U.S.S. *George Washington Carver* (SSBN 656). In 1985, Rear Admiral (select) Cohen took command of U.S.S. *Hyman G. Rickover* (SSN 709) and skippered the ship on three deployments.

When not underwater, Rear Admiral (select) Cohen has likewise served with distinction on the staff of Commander in Chief, U.S. Atlantic Fleet, as senior member of the Nuclear Propulsion Examining Board and on the staff of the Director of Naval Intelligence. He also commanded U.S.S. *L.Y. Spear* (AS 36), a submarine tender in Norfolk, VA. Following this command tour, he reported, in April 1993, to the Secretary of the Navy's staff as the Deputy Chief of Legislative Affairs. Among Rear Admiral(select) Cohen's many awards and decorations are five Legions of Merit and three Meritorious Service Medals. He is both submarine and surface warfare qualified.

During his tenure as the Deputy Chief of Legislative Affairs, Rear Admiral (select) Cohen provided the Senate with timely support and accurate information on Navy plans and programs. His close work with the Congress and steadfast devotion to the Navy mission helped ensure that the U.S. Navy remained the best-trained, best-equipped, and best-prepared naval force in the world. Faced with countless challenges and a multitude of complex and sensitive issues, Rear Admiral (select) Cohen's unflappable leadership, integrity, and limitless energy had a profound and positive impact on the U.S. Naval Service.

As a testament to his extremely valuable contributions to the national security of this country, the Navy recently selected him to flag rank and I am pleased to say that the Senate recently confirmed his nomination. The Chief of Naval Operations will pin on his star Friday, November 7, in the Pentagon. With this well-deserved promotion, Admiral Cohen will continue his outstanding service to the Navy and the Nation as he moves on to positions of even greater responsibility. On behalf of my colleagues on both sides of the aisle, I wish Rear Adm. (select) Jay Cohen fair winds and following seas. I know we will see and hear from him again.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, November 4, 1997, the Federal debt stood at $5,432,371,961,282.81 (Five trillion, four hundred thirty-two billion, three hundred seventy-one million, nine hundred sixty-one thousand, two hundred eighty-two dollars and eighty-one cents).

One year ago, November 4, 1996, the Federal debt stood at $5,248,378,000,000 (Five trillion, two hundred forty-eight billion, three hundred seventy-eight million).

Five years ago, November 4, 1992, the Federal debt stood at $4,070,185,000,000 (Four trillion, seventy billion, one hundred eighty-five million).

Ten years ago, November 4, 1987, the Federal debt stood at $2,392,996,000,000 (Two trillion, three hundred ninety-two billion, nine hundred ninety-six million).

Fifteen years ago, November 4, 1982, the Federal debt stood at $1,145,846,000,000 (One trillion, one hundred forty-five billion, eight hundred forty-six million) which reflects a debt increase of more than $4 trillion—$4,286,525,961,282.81 (Four trillion, two hundred eighty-six billion, five hundred twenty-five million, nine hundred sixty-one thousand, two hundred eighty-two dollars and eighty-one cents) during the past 15 years.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING OCTOBER 31

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending October 31, the United States imported 7,986,000 barrels of oil each day, 948,000 barrels more than the 7,038,000 imported each day during the same week a year ago.

Americans relied on foreign oil for 55.6 percent of their needs last week, and there are no signs that the upward spiral will abate. Before the Persian Gulf war, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil? By U.S. producers using American workers?

Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 7,986,000 barrels a day.

FIRST LADY'S VISIT TO IRELAND AND NORTHERN IRELAND

Mr. KENNEDY. Mr. President, last week the First Lady visited Dublin and Belfast. When the President and the First Lady visited those cities 2 years ago, they received a warm welcome from the people of Ireland and Northern Ireland, and Mrs. Clinton was warmly received on her return visit last week.

During her visit, she emphasized the President's commitment to peace in Northern Ireland. All friends of Ireland in the United States are grateful for the continuing interest and involvement of the President and the First Lady in this issue, which is of such great importance to so many Americans.

In Dublin on October 30, Mrs. Clinton spoke warmly of her previous visit in 1995 and the continuing strong commitment of the United States to the peace process.

At the University of Ulster in Belfast on October 31, Mrs. Clinton delivered a lecture named in honor and in memory of Joyce McCartan, a courageous woman of peace whom the First Lady had met during her visit 2 years ago, and who had inspired many other women in Northern Ireland to take up the cause of reconciliation.

I believe my colleagues will be interested in Mrs. Clinton's eloquent remarks about the positive role of women in Northern Ireland and around the world in the search for peace and hope and opportunity. I ask unanimous consent that the First Lady's remarks in Dublin and Belfast be printed in the RECORD.

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

REMARKS OF THE FIRST LADY

DUBLIN CASTLE; DUBLIN, IRELAND

October 30, 1997

Thank you very much, it is such a great pleasure for me to be back and I must tell you that although my visit is far too brief, my husband is very jealous. He is green with jealousy, and as I left this morning, he said "tell everyone"—as though I would have a chance to tell the entire populace—how much he wishes he could be here as well.

It has been as, we have heard, nearly two years since we were here, and I don't think we will ever have a better time anywhere than we did here. The warmth of the greeting and the outpouring at College Green are images that we think about and talk about in our house all the time. It is wonderful to be back here in this Castle, and I am especially pleased that since our visit, Ireland hosted here, the European Union leaders, to such success.

Much has happened in the Northern Ireland peace process since my husband was here. An IRA cease-fire broke down but was restored, and in this precious peace almost all the key parties of the conflict are sitting down to discuss substantive issues. There is a new government in Ireland, led by the Taoiseach, and this government has built on the determination of its predecessor to keep the political momentum moving toward a negotiated settlement.

But I've been especially pleased to see, since my visit, how Ireland has continued to prosper. It has been wonderful to read, as I have, of the important progress that has been made, not only in the peace process but in the move toward prosperity, on this island. I was very moved to have a visit just a few days ago in the White House from Mary Robinson, and I know that the polls have closed and you are about to elect her successor. She has moved from being your President to being in the forefront of human rights, another example of Irish leadership.

Dublin as you know has an important critical role in producing a settlement. As my husband said two years ago on College Green, America will be with you as you walk the road of peace. We know from our own experience that making peace among people of different cultures is the work of a lifetime. My husband and I, and all who stand with you, are under no illusions that reaching an agreement will be easy. There are centuries of feelings behind each side's arguments, and events of the past 27 years have left wounds that are still raw.

I would like to highlight two themes on this short visit here and then tomorrow in Belfast—compromise and reconciliation. When the people want peace, it is the obligation of political leaders to find the common ground where it can thrive. It involves postponing or even giving up cherished ideals in the belief that others will do the same to end conflict and build a better future. All sides must compromise and seek this common ground in the weeks and months ahead.

I want, on behalf of the President, to pay tribute to both sides of the border and the community divide, who have worked so hard in recent years to bring about reconciliation in the wake of this bitter conflict, and I want to mention women in particular. Women have paid a heavy price for the social turmoil generated by the troubles, and it therefore comes as no surprise that women are leading the efforts towards a lasting peace. Tomorrow, in Belfast, I will honor one such woman, Joyce McCartan, whom I was privileged to meet on my visit. The National Women's Council of Ireland has launched a project in collaboration with partners in Northern Ireland called "Making Women Seen and Heard." It features workshops designed to empower women who are politically and socially marginalized. These workshops held on both sides of the border are a tangible example of what can be done to foster communication and reconciliation.

The United States will continue to do its part to support the peace process. My husband remains personally committed to this effort and to those who take risks to make peace happen. We are also fortunate to have Ambassador Jean Kennedy Smith, who has contributed so much to the relationship between our countries, to Ireland, and to the peace process. Be assured that the United States is your partner for the long haul.

I want to thank you also for the warm hospitality extended to my daughter during her private visit in June. She was able to come with a friend and just a few other keepers, and enjoy the people and the beauty of your country, and I am grateful to you for that. I also must tell you that my husband has been practicing his golf, looking at his calendar searching for a date that will enable him to return here with a seven-iron in hand. I hope that that is not too far off in the distance, and that he will have the opportunity that I have now to greet you personally, to thank you for your friendship and your support, and to wish you Godspeed in the many important efforts that you are undertaking today.

Thank you very much.

REMARKS OF THE FIRST LADY AT JOYCE MCCARTAN MEMORIAL LECTURE

UNIVERSITY OF ULSTER; BELFAST, NORTHERN IRELAND

October 31, 1997

Thank you, Thank you very much, Chancellor. I am delighted to be here at this university. I want to thank the university for this invitation, Robert Hanna, Professor Sir Trevor Smith, Pro Vice Chancellor, and Provost Ann Tate. And I'm especially pleased that I could be joined today by the United States Ambassador to the Court of St. James Philip Lader, U.S. Counsel General Kathleen Stevens, and Senator George Mitchell, who is here in the room with us.

I want to welcome all of you because I feel so very welcome here, but particularly, a special welcome to the family, friends and associates of Joyce McCartan who have joined us today.

It is a great personal pleasure and honor for me to be back in Northern Ireland and to reunited with some of the courageous women and men I first met when I came here two years ago with my husband. The sights and sounds and emotions of that visit, the lighting of the Christmas Tree outside City Hall, our walk from Guild Hall Square to Shipquay Street, Protestants and Catholics working side by side at the Mackey Metal Plant—all of that and so much more hold special places in my husband's heart and in my own.

And I will always treasure my visit to Ye Olde Lamplighter on Lower Ormeau Road, for it was there that I shared a cup of tea with Joyce McCartan and her colleagues. It is, therefore, a signal honor to give this, first of a series of lectures dedicated in her memory, and in recognition of the important role women have played, are playing and will play in building peace.

I am very delighted that the university, with the support of corporate sponsorship from Cable Tel, will honor Joyce McCartan's work even further by establishing bursaries to assist women who are studying conflict resolution and community reconciliation.

This is a hopeful moment, as it was two years ago. But it is even more promising now. For the first time in more than 25 years, leaders of Northern Ireland's Catholic and Protestants communities are meeting, and the world is watching to see whether they will be able to end a generation of senseless killing and forge a lasting peace.

When the people want peace, it is the obligation of political leaders to find the common ground where it can thrive. That requires compromise and reconciliation. That involves postponing or even giving up one's cherished ideals in the belief that others will do the same to end the conflict and build a better future.

All sides must compromise and seek this common ground in the weeks and months ahead. The United States will continue to do its part to support the peace process, and my husband remains personally committed to this effort and to those who take risks for peace.

Joyce McCartan was one of those risk-takers. I want to pay tribute to her and to the men and women on both sides of the border and the community divide who have worked so hard in recent years to bring about reconciliation in the wake of this bitter conflict. We would never have arrived at this

hopeful moment without the countless acts of courage and faith of people like the women we honor today.

I have many memories of my visit, and I even have a souvenir. I have the teapot. (Laughter and applause.) As you can see, it is a rather ordinary, stainless steel teapot, one easily found in many Belfast kitchens. But as I told Joyce during our conversation, this teapot was so much better at keeping the tea hot than the ones I had back in the White House. So she gave it to me as a present.

I use this teapot every day in my private kitchen on the second floor of the White House. And whenever I look at it, I am reminded of Joyce's ability to warm hearts, to keep alive hope for a better world and a better time, despite tragedy after heart-breaking tragedy.

As we sipped our tea together, the women told me how they had worked over the years, how both Catholic and Protestant, they had realized so much more united than divided them. While they may have attended different churches on Sunday, seven days a week they all said a silent prayer for the safe return of a child from school or a husband from an errand in town. Seven days a week their families struggled with the same deep-rooted causes of the violence—the terrors of sectarianism, the burdens of poverty, the shackles of limited education, the despair of unemployment.

And while they may have held different views of the past, they had learned that together they could build a better present and hope for an even brighter future, by promoting understanding, saving lives, preserving families, nurturing hope, and defying history. Because, in the end, for them and for so many other women across Northern Ireland, love of family ran deeper than calls to hatred.

I had never met Joyce before we gathered together, but I had seen her compassion, courage and commitment in many other eyes—her yearning for a more peaceful and democratic would resonates through the ages and stretches across the globe. Mothers, wives, daughters, ordinary citizens—their insistent voices for peace raised sometimes in a roar, but more often in a whispered prayer—have inspired women and entire societies around the world to build more open, just, democratic and peaceful communities. This chorus of courageous voices can be heard today from Belfast to Bosnia, wherever women are working to end the violence and begin the healing.

Although I have been privileged to travel widely and meet many of the world's leaders, I often find that it is in small groups, sitting around a kitchen table, sipping tea with women like Joyce, sharing concerns and talking about our families, where I've learned the most valuable lessons. And one of those lessons is that an extraordinary power is unleashed when women reach out to their neighbors and find common ground—when they began to lift themselves up, and by doing so, lift up their families, their neighbors, and their communities.

I know that Joyce liked to call herself a family feminist because saving families was at the root of all her efforts. This is a brilliant term, and one that I have quoted throughout the globe, because it captures the very important idea that when women are empowered to make the most of their own potential, then their families will thrive, and when families thrive, communities and nations thrive as well. Women who are acting to protect and strengthen their families are playing a central role in the building and sustaining of peace and democracy around the world.

Now, often when we talk about democracy, or when classes and lectures are held about it, we talk about our highest ideals—freedom of religion, freedom of association, freedom of speech and of the press, freedom to participate fully in the civic and political life of one's country. But democracy is also about ensuring equal access to quality education, health care, jobs and credit. Democracy is about respecting human dignity and allowing people the opportunity to take responsibility for composing their own lives that will allow them to live up to their God-given promise.

What we've learned over the years is that these lofty ideals can be made real only through the everyday efforts of ordinary citizens. Yes, we need laws and a system of justice to uphold them, but democracy is nurtured and sustained in the hearts of people, in the principles they honor, in the way they live their daily lives and how they treat their fellow citizens, in the lessons they teach their children before they tuck them into bed at night.

One of the great observers of American democracy, Alexis de Tocqueville, wrote about what it was that he though made American democracy work. He talked about the way men and women felt they could participate in making their own lives better, how they formed associations, how they worked for some common good. And he referred to the habits of the heart that are necessary for any democracy to flourish. It is these habits of the heart that must be nurtured, and that countless, unheralded women around the world are quietly doing so every day.

I have tried in my travels to shine a spotlight on their achievements because I stand in awe of women like Joyce McCartan—women who through their own personal tragedies find the strength to go on, but more than that, to reach out and try to prevent the conditions from occurring that causes them such heartbreak. Women, like so many of you here who have endured the loss of loved ones—fathers, brothers, husbands, sons and others—to the Troubles, but have refused to give in to bitterness or to dwell in the past.

You have been working through community organizations, such as the Northern Ireland Women's Coalition to break the cycle of hatred and save other people's fathers, brothers, husbands and sons. Your efforts to share grief across sectarian lines have blossomed into dynamic alliances to end poverty and the causes of violence. And you have helped to lay a solid foundation for permanent peace.

I want you to know that you should never feel alone in your efforts. You are part of a powerful movement of family feminists, working to strengthen democracy across the globe. Your partners are everywhere. They're the women in South Africa who lost loved ones and were victimized by apartheid. But they have been willing to participate in the work of the Truth and Reconciliation Commission, and to find in their hearts the capacity for forgiveness of those who did violence to them—because what does freedom mean if people remain imprisoned by their own bitterness?

They are women who are starting small community banks in poor rural villages or inner city neighborhoods from Chile to Chicago—because what does freedom mean if people don't have the opportunity and the income to help them gain independence and self-sufficiency?

They are women in countries like Pakistan who have agitated against domestic violence—because what does freedom mean if a woman is afraid to sleep in her own home or protect her children because of a violent husband?

They are women in Zimbabwe and Bolivia who are running rural health clinics and are working in the inner cities to immunize children and provide services—because what does freedom mean if families are denied access to basic health care, and women are denied the right to plan their own families?

They are the women in Romania and Estonia who are leading voter education projects—because what does freedom mean if people do not know how to exercise their right to choose their own leaders?

They are women from the Philippines to Paraguay who are campaigning for the rights of girls to receive the same education as their brothers—because what does freedom mean if women do not gain the skills and knowledge to make the most of their God-given gifts?

Women are not only critical to advancing peace and freedom, they are redefining the very notion of what we mean by a democratic society. Democracy cannot flourish if women are not full partners in the social, economic, political and civic lives of their communities and nations. Societies will only address the issues closest to the hearts of women when women themselves claim their rights as citizens.

That message has come to life in my own country. Suddenly, the debates about politics and our future are not only about defense or diplomacy. They are also about how to balance work and family, about improving public schools, about keeping health insurance after leaving a job or sending a child off to college for an education.

These issues have become central to our political life because thousands of American women have become organized and demanded changes, and insisted that our democracy respond to their concerns. They've helped all Americans understand that strengthening families and cherishing children are not just women's issues, but issues of vital importance to everyone concerned about our common future.

Now, there were some observers who were perplexed that during the last presidential campaign, these kitchen table issues had become so important. They, in fact, derided the phenomenon as the feminization of politics. I prefer to think of it as the humanization of politics—because how we raise our children, care for our sick, train our workers will determine the strength and prosperity of all our people in the days to come. And how we learn to live together across religious, ethnic and racial lines will determine the peace and security of our children's lives.

That's why I believe encouraging more women's voices to be heard is important for the overall effort that many of you are making to assure that your children, your grandchildren, these young people in this audience will be able to live out their lives in a peaceful, secure Northern Ireland. It is important that these women's issues that affect our deepest concerns as human beings are part of the political debate.

Most women, like Joyce McCartan, don't become involved in politics because they have any grand philosophy about how they intend to strengthen democracy. Instead, they see how politics—especially politics practiced by those who are engendering conflict between people—are hurting their families. They get fed up with the posturing; they

get fed up with the speech making. When jobs are scarce and hope is in very short supply, they take matters into their own hands. They decide, as Joyce memorably said, "You can't fry flags in a pan." And they get to work on setting things right.

I am told that years ago, Joyce borrowed a couple of cows from a farmer and led a group of women to City Hall to protest the removal of free school milk for children. Another time, she attended a city council meeting and refused to leave until they discussed an increase in the bus fare. And while she had to be carried out of that meeting, she eventually forced the council to hear her grievance and convinced them to introduce a lower fare for children. It is the stuff of life. It is those issues we talk about around our kitchen tables that help to develop those habits of the heart that sustain democracy.

I thought often about the Troubles here as I have thought about Joyce McCartan and the women I met as I have fixed myself a pot of tea. I don't know whether a Catholic or a Protestant made this teapot. I don't know whether a Catholic or a Protestant sold this teapot. I only know that this teapot serves me very well. And this teapot stands for all those conversations around those thousands of kitchen tables where mothers and fathers look at one another with despair because they cannot imagine that the future will be any better for their children. But this teapot also is on the kitchen table where mothers and fathers look at one another and say, we have to do better. We cannot permit this to go on. We have to take a stand for our children.

There is no room for illusion in the difficulty that confronts the peace process. The President and all of us who support you in this effort know how difficult it will be to overcome the past when the wounds still seem so raw. But the children deserve all the work, all the prayers, all the strength, courage and commitment that can be brought to bear.

There will be more bumps on the road. There will be those who would rather smash the teapot than to fill it with piping hot tea to sit down to have a conversation. And the women and the men who believe, as Joyce McCartan believed with all her heart, that there is a better way, who saw as she sat around so many kitchen tables talking across the division that everyone was concerned about the same issues deep down, that we all worried about our lives, our relationships, our jobs, our education, our children, our health—she understood that if we could just get enough people around some great kitchen table, where they'd have to sit down and look at one another honestly, share their fears, their hopes, their dreams, that we could make progress.

Well, now, finally, we have men and women around a table. I hope they have lots of tea. I hope that they are not only talking about all of the difficult political issues, but in quiet asides, sharing some of what is in their heart with one another. And as they do so, I hope the faces of so many women and men who have given all they could give over the years to bring this moment to pass, will be seen in the mind's eye.

Joyce McCartan deserves as her real legacy that the peace process move forward. She and all the brave women who, for more than 20 years, marched, begged, prayed, cried, shouted that they wanted peace deserve to be heard.

It is no longer in Joyce's hands. The burden has been passed to others. And I hope and I pray that those to whom it has been entrusted will pick up that burden and carry it forward. Joyce's work is done. But to honor her memory, we should all press forward with her work—to build peace here and around the world.

Thank you very much.

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 sundry nominations which were referred to the appropriate committees.

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

MESSAGES FROM THE HOUSE

At 12:37 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 672) to make technical amendments to certain provisions of title 17, United States Code.

The message also announced that the House has passed the following bills, without amendment:

S. 587. An act to require the Secretary of the Interior to exchange certain lands located in Hinsdale County, Colorado.

S. 588. An act to provide for the expansion of the Eagles Nest Wilderness within the Arapaho National Forest and the White River National Forest, Colorado, to include land known as the Slate Creek Addition.

S. 589. An act to provide for a boundary adjustment and land conveyance involving the Raggeds Wilderness, White River National Forest, Colorado, to correct the effects of earlier erroneous land surveys.

S. 591. An act to transfer the Dillon Ranger District in the Arapaho National Forest to the White River National Forest in the State of Colorado.

S. 931. An act to designate the Marjory Stoneman Douglas Wilderness and the Ernest F. Coe Visitor Center.

The message further announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 404. An act to amend the Federal Property and Administrative Services Act of 1949 to authorize the transfer to State and local governments of certain surplus property needed for use for a law enforcement or fire and rescue purpose.

H.R. 434. An act to provide for the conveyance of small parcels of land in the Carson National Forest and the Santa Fe National Forest, New Mexico, to the village of El Rito and the town of Jemez Springs, New Mexico.

H.R. 1493. An act to require the Attorney General to establish a program in local prisons to identify, prior to arraignment, criminal aliens and aliens who are unlawfully present in the United States, and for other purposes.

H.R. 1604. An act to provide for the division, use, and distribution of judgment funds of the Ottawa and Chippewa Indians of Michigan pursuant to dockets numbered 18-E, 58, 364, and 18-R before the Indian Claims Commission.

H.R. 1702. An act to encourage the development of a commercial space industry in the United States, and for other purposes.

H.R. 1836. An act to amend chapter 89 of title 5, United States Code, to improve administration of sanctions against unfit health care providers under the Federal Employees Health Benefits Program, and for other purposes.

H.R. 1839. An act to establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles.

H.R. 1856. An act to amend the Fish and Wildlife Act of 1956 to direct the Secretary of the Interior to conduct a volunteer pilot project at one national wildlife refuge in each United States Fish and Wildlife Service region, and for other purposes.

H.R. 2265. An act to amend the provisions of titles 17 and 18, United States Code, to provide greater copyright protection by amending criminal copyright infringement provisions, and for other purposes.

H.R. 2275. An act to require that the Office of Personnel Management submit proposed legislation under which group universal life insurance and group variable universal life insurance would be available under chapter 87 of title 5, United States Code, and for other purposes.

H.R. 2731. An act for the relief of Roy Desmond Moser.

H.R. 2732. An act for the relief of John Andre Chalot.

H.J.Res. 91. Joint resolution granting the consent of Congress to the Apalachicola-Chattahoochee-Flint River Basin Compact.

H.J.Res. 92. Joint resolution granting the consent of Congress to the Alabama-Coosa-Tallapoosa River Basin Compact.

ENROLLED BILLS SIGNED

At 4:22 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 587. An act to require the Secretary of the Interior to exchange certain lands located in Hinsdale County, Colorado.

S. 588. An act to provide for the expansion of the Eagles Nest Wilderness within the Arapaho National Forest and the White River National Forest, Colorado, to include land known as the Slate Creek Addition.

S. 589. An act to provide for a boundary adjustment and land conveyance involving the Raggeds Wilderness, White River National Forest, Colorado, to correct the effects of earlier erroneous land surveys.

S. 591. An act to transfer the Dillon Ranger District in the Arapaho National Forest to the White River National Forest in the State of Colorado.

S. 931. An act to designate the Marjory Stoneman Douglas Wilderness and the Ernest F. Coe Visitor Center.

S. 79. An act to provide for the conveyance of certain land in the Six Rivers National Forest in the State of California for the benefit of the Hoopa Valley Tribe.

S. 672. An act to make technical amendments to certain provisions of title 17, United States Code.

H.R. 708. An act to require the Secretary of the Interior to conduct a study concerning grazing use and open space within and adjacent to Grand Teton National Park, Wyoming, and to extend temporarily certain grazing privileges.

H.R. 2464. An act to amend the Immigration and Nationality Act to exempt internationally adopted children 10 years of age or younger from the immunization requirement in section 212(b)(1)(A)(ii) of such Act.

The enrolled bills were signed subsequently by the President pro tempore [Mr. THURMOND].

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 1493. An act to require the Attorney General to establish a program in local prisons to identify, prior to arraignment, criminal aliens and aliens who are unlawfully present in the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 1702. An act to encourage the development of a commercial space industry in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 1836. An act to amend chapter 89 of title 5, United States Code, to improve administration of sanctions against unfit health care providers under the Federal Employees Health Benefits Program, and for other purposes; to the Committee on Governmental Affairs.

H.R. 1856. An act to amend the Fish and Wildlife Act of 1956 to direct the Secretary of the Interior to conduct a volunteer pilot project at one national wildlife refuge in each United States Fish and Wildlife Service region, and for other purposes; to the Committee on Environmental and Public Works.

H.R. 2265. An act to amend the provisions of titles 17 and 18, United States Code, to provide greater copyright protection by amending criminal copyright infringement provisions, and for other purposes; to the Committee on the Judiciary.

H.R. 2675. An act to require that the Office of Personnel Management submit proposed legislation under which group universal life insurance and group variable universal life insurance would be available under chapter 87 of title 5, United States Code, and for other purposes; to the Committee on Governmental Affairs.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on November 5, 1997, he had presented to the President of the United States, the following enrolled bills:

S. 587. An act to require the Secretary of the Interior to exchange certain lands located in Hinsdale County, CO.

S. 588. An act to provide for the expansion of the Eagles Nest Wilderness within the Arapaho National Forest and the White River National Forest, CO, to include land known as the Slate Creek Addition.

S. 589. An act to provide for a boundary adjustment and land conveyance involving the Raggeds Wilderness, White River National Forest, CO, to correct the effects of earlier erroneous land surveys.

S. 591. An act to transfer the Dillon Ranger District in the Arapaho National Forest to the White River National Forest in the State of Colorado.

S. 931. An act to designate the Marjory Stoneman Douglas Wilderness and the Ernest F. Coe Visitor Center.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3277. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 96–04; to the Committee on Appropriations.

EC–3278. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 95–18; to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 1079. A bill to permit the leasing of mineral rights, in any case in which the Indian owners of an allotment that is located within the boundaries of the Fort Berthold Indian Reservation and held trust by the United States have executed leases to more than 50 percent of the mineral estate of that allotment (Rept. No. 105–139).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs:

Kevin Gover, of New Mexico, to be an Assistant Secretary of the Interior.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. THOMPSON, from the Committee on Governmental Affairs:

Susanne T. Marshall, of Virginia, to be a Member of the Merit Systems Protection Board for the term of seven years expiring March 1, 2004.

Anita M. Josey, of the District of Columbia, to be Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

Ernesta Ballard, of Alaska, to be a Governor of the United States Postal Service for a term expiring December 8, 2005.

Dale Cabaniss, of Virginia, to be a Member of the Federal Labor Relations Authority for a term expiring July 29, 2002.

John M. Campbell, of the District of Columbia, to be Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

Curt Hebert, Jr., of Mississippi, to be a Member of the Federal Energy Regulatory Commission for the remainder of the term expiring June 30, 1999.

Linda Key Breathitt, of Kentucky, to be a Member of the Federal Energy Regulatory Commission for a term expiring June 30, 2002.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Ms. MIKULSKI (for herself, Ms. SNOWE, Mr. LOTT, Mr. SARBANES, Mr. COCHRAN, Mr. GLENN, Mr. D'AMATO, Mr. HOLLINGS, Mr. HUTCHINSON, Ms. MOSELEY-BRAUN, Mr. INOUYE, Mr. FORD, and Ms. COLLINS):

S. 1370. A bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the recipient dies during the first 15 days of such month, and for other purposes; to the Committee on Finance.

By Mr. KOHL (for himself and Mr. DEWINE):

S. 1371. A bill to establish felony violations for the failure to pay legal child support obligations, and for other purposes; to the Committee on the Judiciary.

By Mrs. BOXER (for herself and Mrs. FEINSTEIN):

S. 1372. A bill to provide for the protection of farmland at the Point Reyes National Seashore, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MURKOWSKI:

S. 1373. A bill to establish the Commonwealth of Guam, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. McCAIN:

S. 1374. A bill to clarify that unmarried adult children of Vietnamese re-education camp internees are eligible for refugee status under the Orderly Departure Program; to the Committee on Foreign Relations.

By Mr. KOHL (for himself, Mr. FEINGOLD, Mr. BUMPERS, Mr. JOHNSON, Mr. BINGAMAN, and Mr. JEFFORDS):

S. 1375. A bill to promote energy conservation investments in Federal facilities, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 1376. A bill to increase the Federal medical assistance percentage for Hawaii to 59.8 percent; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. LEAHY, and Mr. DASCHLE):

S. 1377. A bill to amend the Act incorporating the American Legion to make a technical correction; considered and passed.

By Mr. WARNER:

S. 1378. A bill to extend the authorization of use of official mail in the location and recovery of missing children, and for other purposes; considered and passed.

By Mr. DEWINE (for himself, Mr. MOYNIHAN, Mr. HATCH, Mr. D'AMATO, Mr. DODD, Mr. KOHL, Mr. COVERDELL, Mr. KENNEDY, Mr. INOUYE, Mr. LIEBERMAN, Ms. SNOWE, Mr. HUTCHINSON, Mr. THURMOND, Mr. MCCAIN, Mr. SHELBY, Mr. CAMPBELL, and Mr. WYDEN):

S. 1379. A bill to amend section 552 of title 5, United States Code, and the National Security Act of 1947 to require disclosure under the Freedom of Information Act regarding certain persons, disclose Nazi war criminal records without impairing any investigation or prosecution conducted by the Department of Justice or certain intelligence matters, and for other purposes; to the Committee on the Judiciary.

By Mr. COATS (for himself, Mr. LIEBERMAN, Mr. D'AMATO, and Mr. KERREY):

S. 1380. A bill to amend the Elementary and Secondary Education Act of 1965 regarding charter schools; to the Committee on Labor and Human Resources.

By Mr. NICKLES:

S. 1381. A bill to direct the Secretary of the Army to convey lands acquired for the Candy Lake project, Osage County, Oklahoma; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. WARNER (for himself and Mr. FORD):

S. Res. 143. A resolution to authorize the printing of a revised edition of the Senate Election Law Guidebook; considered and agreed to.

S. Con. Res. 61. A concurrent resolution authorizing printing of a revised edition of the publication entitled "Our Flag"; considered and agreed to.

S. Con. Res. 62. A concurrent resolution authorizing printing of the brochure entitled "How Our Laws Are Made"; considered and agreed to.

S. Con. Res. 63. A concurrent resolution authorizing printing of the pamphlet entitled "The Constitution of the United States of America"; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. MIKULSKI (for herself, Ms. SNOWE, Mr. LOTT, Mr. SARBANES, Mr. COCHRAN, Mr. GLENN, Mr. D'AMATO, Mr. HOLLINGS, Mr. HUTCHINSON, Ms. MOSELEY-BRAUN, Mr. INOUYE, Mr. FORD, and Ms. COLLINS):

S. 1370. A bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the recipient dies, during the first 15 days of such month, and for other purposes; to the Committee on Finance.

THE SOCIAL SECURITY FAMILY PROTECTION ACT

Ms. MIKULSKI. Mr. President, today, I rise to talk about an issue that is very important to me, very important to my constituents in Maryland and very important to the people of the United States of America.

For the second Congress in a row, I am joining in a bipartisan effort with my friend and colleague, Senator OLYMPIA SNOWE, to end an unfair policy of the Social Security System.

Senator SNOWE and I are introducing the Social Security Family Protection Act. This bill addresses retirement security and family security. We want the middle class of this Nation to know that we are going to give help to those who practice self-help.

What is it I am talking about? We have found that Social Security does not pay benefits for the last month of life. If a Social Security retiree dies on the 18th of the month or even on the 30th of the month, the surviving spouse or family members must send back the Social Security check for that month.

I think that is a harsh and heartless rule. That individual worked for Social Security benefits, earned those benefits, and paid into the Social Security trust fund. The system should allow the surviving spouse or the estate of the family to use that Social Security check for the last month of life.

This legislation has an urgency, Mr. President. When a loved one dies, there are expenses that the family must take care of. People have called my office in tears. Very often it is a son or a daughter that is grieving the death of a parent. They are clearing up the paperwork for their mom or dad, and there is the Social Security check. And they say, "Senator, the check says for the month of May. Mom died on May 28. Why do we have to send the Social Security check back? We have bills to pay. We have utility coverage that we need to wrap up, mom's rent, or her mortgage, or health expenses. Why is Social Security telling me, 'Send the check back or we're going to come and get you'?"

With all the problems in our country today, we ought to be going after drug dealers and tax dodgers, not honest people who have paid into Social Security, and not the surviving spouse or the family who have been left with the bills for the last month of their loved one's life. They are absolutely right when they call me and say that Social Security was supposed to be there for them.

I've listened to my constituents and to the stories of their lives. What they say is this: "Senator MIKULSKI, we don't want anything for free. But our family does want what our parents worked for. We do want what we feel we deserve and what has been paid for in the trust fund in our loved one's name. Please make sure that our family gets the Social Security check for the last month of our life."

That is what our bill is going to do. That is why Senator SNOWE and I are introducing the Family Social Security Protection Act. When we talk about retirement security, the most important part of that is income security. And the safety net for most Americans is Social Security.

We know that as Senators we have to make sure that Social Security remains solvent, and we are working to do that. We also don't want to create an undue administrative burden at the Social Security Administration—a burden that might affect today's retirees. But it is absolutely crucial that we provide a Social Security check for the last month of life.

How do we propose to do that? We have a very simple, straightforward way of dealing with this problem. Our legislation says that if you die before the 15th of the month, you will get a check for half the month. If you die after the 15th of the month, your surviving spouse or the family estate would get a check for the full month.

We think this bill is fundamentally fair. Senator SNOWE and I are old-fashioned in our belief in family values. We believe you honor your father and your mother. We believe that it is not only a good religious and moral principle, but it is good public policy as well.

The way to honor your father and mother is to have a strong Social Security System and to make sure the system is fair in every way. That means fair for the retiree and fair for the spouse and family. That is why we support making sure that the surviving spouse or family can keep the Social Security check for the last month of life.

Mr. President, we urge our colleagues to join us in this effort and support the Social Security Family Protection Act.

Ms. SNOWE. Mr. President, I am pleased to join my colleague and friend, the Senator from Maryland, Senator MIKULSKI, in introducing legislation to correct an inequity that exists in our Social Security system.

Currently, when a Social Security beneficiary dies, his or her last monthly benefit check must be returned to the Social Security Administration. This provision often causes problems for the surviving family members because they are unable to financially subsidize the expenses accrued by the late beneficiary in their last month of life. The bill we are introducing today is based on legislation I have introduced during the last four Congresses. My original legislation prorated the Social Security benefit based on the date of death. If the beneficiary died before the 15th, the surviving spouse received 50 percent of the benefit, if the beneficiary died after the 15th, the surviving spouse received the entire check. The bill Senator MIKULSKI and I are introducing today expands on this bill by making other family members eligible to receive the check if there is not a surviving spouse.

Current law makes an inappropriate assumption that a beneficiary has not incurred expenses during his or her last month of life. I know that my colleagues have heard, as have Senator MIKULSKI and I, from constituents who have lost a husband or wife, father or mother, toward the end of the month, received the Social Security check and spent all or part of it to pay the bills, only to receive a notice from Social Security that the check must be returned. For many of these people, that check was the only income they had and they are left struggling to find the money to pay back the Social Security Administration and pay the rest of the expense their family member incurred in their last month.

I would like to read a part of a letter I received from a constituent about the experience of his family when his brother-in-law died. This letter, along with Senator MIKULSKI's own experience when she lost a loved one, serves to highlight why this bill is necessary.

On February 29, 1996, at 9:20 p.m. he passed away. . . . he was alive for 99.99617% of the month missing a full month by 0.0038314%. With this evidence in hand, the SSA then decided that his check for the month of Feburary had to be returned to them. Unfortunately, his debts for the month didn't disappear just because he failed to live the extra 0.0038315% of the month. . . . it would be nice to see some kind of pro-rating system put into place for the rest of the people who are going to encounter this ghoulish practice.

I know that my colleagues have all received letters like this. For many of these people, that Social Security check is the only financial resource available to deal with the costs incurred during their loved one's last day of life. Without it, they are left struggling to find the money to pay back the Social Security Administration.

I believe that this legislation provides a fair solution to an unfair situation and I hope my colleagues will join un in supporting this bill.

By Mrs. BOXER (for herself and Mrs. FEINSTEIN):

S. 1372. A bill to provide for the protection of farmland at the Point Reyes National Seashore, and for other purposes; to the Committee on Energy and Natural Resources.

THE POINT REYES NATIONAL SEASHORE FARMLAND PROTECTION ACT OF 1997

Mrs. BOXER. As with many of our national parks, monuments, and other protected treasures, the character and beauty of the Point Reyes National Seashore are threatened—not by development or environmental degradation within the national seashore—but by proposed development outside the boundary line over which the Park Service has no control.

The Point Reyes National Seashore Farmland Protection Act of 1997, which I am introducing today, is an innovative proposal which will ensure that the ecological integrity of the Point Reyes National Seashore is protected for future generations, while also preserving the property rights and historic agricultural use of the farmland in the area.

The legislation establishes a Farmland Protection Area adjacent to the Point Reyes National Seashore within which willing farmers and ranchers will have the opportunity to sell conservation easements for their land. The Farmland Protection Area includes 38,000 acres of the eastern shore of Tomales Bay visible from within Point Reyes. Property owners within that area will be available, but not required, to sell conservation easements to their land.

Conservation easements are legal agreements between a land-owner and a land trust, non-profit, conservation organization. The conservation easements restrict development on the land which is incompatible with the agricultural uses of the land. The easements would not expand public access, pesticide regulations, or hunting rights. Furthermore, the easements will remain with the land in perpetuity providing security for ranchers as well as continued protection for the national seashore.

The easements will allow existing agricultural activities to continue and will preserve the pastoral nature of the land adjacent to Point Reyes National Seashore and the Golden Gate National Recreation Areas by guaranteeing no new development.

This bill will not allow the Secretary to acquire land without the consent of the owner.

I believe this legislation will become a model for land conservation across the Nation as Governments lack the funds to purchase fee title to protect valuable properties from development. This approach may be used to address similar problems at other parks, wildlife refuges, and marine sanctuaries by preserving compatible land use areas that protect view sheds and prevent environmental damage.

This legislation will allow the National Park Service, working with the Marin Agricultural Land Trust [MALT], the Sonoma Land Trust [SLT], and the Sonoma County Agricultural Preservation and Open Space District [SCAPOSD] to protect this beautiful area at a fraction of the cost of acquiring title to the properties within the new boundaries. In addition, those properties would be maintained on Marin County's tax rolls.

Without this legislation, almost 40,000 acres of scenic ranch land will be vulnerable to development. This bill has the strong support of the local farmers and ranchers within the area to be protected, local environmental groups including the Marin Conservation League, effected local governments and the local chamber of commerce.

I commend Congresswoman LYNN WOOLSEY for her hard work and dedication to the House companion legislation. She has been working closely with interested parties in an effort to find this innovative approach to conservation which benefits ranchers, environmentalists, the county, and the Park Service alike.

Last week, the House Resources Committee National Parks and Public Lands Subcommittee held a hearing on this legislation. In that hearing, concerns were raised over the Department of Interior's involvement in the conservation easements and the creation of a boundary around private agricultural lands.

While I understand that the National Park Service is not usually involved in agricultural conservation easements I believe it is the most suitable agency in this case. The United States Department of Agriculture [USDA] does have a program whereby ranchers can sell conservation easements. These farmlands may not be critical agricultural lands at a national level, but they are critical to the Nation's investment in the Point Reyes National Seashore. A simple increase in funding for USDA's Farmland Protection Program would not ensure any new funding for the Farmland Protection Area.

That also leads to the need for a boundary. While I believe it would be beneficial to authorize conservation easements for the entire agricultural area, we must first concentrate on the most critical lands. The boundary will ensure that the funding is used on these critical lands—lands closest to the national park which the Federal Government has the most interest in protecting.

Currently, there are 18 operating ranches within the existing Point Reyes National Seashore. It is my understanding that these ranchers are pleased with their relationship with the National Park Service. All the landowners who wanted to continue ranching when the Point Reyes National Seashore was formed are still operating ranches. In fact, every single rancher has signed a statement affirming their satisfaction with the continuing cooperation and support they receive from the National Park Service as they continue their ranching operations.

This legislation creates a completely voluntary program. Landowners who wish to sell their land to developers, continue to have that right. While I don't encourage such actions, this legislation does nothing to impede it. We have an opportunity here to take an important step toward protecting farmers and enhancing a national park. It is not often that we have such an occasion where often competing interests can co-exist. This legislation provides that opening. I encourage my colleagues to support this legislation and

I am hopeful that we can pass it quickly.

I ask unanimous consent that the full text of the legislation be printed in the RECORD.

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

S. 1372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Point Reyes National Seashore Farmland Protection Act of 1997".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to protect the pastoral nature of the land adjacent to the Point Reyes National Seashore from development that would be incompatible with the character, integrity, and visitor experience of the park;

(2) to create a model public/private partnership among the Federal, State, and local governments, and as organizations and citizens that will preserve and enhance the agricultural land along Tomales and Bodega Bay Watersheds;

(3) to protect the substantial Federal investment in Point Reyes National Seashore by protecting land and water resources and maintaining the relatively undeveloped nature of the land surrounding Tomales and Bodega Bays; and

(4) to preserve productive uses of land and waters in Marin and Sonoma counties adjacent to Point Reyes National Seashore, primarily by maintaining the land in private ownership restricted by conservation easements.

SEC. 3. ADDITION OF FARMLAND PROTECTION AREA TO POINT REYES NATIONAL SEASHORE AND ACQUISITION OF DEVELOPMENT RIGHTS.

(a) ADDITION.—Section 2 of Public Law 87–657 (16 U.S.C. 459c–1) is amended by adding at the end the following:

"(c) FARMLAND PROTECTION AREA.—

"(1) IN GENERAL.—The Point Reyes National Seashore shall include the Farmland Protection Area depicted on the map numbered 612/60,163 and dated July 1995, which shall be on file and available for public inspection in the Offices of the National Park Service of the Department of the Interior in Washington, District of Columbia.

"(2) OBJECTIVE.—Within the Farmland Protection Area depicted on the map described in paragraph (1), the primary objective shall be to maintain agricultural land in private ownership protected from nonagricultural development by conservation easements.".

(b) FARMLAND ACQUISITION AND MANAGEMENT.—Section 3 of Public Law 97–657 (16 U.S.C. 459c–2) is amended by adding at the end the following:

"(d) FARMLAND ACQUISITION AND MANAGEMENT.—

"(1) IN GENERAL.—Notwithstanding subsections (a) through (c), the Secretary, to encourage continued agricultural use, may acquire land or interests in land from the owners of the land within the Farmland Protection Area depicted on the map described in section 2(c).

"(2) METHOD OF ACQUISITION.—

"(A) IN GENERAL.—Except as provided in paragraph (4), land and interests in land may be acquired under this subsection only by donation, purchase with donated or appropriated funds, or exchange.

"(B) LAND ACQUIRED BY EXCHANGE.—Land acquired under this subsection by exchange may be exchanged for land outside the State of California, notwithstanding section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)).

"(3) REQUIREMENTS.—

"(A) PRIORITY.—The Secretary shall give priority to—

"(i) acquiring interests in land through the purchase of development rights and conservation easements;

"(ii) acquiring land and interests in land from nonprofit corporations operating primarily for conservation purposes; and

"(iii) acquiring land and interests in land by donation or exchange.

"(B) CONSERVATION EASEMENTS.—The Secretary shall not acquire any conservation easement on land within the Farmland Protection Area from a nonprofit organization that was acquired by the nonprofit organizations before January 1, 1997.

"(C) COOPERATIVE AGREEMENTS.—For the purpose of managing, in the most cost-effective manner, interests in land acquired under this subsection, and for the purpose of maintaining continuity with land that has an easement on the date of enactment of this subsection, the Secretary shall enter into cooperative agreements with public agencies or nonprofit organizations having substantial experience holding, monitoring, and managing conservation easements on agricultural land in the region, such as the Marin Agricultural Land Trust, the Sonoma County Agricultural Preservation and Open Space District, and the Sonoma Land Trust.

"(4) REGULATION.—

"(A) IN GENERAL.—Within the boundaries of the Farmland Protection Area depicted on the map described in section 2(c)—

"(i) absent an acquisition of privately owned land or an interest in land by the United States, nothing in this Act authorizes any Federal agency or official to regulate the use or enjoyment of privately owned land, including land that, on the date of enactment of this subsection, is subject to an easement held by the Marin Agricultural Land Trust, the Sonoma County Agricultural Preservation and Open Space District, or the Sonoma Land Trust; and

"(ii) such privately owned land shall continue under the jurisdiction of the State and political subdivisions within which the land is located.

"(B) PERMITS AND LEASES.—

"(i) IN GENERAL.—The Secretary may permit, or lease, land acquired in fee under this subsection.

"(ii) CONSISTENCY.—Any such permit or lease shall be consistent with the purposes of the Point Reyes National Seashore Farmland Protection Act of 1997.

"(iii) USE OF REVENUES.—Notwithstanding any other provision of law, revenues derived from any such permit or lease—

"(I) may be retained by the Secretary; and

"(II) shall be available, without further appropriation, for expenditure to further the goals and objectives of agricultural preservation within the boundaries of the area depicted on the map described to in section 2(c).

"(C) LAND OF STATE AND LOCAL GOVERNMENTS.—Land or an interest in land, within the area depicted on the map described in section 2(c) that is owned by the State of California or a political subdivision of the State of California, may be acquired only by donation or exchange.

"(5) OWNER'S RESERVATION OF RIGHT.—Section 5 shall not apply with respect to land and or an interest in land acquired under this subsection.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 9 of Public Law 87–657 (16 U.S.C. 459c–7) is amended—

(1) by inserting "(a) IN GENERAL.—" before "There are authorized"; and

(2) by adding at the end the following:

"(b) LAND ACQUISITION.—

"(1) IN GENERAL.—In addition to the sums authorized to be appropriated by this section before the enactment of the Point Reyes National Seashore Farmland Protection Act of 1997, there is authorized to be appropriated $30,000,000 to be used on a matching basis to acquire land and interests in land under section 3(d).

"(2) FEDERAL SHARE.—The Federal share of the costs for acquiring land and interests in land under section 3(d) shall be 50 percent of the total costs of the acquisition.

"(3) NON-FEDERAL SHARE.—

"(A) FORM.—The non-Federal share of the acquisition costs may be paid in the form of property, moneys, services, or in-kind contributions, fairly valued.

"(B) LAND OF STATE AND LOCAL GOVERNMENTS.—For the purpose of determining the non-Federal share of the costs, any land or interests in land that is within the boundaries of the area depicted on the map described in section 2(c), that, on the date of enactment of this subsection, is held under a conservation easement by the Marin Agricultural Land Trust, the Sonoma County Agricultural Preservation and Open Space District, the Sonoma Land Trust, or any other land protection agency or by the State of California or any political subdivision of the State, shall be considered to be a matching contribution from non-Federal sources in an amount that is equal to the fair market value of the land or interests in land, as determined by the Secretary.".

By Mr. MURKOWSKI:

S. 1373. A bill to establish the Commonwealth of Guam, and for other purposes; to the Committee on Energy and Natural Resources.

THE GUAM COMMONWEALTH ACT

Mr. MURKOWSKI. Mr. President, I send to the desk, for appropriate reference, legislation to establish the Commonwealth of Guam. This measure is identical to H.R. 100 which was introduced by Congressman UNDERWOOD. I am introducing this measure at the request of Congressman UNDERWOOD and Governor Gutierrez of Guam.

The quest for self-government and recognition of the authority to determine the laws and programs that facilitate or impede our social, political, and economic growth are an integral part of the territorial history of this Nation. Even before the Constitution had been ratified, the Northwest Ordinance set the pattern for the territory subject to the new Federal Government. The ordinance set a policy that the territory would be settled as soon as possible and admitted into the Union with the other States. That policy, of full self-government and limited governance from the Federal Establishment, marked territorial policy until the beginning of this century.

While this century has seen the admission of States such as Arizona and New Mexico, as well as the more recent

admission of Alaska and Hawaii, the progress of full self-government has been slower for most of the areas acquired as a result of the Spanish-American War or since that time. In 1898, a century ago, the United States acquired the Philippines, Guam, and Puerto Rico. In 1900 and 1904 treaties of cession confirmed the extension of sovereignty over American Samoa. In 1916 we acquired the Virgin Islands. In 1976 the covenant that provided the basis for the acquisition of the Northern Mariana Islands was enacted following a plebiscite in the islands.

These areas, with the exception of the Philippines, have not followed the path taken by the other territories of the United States. The Philippines achieved commonwealth and independence, although World War II delayed full implementation. Shortly after World War II, Puerto Rico was permitted to replace the local government provisions of federal organic legislation with a locally drafted Constitution and to elect its Governor. Not until the 1970's were Guam, the Virgin Islands, and American Samoa afforded the opportunity to popularly elect their own Governor. Also, during that period, Guam and the Virgin Islands were provided the opportunity to develop a constitution to govern local matters.

The Commonwealth of the Northern Mariana Islands and American Samoa are in a slightly different situation. American Samoa has a locally developed constitution promulgated by secretarial order and the Northern Marianas operate under the local constitution authorized under the covenant.

The process of local self-government and improvements in Federal-territorial relations has not stopped for any of these areas. This Congress has already seen as much attention as has occurred over the past decade. The Senate has passed legislation that provides the Virgin Islands with the same flexibility to issue short-and long-term bonds as the States enjoy. The Senate has also passed legislation that would reform the way surplus Federal lands are disposed of in Guam, providing the Government of Guam with an effective voice in decisions with respect to future land use management. We have also considered modifications requested by the executives in Guam and the Virgin Islands to the powers of the Governor and Lieutenant Governor. Both the Senate and the House have pending legislation to provide a referendum in Puerto Rico on future political status. In that context we are considering status in the larger constitutional context of statehood or independence as well as possible refinements to the present relationship. We also have pending in the Senate legislation forwarded by the administration that would revise Federal-territorial relations with the Northern Marianas in the areas of minimum wage, immigration, and trade.

The legislation that I am introducing today is a very broad approach to Federal relations with Guam. The provisions address several different issues ranging from problems over resource allocation and use to operations of government to social and cultural issues. In the past decade since the voters in Guam approved the present draft, some of the provisions, such as judicial reform or disposal of excess Federal lands, have been addressed individually. Others may no longer be relevant due to other changes. The central issue, however, is as current and relevant as it was in 1982 when the voters in Guam decided to seek commonwealth as a means to obtain greater self-government.

The central issue is the proper role and authority of Federal versus local government. Where should decisions be made, be they right or wrong, and who should bear the burden of providing for the future? Should the Federal or local government have the authority to safeguard and manage local resources and provide for the health, safety, education, and welfare of the local residents? Should noncontiguous areas bear the burden of regulations crafted to meet the needs of the contiguous United States and for the administrative convenience of bureaucrats in Washington? I use the word noncontiguous because the concerns that led Guam to seek the provisions of this legislation are equally applicable to areas in Alaska or Hawaii. Status, in the constitutional sense, is not the problem or the answer, but rather the allocation of power and authority under the Constitution between Federal and local government.

An example of this would be the application of provisions of the Clean Air Act to Guam. Notwithstanding the fact that Guam is a relatively small island located in the western Pacific in the middle of the trade winds, it had to comply with the same emission requirements as did places like Los Angeles or Washington. My colleagues should remember that what made Guam so valuable to the Spanish was that the galleons leaving Acapulco were blown by the trade winds to Guam, where they reprovisioned prior to heading to Manila. The powerplants in Guam were required to install expensive scrubbers even though the nearest point of land was the Philippines. Eventually we managed to obtain a waiver for Guam, but it was only after years of effort by our committee, with the help I would note of my colleagues on the Environment and Public Works Committee, to convince EPA that granting a waiver for Guam was not a precedent for exempting the State of Nebraska. Alaska and Hawaii have not been as successful, I would note. Another example is the visa waiver that we finally managed to obtain for Guam for tourists.

These are not unique problems. Administrative convenience seems to always outweigh the realities of life in the noncontiguous areas, nor are our provisions uniform. In some instances, the difference in treatment aggravates the local unhappiness with Washington. Guam is the southernmost of the Mariana Islands. The Northern Mariana Islands, which can be seen from Guam, are not subject to the Jones Act, but Guam is. The Virgin Islands has an exception, but Guam does not. While I would never argue for uniformity as an inflexible principle, I do think that Washington can be considerably more creative than it has been, and certainly can be more understanding of the uniqueness of the noncontiguous areas.

Insensitivity is also a reason underlying some of the provisions of the legislation. The most recent example is the actions of the Fish and Wildlife Service in carrying out its land grab in Guam. Rather than devoting resources to the eradication of the brown tree snake, the Fish and Wildlife Service rushed to use the depredation caused by the snake as a reason for creating a refuge and overlay covering almost one-third of Guam. Well known habitat such as runways were covered. The reason for the rush to create the refuge is understandable since several of the native species are already extinct and the rest are scurrying for what little remains of their existence from the snake. If the Fish and Wildlife Service had not moved quickly, they would have had to defend creating the only refuge for non-existent species. I suppose they could have used it as a precedent for creating a refuge for dinosaurs in Utah and locking up whatever lands the President and Secretary Babbitt missed last year. In that context, I would suggest that at the next meeting of the Western Governors, the Governors of Guam and Utah swap stories of Federal land grabs.

I am in full sympathy with the objectives of this legislation. The Governor of Guam may feel that he is alone, but we in Alaska know full well what dealing with Washington entails. We also must deal with insensitive bureaucrats, acquisitive Secretaries, irrelevant stateside standards, and a wealth of officious and fussy Federal agencies who seem to have as their sole mission making life as difficult, expensive, and complex as possible. Guam at least has a central road system and the possibility of developing the southern end of the island—an option that Federal managers are committed to denying Alaska. I fully understand the frustrations that led the U.S. citizens in Guam to develop this legislation. Unfortunately, I must say that the problem is not the plenary authority of Congress under the Territorial Clause.

As I stated, this legislation is a companion measure to one introduced by Congressman UNDERWOOD and I am introducing it at his request and at the request of the Governor of Guam. I ask unanimous consent that a copy of the letter be included in the RECORD.

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

(See exhibit 1.)

Mr. MURKOWSKI. Mr. President, I do not necessarily support every provision in this legislation as drafted, but I do support the underlying objective of redressing the balance of power and authority between Washington and Agana. As a result of my trip to Guam last year, I introduced legislation to deal with the disposal of surplus Federal property and prevent any future land grabs such as the one engaged in by the Fish and Wildlife Service. That legislation was not everything that either the Governor or I would have preferred, but I think that the end result of the Senate action, if finally enacted, will be a significant improvement in Federal-territorial relations. I intend to take the same constructive approach to the provisions of this legislation.

I appreciate that questions have been raised over some of the provisions from constitutional as well as policy grounds, but that should not be an excuse to avoid addressing the underlying concerns that led to the drafting and approval of those provisions by the voters in Guam. As I said before, we have a lot of experience with foolish and petty restrictions from Federal agencies. As a percentage, far more of Alaska is subject to Federal land domination and our communities suffer the consequences of an inability to obtain transportation and utility corridors across the Federal lands. I have sympathy and sensitivity to local cultural concerns as well because we also see Federal agencies trying to frustrate the benefits and protections afforded our Native Alaskans. Guam is concerned over the loss of the economic potential of its marine resources and Alaska holds the single most promising petroleum area on the continent.

I hope to meet shortly with the Governor and with members of the Guam Legislature to discuss the provisions of this legislation. I fully expect that the next few years will be particularly active for our Committee as we consider not only how to improve and strengthen local self-government in and revise Federal relations with Guam, but also deal with concerns that have arisen with some of the expectations and implementation of provisions of the Northern Marianas Covenant, political status in Puerto Rico, and renegotiation and extension of certain provisions of the Compacts of Free Association with the Republic of the Marshall Islands and the Federated States of Micronesia. Much has happened in the north Pacific since World War II and it is our responsibility to be as sensitive and responsible as possible to the needs and aspirations of the local governments who are either within or in free association with the United States. I encourage my colleagues to take the time to become more familiar with these areas and to take their particular needs and problems into consideration when crafting legislation. It is far easier to address the situation of the noncontiguous areas at the outset of legislative efforts, than it is to come in later when we have entrenched bureaucrats who see their power threatened if we act responsibly.

EXHIBIT 1

CARL T.C. GUTIERREZ,
GOVERNOR OF GUAM.

ROBERT A. UNDERWOOD,
MEMBER OF CONGRESS,
October 29, 1997.

Senator FRANK MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, Washington, DC.

DEAR CHAIRMAN MURKOWSKI: Today we had our first hearing on H.R. 100, the Guam Commonwealth Act, before the House Committee on Resources. As we work with the Members of the House Committee to perfect their version, we believe it is time to move forward and proceed to the next step in the process.

Therefore, we respectfully request your support for the introduction of companion legislation to this bill in the Senate and consideration of a hearing at the earliest possible convenience of the committee.

We pledge to work closely with you and your staff and assist you in any way we can.

Sincerely,

CARL T.C. GUTIERREZ,
Governor of Guam.
ROBERT A. UNDERWOOD,
Member of Congress.

By Mr. McCAIN:

S. 1374. A bill to clarify that unmarried adult children of Vietnamese reeducation camp internees are eligible for refugee status under the Orderly Departure Program; to the Committee on Foreign Relations.

THE ORDERLY DEPARTURE PROGRAM CLARIFICATION ACT OF 1997

Mr. McCAIN. Mr. President, I rise to introduce legislation that is basically a technical correction to language that I had included in the fiscal year 1997 Omnibus Consolidated Appropriations Act. That language, and the legislation I offer today, are designed to make humanitarian exceptions for the unmarried adult children of former reeducation camp detainees seeking to emigrate to the United States under the Orderly Departure Program [ODP]. Despite what I considered to have been pretty unambiguous legislation in both word and intent, the Immigration and Naturalization Service and Department of State interpreted my amendment to the 1997 bill so as to exclude the very people to whom the provision was targeted.

An amendment identical to the bill I am introducing today was included, without objection, to the State Department authorization bill for fiscal year 1998. Because that bill is hung-up over an unrelated issue, and because the State Department ceased accepting new applications for the ODP at the end of September, it was imperative that another avenue be sought for attaining passage of this important legislation. I wish to reiterate that this is an uncontroversial bill, supported earlier this year by the Senate, and which enjoys the backing of the Department of State.

Prior to April 1995, the adult unmarried children of former Vietnamese reeducation camp prisoners were granted derivative refugee status and were permitted to accompany their parents to the United States under a subprogram of the Orderly Departure Program.

This policy changed in April 1995. My amendment to fiscal year 1997 foreign operations appropriations bill, which comprises part of the Omnibus Appropriations Act, was intended to restore the status quo ante regarding the adult unmarried children of former prisoners. My comments in the CONGRESSIONAL RECORD from July 25, 1996, clearly spelled this out.

Unfortunately, certain categories of children who, prior to April 1995, had received derivative refugee status and whom Congress intended to be covered by last year's amendment, are now considered ineligible to benefit from that legislation.

First, prior to April 1995 the widows of prisoners who died in re-education camps were permitted to be resettled in the United States under this subprogram of the ODP, and their unmarried adult children were allowed to accompany them. These children are now considered ineligible to benefit from last year's legislation.

To ask these widows to come to the United States without their children is equal to denying them entry under the program. Many of these women are elderly and in poor health, and the presence of their children is essential to providing the semblance of a family unit with the care that includes.

The second problem stemming from INS and the State Department's interpretation of the 1997 language involves the roughly 20 percent of former Vietnamese re-education camp prisoners resettled in the United States who were processed as immigrants, at the convenience of the United States Government.

Their unmarried adult children, prior to April 1995, were still given derivative refugee status; however, the position of INS and State is that these children are now ineligible because the language in the fiscal year 1997 bill included the phrase "processed as refugees for resettlement in the United States."

That phrase was intended to identify the children of former prisoners being

brought to the United States under the subprogram of the ODP and eligible to be processed as a refugee—which all clearly were—as distinct from the children of former prisoners who were not being processed for resettlement in the United States.

The fact that a former prisoner, eligible to be processed as a refugee under the ODP subprogram, was processed as an immigrant had no effect prior to April 1995, and their children were granted refugee status. The intention of last year's legislation was to restore the status quo ante, including for the unmarried adult children of former prisoners eligible for and included in this subprogram but resettled as migrants.

Mr. President, I urge support for this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1374

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELIGIBILITY FOR REFUGEE STATUS.

Section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (Public Law 104-208; 110 Stat. 3009-171) is amended—

(1) in subsection (a)—

(A) by striking "For purposes" and inserting "Notwithstanding any other provision of law, for purposes"; and

(B) by striking "fiscal year 1997" and inserting "fiscal years 1997 and 1998"; and

(2) by amending subsection (b) to read as follows:

"(b) ALIENS COVERED.—

"(1) IN GENERAL.—An alien described in this subsection is an alien who—

"(A) is the son or daughter of a qualified national;

"(B) is 21 years of age or older; and

"(C) was unmarried as of the date of acceptance of the alien's parent for resettlement under the Orderly Departure Program.

"(2) QUALIFIED NATIONAL.—For purposes of paragraph (1), the term 'qualified national' means a national of Vietnam who—

"(A)(i) was formerly interned in a reeducational camp in Vietnam by the Government of the Socialist Republic of Vietnam; or

"(ii) is the widow or widower of an individual described in clause (i); and

"(B)(i) qualified for refugee processing under the reeducation camp internees subprogram of the Orderly Departure Program; and

"(ii) on or after April 1, 1995, is accepted—

"(I) for resettlement as a refugee; or

"(II) for admission as an immigrant under the Orderly Departure Program.".

By Mr. KOHL (for himself, Mr. FEINGOLD, Mr. BUMPERS, Mr. JOHNSON, Mr. BINGAMAN, and Mr. JEFFORDS):

S. 1375. A bill to promote energy conservation investments in Federal facilities, and for other purposes; to the Committee on Energy and Natural Resources.

THE FEDERAL ENERGY BANK ACT OF 1997

Mr. KOHL.

Mr. President, I rise today to introduce legislation entitled "the Federal Energy Bank Act." The purpose of this legislation is to provide a stable long-term source of funding for energy efficiency projects throughout the Federal Government. If we are to start the Nation on the road toward increased energy conservation we must begin with the Federal Government. This bill will help provide the necessary investments to make this first step toward long-term energy conservation possible.

I have long believed that our Nation must implement a sensible national energy policy which emphasizes greater energy conservation and efficiency, as well as the development of renewable resources. This bill is just one step of many that need to be taken to reduce our energy consumption problems. The events in the Middle East, coupled with the environmental problems associated with the use of fossil fuels, have only increased the need for improved energy conservation. Simply put, we cannot continue to rely on imported oil to meet such a large part of our Nation's energy needs. This dependence places our economic security at great risk. At present, petroleum imports account for fully one-half of our trade deficit. In addition, the use of oil and other fossil fuels contributes to global climate change, air pollution, and acid rain.

Mr. President our attempts to remedy this situation are nothing new. In fact, the laws requiring significant energy use reductions are already in place. The Energy Policy Act of 1992 mandated that Federal agencies use cost-effective measures, with less than a 10-year payback, to reduce energy consumption in their facilities by 20 percent by the year 2000 compared to 1985 levels. President Clinton, with Executive Order 12902, extended the mandate by requiring Federal agencies to reduce energy consumption by 30 percent by the year 2005 compared to 1985 energy uses. If accomplished, this would save the American taxpayer millions in annual energy costs and in turn put us on the road to future energy savings. This would also improve our environment, our balance of trade, and our national security.

But the road toward energy efficiency or even self-sufficiency is not an easy one and requires capital investment. The administration and Congress must back their policies with real dollars for investment in energy efficiency projects. According to the recent Federal energy efficiency and water conservation study, drafted by the Department of Energy, an investment of $5.7 billion is required through 1996 to 2005 to meet National Energy Policy and Conservation Act and Executive Order goals. The best estimate of the total funding available has resulted in a shortfall of $2 billion. Without significant funding the goals as set forth by the President will not be met. Laws and mandates alone will not solve our energy problems. It requires long-term capital investment.

Mr. President, my business background has taught me that most large paybacks come from positive long-term investments. Unfortunately, the Federal Government does not traditionally take this approach. More often than not, it seeks short-term savings and cuts which do not address the problem of energy consumption or encourage future energy conservation.

Mr. President, my bill will help address this funding shortfall. The bill creates a bank to fund the purchase of energy efficiency projects by Federal agencies and in the long run will reduce the overall amount of money spent on energy consumption by the Federal Government. For each of the fiscal years 1999, 2000, 2001, each Federal agency will contribute an amount equal to 5 percent of its previous year's utility costs into a fund or bank managed by the Secretary of the Treasury.

The Secretary of Energy will authorize loans from the bank to any Federal agency for use toward investment in energy efficiency projects. The agency will then repay the loan, making the bank self-supporting after a few years. The Secretary of Energy will also establish selection criteria for each energy efficiency project, determining the project is cost-effective and produces a payback in 3 years or less. Agencies will be required to report the progress of each project with a cost of more than $1 million to the Secretary 1 year after installation. The Secretary will then report to Congress each year on all the operations of the bank.

Mr. President, this bill will provide the real dollars required to make the Executive Order goals a reality. The Congressional Budget Office has projected a 5-year savings for the bill at $3 million. Our energy savings will be even greater over the long term.

Mr. President, in closing I would like to thank Johnson Controls, the largest public company in Wisconsin, for their continued leadership and input on this bill. As a maker of energy conservation systems, Johnson has provided me with the real world insights that have helped me draft a bill that attempts to address our energy conservation needs.

Mr. President, I ask unanimous consent the full text of the bill be printed in full in the RECORD. I urge my colleagues to support this bill and will push for its early enactment.

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

S. 1375

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Energy Bank Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) energy conservation is a cornerstone of national energy security policy;

(2) the Federal Government is the largest consumer of energy in the economy of the United States;

(3) many opportunities exist for significant energy cost savings within the Federal Government; and

(4) to achieve the energy savings required by Executive Order, the Federal Government must make significant investments in energy savings systems and products, including energy management control systems.

(b) PURPOSE.—The purpose of this Act is to promote energy conservation investments in Federal facilities.

SEC. 3. DEFINITIONS.

In this Act:

(1) AGENCY.—The term "agency" means—

(A) an Executive agency (as defined in section 105 of title 5, United States Code, except that the term also includes the United States Postal Service);

(B) Congress and any other entity in the legislative branch; and

(C) a court and any other entity in the judicial branch.

(2) BANK.—The term "Bank" means the Federal Energy Bank established by section 4.

(3) ENERGY EFFICIENCY PROJECT.—The term "energy efficiency project" means a project that assists an agency in meeting or exceeding the energy efficiency goals stated in—

(A) part 3 of title V of the National Energy Conservation Policy Act (42 U.S.C. 8251 et seq.);

(B) subtitle F of title I of the Energy Policy Act of 1992; and

(C) applicable Executive orders, including Executive Order Nos. 12759 and 12902.

(4) SECRETARY.—The term "Secretary" means the Secretary of Energy.

(5) TOTAL UTILITY PAYMENTS.—The term "total utility payments" means payments made to supply electricity, natural gas, and any other form of energy to provide the heating, ventilation, and air conditioning, lighting, and other energy needs of an agency facility.

SEC. 4. ESTABLISHMENT OF BANK.

(a) IN GENERAL.—There is established in the Treasury of the United States a trust fund to be known as the "Federal Energy Bank", consisting of—

(1) such amounts as are appropriated to the Bank under section 8;

(2) such amounts as are transferred to the Bank under subsection (b);

(3) such amounts as are repaid to the Bank under section 5(b)(4); and

(4) any interest earned on investment of amounts in the Bank under subsection (c).

(b) TRANSFERS TO BANK.—

(1) IN GENERAL.—At the beginning of each of fiscal years 1999, 2000, and 2001, each agency shall transfer to the Secretary of the Treasury, for deposit in the Bank, an amount equal to 5 percent of the total utility payments paid by the agency in the preceding fiscal year.

(2) UTILITIES PAID FOR AS PART OF RENTAL PAYMENTS.—The Secretary shall by regulation establish a formula by which the appropriate portion of a rental payment that covers the cost of utilities shall be considered to be a utility payment for the purposes of paragraph (1).

(c) INVESTMENT OF FUNDS.—The Secretary of the Treasury shall invest such portion of funds in the Bank as is not, in the Secretary's judgment, required to meet current withdrawals. Investments may be made only in interest-bearing obligations of the United States.

SEC. 5. LOANS FROM THE BANK.

(a) IN GENERAL.—The Secretary of the Treasury shall transfer from the Bank to the Secretary such amounts as are appropriated to carry out the loan program under subsection (b).

(b) LOAN PROGRAM.—

(1) IN GENERAL.—In accordance with section 6, the Secretary shall establish a program to loan amounts from the Bank to any agency that submits an application satisfactory to the Secretary in order to finance an energy efficiency project.

(2) PERFORMANCE CONTRACTING FUNDING.—To the extent practicable, an agency shall not submit a project for which performance contracting funding is available.

(3) PURPOSES OF LOAN.—

(A) IN GENERAL.—A loan under this section may be made to pay the costs of—

(i) an energy efficiency project; or

(ii) development and administration of a performance contract.

(B) LIMITATION.—An agency may use not more than 15 percent of the amount of a loan under subparagraph (A)(i) to pay the costs of administration and proposal development (including data collection and energy surveys).

(4) REPAYMENTS.—

(A) IN GENERAL.—An agency shall repay to the Bank the principal amount of the energy efficiency project loan plus interest at a rate determined by the President, in consultation with the Secretary and the Secretary of the Treasury.

(B) WAIVER.—The Secretary may waive the requirement of subparagraph (A) if the Secretary determines that payment of interest by an agency is not required to sustain the needs of the Bank in making energy efficiency project loans.

(5) AGENCY ENERGY BUDGETS.—Until a loan is repaid, an agency budget submitted to Congress for a fiscal year shall not be reduced by the value of energy savings accrued as a result of the energy conservation measure implemented with funds from the Bank.

(6) AVAILABILITY OF FUNDS.—An agency shall not rescind or reprogram funds made available by this Act. Funds loaned to an agency shall be retained by the agency until expended, without regard to fiscal year limitation.

SEC. 6. SELECTION CRITERIA.

(a) IN GENERAL.—The Secretary shall establish criteria for the selection of energy efficiency projects to be awarded loans in accordance with subsection (b).

(b) SELECTION CRITERIA.—The Secretary may make loans only for energy efficiency projects that—

(1) are technically feasible;

(2) are determined to be cost-effective using life cycle cost methods established by the Secretary by regulation;

(3) include a measurement and management component to—

(A) commission energy savings for new Federal facilities; and

(B) monitor and improve energy efficiency management at existing Federal facilities; and

(4) have a project payback period of 3 years or less.

SEC. 7. REPORTS AND AUDITS.

(a) REPORTS TO THE SECRETARY.—Not later than 1 year after the installation of an energy efficiency project that has a total cost of more than $1,000,000, and each year thereafter, an agency shall submit to the Secretary a report that—

(1) states whether the project meets or fails to meet the energy savings projections for the project; and

(2) for each project that fails to meet the savings projections, states the reasons for the failure and describes proposed remedies.

(b) AUDITS.—The Secretary may audit any energy efficiency project financed with funding from the Bank to assess the project's performance.

(c) REPORTS TO CONGRESS.—At the end of each fiscal year, the Secretary shall submit to Congress a report on the operations of the Bank, including a statement of the total receipts into the Bank, and the total expenditures from the Bank to each agency.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

Mr. FEINGOLD. Mr. President, I am delighted to join with my colleague, the senior Senator from Wisconsin [Mr. KOHL] as an original co-sponsor of the Federal Energy Bank Act.

The idea of the Federal Government leading by example in the area of energy efficiency has made sense to me for a long time, so much so, in fact, that in campaigning for the Senate in 1992, I included energy efficiency in my campaign platform. I proposed an 82-point plan to reduce the deficit, a series of specific spending reductions and revenue changes which, if enacted in sum total, would have eliminated the deficit.

Among those items, as I was a candidate for office after the passage of the 1992 Energy Policy Act and after the United States' signing of the Framework Convention on Climate Change in Rio de Janeiro, Brazil, was one to encourage the Federal Government to implement a comprehensive energy savings program for the Federal Government through energy efficiency investments.

After all, I believe that if Wisconsin consumers and business have been converted to the wisdom of compact fluorescent light bulbs, efficient heating and cooling systems, weatherization, and energy saving computers, among the wide range of potential efficiency improvements, that the Federal Government promoting those actions should also make the same investments to the taxpayers' benefit.

Section 152 of the Energy Policy Act mandated that Federal agencies use all cost-effective measures that could be implemented with less than a 10-year payback to reduce energy consumption in their facilities by 20 percent by the year 2000 compared to 1985 consumption levels.

On March 8, 1994, President Clinton signed Executive Order 12902. This order was an even more aggressive mandate to improve energy efficiency in Federal buildings nationwide by requiring agencies to use cost-effective measures to reduce energy use by fiscal year 2005 by 30 percent compared with the agency's 1985 energy use.

After taking office, I have learned that among the most significant constraints to implementing more energy efficient practices in the Federal Government is the lack of sufficient funds to invest in energy efficient equipment.

Section 162 of the Energy Policy Act of 1992 directed the Secretary of Energy to conduct a detailed study of options for financing energy and water conservation measures in Federal facilities as required under the act and by subsequent Executive orders. On June 3, 1997, the Secretary of Energy, Mr. Peñã released that study. It documents a need for a $5.7 billion financial investment between 1996 and 2005 to meet the Energy Policy Act and Executive order goals, a value which could vary from a low of $4.4 billion to a high of $7.1 billion given variability in both energy and water investment requirements.

The best estimate, according to the same study of the total Federal funding available to spend on energy and water efficiency improvements from various sources, including direct agency appropriations, energy savings performance contracts, and utility demand-side management programs, and appropriations to the Federal energy efficiency fund, to the Federal Government to meet those needs over the same time period is $3.7 billion. Thus, under DOE's best estimate, at the Federal level we face a potential shortfall of funds necessary to achieve our Federal energy and water conservation objectives of $2 billion.

In order to address this shortfall, I am pleased joining as a cosponsor of this legislation to create a Federal energy revolving fund or "energy bank."

Some in this body may be concerned that the existence of the current Federal energy efficiency fund alleviates the need for additional Federal conservation investment. The problem with the current fund, which operates as a grant program for agencies to make efficiency improvements, is that it does not contribute to the replenishment of capital resources because it does not have to be paid back and is therefore dependent upon appropriations.

Under the legislation, I join in cosponsoring with my colleague from Wisconsin today, Federal agencies will be required, in fiscal years 1998–2000, to deposit an amount equal to 5 percent of their total utility payments in the proceeding fiscal year to capitalize the fund. After 2000, the Secretary of Energy will determine an amount necessary to ensure that the fund meets its obligations.

Agencies will then be able to get a loan from the fund to finance efficiency projects, which they will be responsible for repaying with interest. The projects must use off-the-shelf technologies and must be cost effective.

The best part of this approach is that the technologies are required to have a 3-year pay back period, and, therefore, this legislation achieves some modest savings for the taxpayer. CBO scores this measure as saving $3 million over 5 years.

In addition to savings for the taxpayer, I am also pleased to assist the Federal Government in advancing what I believe to be an important part of our overall strategy to combat greenhouse gas emissions. As many in the body are aware, President Clinton announced his plan for meeting the challenge of global climate change on October 22, 1997, in preparation for negotiating meetings in Bonn, Germany on a new protocol to the Climate Convention. Among the items the President cited was the need to do more in the area of federal energy management. Aggressive energy management can reduce carbon emissions from the activities of the Federal Government, which, the President indicated, has the Nation's largest energy bill at almost $8 billion per year. The President specifically stated that there is a need to improve federal procurement of energy efficient technologies, and this measure is a positive, proactive measure to ensure that federal agencies specifically set aside funds to achieve this goal. The senior Senator from Wisconsin [Mr. KOHL] and I look forward to working with the administration to advance this legislation as a piece of the country's overall greenhouse gas reductions strategy.

In conclusion, I look forward to working with my senior Senator on this issue. I believe that this is a unique opportunity for Senate colleagues to support legislation that is both fiscally responsible and environmentally sound.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 1376. A bill to increase the Federal medical assistance percentage for Hawaii to 59.8 percent; to the Committee on Finance.

THE HAWAII FEDERAL MEDICAL ASSISTANCE PERCENTAGE ADJUSTMENT ACT OF 1997

Mr. AKAKA. Mr. President, I rise today to introduce legislation to adjust the Federal medical assistance percentage [FMAP] rate for Hawaii to reflect more fairly the State's ability to bear its share of Medicaid payments. I am pleased that my colleague, the senior Senator from Hawaii, Senator INOUYE, has joined me as a sponsor of this measure.

The Federal share of Medicaid payments varies depending on each State's ability to pay—wealthier States bear a larger share of the cost of the program, and thus have lower FMAP rates. Per capita income is used as the measure of State wealth. Because per capita income in Hawaii is quite high, the State's FMAP rate is at the lowest level—50 percent. Hawaii is one of only a dozen States whose FMAP rate is at the 50 percent level. My bill would increase Hawaii's FMAP rate from 50 percent to 59.8 percent.

Because of our geographic location and other factors, the cost of living in Hawaii greatly exceeds the cost of living in the mainland States. Per capita income is a poor measure of a State's relative ability to bear the cost of Medicaid services. An excellent analysis of this issue is included in the 21st edition of "The Federal Budget and the States", a joint study conducted by the Taubman Center for State and local Government at Harvard University's John F. Kennedy School of Government and the office of U.S. Senator DANIEL PATRICK MOYNIHAN. According to the study, if per capita income is measured in real terms, Hawaii ranks 47th at $19,755 compared to the national average of $24,231. This sheds a totally different light on the State's financial status.

The cost of living in Honolulu is 83 percent higher than the average of the metropolitan areas tracked by the U.S. Census Bureau, based on 1995 data. Recent studies have shown that for the State as a whole, the cost of living is more than one-third higher than the rest of the U.S. In fact, Hawaii's Cost of Living Index ranks it as the highest in the country. Some government programs take the high cost of living in Hawaii into account and funding is adjusted accordingly. These include Medicare prospective payment rates, food stamp allocations, school lunch programs, housing insurance limits, and military living expenses.

These examples reflect the recognition that the higher cost of living in noncontiguous States should be taken into account in fashioning government program policies. It is time for similar recognition of this factor in gauging Hawaii's ability to support its health care programs. During consideration of the Balanced Budget Act this past summer, the Senate included a provision increasing Alaska's FMAP rate to 59.8 percent for the next 3 years. Setting a higher match rate as was done for Alaska would still leave Hawaii with a lower FMAP rate than a majority of the States, but would better recognize Hawaii's ability to pay its fair share of the costs of the Medicaid program.

Despite the high cost of living, the Harvard-Moynihan study finds that Hawaii also has one of the highest poverty rates in the Nation. The State's 16.9 percent poverty rate is ranked eighth in the country, compared to the national average of 14.7 percent. These higher cost levels are reflected in State government expenditures and State taxation. Thus, on a per capita basis State revenue and expenditures are far higher in Hawaii, as well as Alaska, than in the 48 mainland States. The

higher expenditure levels are necessary to assure an adequate level of public services which are more costly to provide in these States.

Of the top 10 States with the highest poverty rates in the country, the Harvard-Moynihan study finds that only 3 others have an FMAP rate between 50–60 percent. The other six States have FMAP rates of 65 percent and higher. Even more astonishing is that of the top 10 States with the lowest real per capita income, only Hawaii has a 50-percent FMAP rate.

To bring equity to this situation, Hawaii has sought an increase in its FMAP rate over the past several years. Just as we did for Alaska this past summer, Hawaii should be included in this long-warranted change, as the same factors justifying an increase for Alaska apply to Hawaii. Recognition of this point was made by House and Senate conferees to the Balanced Budget Act. The conferees, on page 879 of the conference report, note that poverty guidelines for Alaska and Hawaii are different than those for the rest of the Nation, yet there is no variation from the national calculation in the FMAP. The conferees correctly noted that comparable adjustments are generally made for Alaska and Hawaii.

The case for an FMAP increase is especially compelling in Hawaii, which has a proud history of providing essential health services in an innovative and cost-effective manner. That commitment is not easy to fulfill. Unlike most States, for example, Hawaii's Aid to Families with Dependent Children/Temporary Assistance for Needy Families [AFDC/TANF] caseloads have been increasing dramatically. In Hawaii, our caseload has risen by 21 percent since 1994 compared to a national decline of 23 percent during this same period. Since TANF block grants are based on historical spending levels, the increased demand has placed extreme pressure on State resources.

Hawaii has sought to maintain a social safety net while striving for more efficient delivery of government services. The most striking example is the QUEST Medical Assistance Program, which operates under a Federal waiver. QUEST has brought managed care and broader coverage to the State's otherwise uninsured populations. At the same time, Hawaii is the only State whose employers guarantee health care coverage to every full-time employee, a further example of Hawaii's commitment to a strong social support system.

There is a particularly strong need for a more suitable FMAP rate for Hawaii now. The State has not participated in the economic growth that has benefitted most of the rest of the Nation. Hawaii's unemployment rate is above the national average and State tax revenues have fallen short of projected estimates. The need to fund 50 percent of the cost of the Medicaid program puts an increasing strain on the State's resources.

For all of these reasons, the FMAP rates for Hawaii should be adjusted to reflect more equitably the State's ability to support the Medicaid program. This will assure that the special problem of the noncontiguous States is dealt with in a principled manner. I believe it is also important to point out that based on Hawaii's current Medicaid spending level of approximately $700 million, each percentage point increase in our FMAP rate would provide approximately $7 million annually in additional Federal funds. Thus, the cost of enhancing the State's FMAP rate would be relatively modest.

I urge my colleagues in the Senate to support an upward adjustment in Hawaii's Federal medical assistance percentage.

Mr. President, in closing, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1376

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASED FMAP FOR HAWAII.

(a) INCREASED FMAP.—The first sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)), as amended by section 4725 of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 418), is amended—

(1) by striking "and (3)" and inserting ", (3)"; and

(2) by inserting before the period at the end the following: ", and (4) for purposes of this title and title XXI, the Federal medical assistance percentage for Hawaii shall be 59.8 percent".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to—

(1) items and services furnished on or after October 1, 1997, under—

(A) a State plan or under a waiver of such plan under title XIX; and

(B) a State child health plan under title XXI of such Act;

(2) payments made on a capitation or other risk-basis for coverage occurring under plans under such titles on or after such date; and

(3) payments attributable to DSH allotments for Hawaii determined under section 1923(f) of such Act (42 U.S.C. 1396r–4(f)) for fiscal years beginning with fiscal year 1998.

By Mr. DEWINE (for himself, Mr. MOYNIHAN, Mr. HATCH, Mr. D'AMATO, Mr. DODD, Mr. KOHL, Mr. COVERDELL, Mr. KENNEDY, Mr. INOUYE, Mr. LIEBERMAN, Ms. SNOWE, Mr. HUTCHINSON, Mr. THURMOND, Mr. MCCAIN, Mr. SHELBY, Mr. CAMPBELL, and Mr. WYDEN):

S. 1379. A bill to amend section 552 of title 5, United States Code, and the National Security Act of 1947 to require disclosure under the Freedom of Information Act regarding certain persons, disclose Nazi war criminal records without impairing any investigation or prosecution conducted by the Department of Justice or certain intelligence matters, and for other purposes; to the Committee on the Judiciary.

THE NAZI WAR CRIMES DISCLOSURE ACT

Mr. DEWINE. Mr. President, I am pleased to be part of a bipartisan group of Senators, led by my friend from New York, Senator MOYNIHAN, to introduce the Nazi War Crimes Disclosure Act. Passage of this legislation will lift the last remaining veils of secrecy on one of the darkest periods in human history.

The Nazi War Crimes Disclosure Act represents what I hope will be the culmination of work begun in the last Congress to release U.S. Government-held records of Nazi war criminals, the Nazi Holocaust, and the trafficking of Nazi-held assets.

Just 2 years ago, we celebrated the 50th anniversary of the end of the Second World War, and with it, the Nazis' death grip on an entire continent. Since that time, searingly detailed accounts of the Nazi Holocaust have come to our attention.

We have learned so much. Yet, if the last few years are any indication, we still have so much more to learn.

After the fall of Communist rule, Russia and several former Soviet-bloc nations opened volumes of secret files on Nazi war crimes. Argentina has cooperated in the public release of its files. British Government records are being declassified and made available for public scrutiny. And over the past year, Swiss banks and the Swiss Government have been under intense international pressure to make a full accounting of unclaimed funds belonging to Holocaust victims, as well as Nazi assets that may have once belonged to Holocaust victims.

Mr. President, here at home, our own Government has been gradually making records available about what it knew of Nazi-related activities and atrocities. Earlier this year, a Government-conducted study revealed new information about what the U.S. Government knew regarding the transfer and flow of funds held by Nazi officials. This report found that the U.S. Government was aware that the Nazi mint took gold stolen from European central banks and melted it together with gold obtained in horrible fashion—from tooth-fillings, wedding bands and other items seized from death camp victims. Last Sunday's New York Times detailed newly released Government documents that described how the Federal Reserve Bank of New York had melted down and recast hundreds of Nazi-held gold bars. According to the released records, the U.S. Government knew that a good portion of this gold had been looted from the Netherlands and Belgium. It is not known if any of these bars contained gold from Holocaust victims, or to what extent the U.S. Government knew it.

Mr. President, earlier today, at a press conference to announce the introduction of this legislation, I had on display several aerial U.S. intelligence photographs taken in 1944. The pictures were of Auschwitz, with prisoners being led to the gas chambers. These pictures were discovered by photo analysts from the Central Intelligence Agency in 1978. They confirm what we had heard from the Polish underground that a death camp did in fact exist at Auschwitz. They also demonstrated that our Government had photographs of these camps as these atrocities were occurring.

These pictures tell a grisly story. How many more exist? With our legislation, we intend to answer that question.

So, the fact is, the dark tragedy of the Nazi Holocaust, which ended more than 60 years ago, has been unfolding long after these tragic events occurred and is still unfolding with each new release of information.

Both Congress and the President have taken action to promote the release of Government-held records during this tragic era. On April 17, 1995, the President issued an Executive order calling for the release of national security data and information older than 25 years. Last year, thanks to the tireless efforts of my friend from New York, Senator MOYNIHAN and Representative CAROLYN MALONEY and several others, Congress passed a sense-of-the-Congress resolution, which stated that any U.S. Government agencies should make public any records in its possession about individuals who are alleged to have committed Nazi war crimes. The President agreed, noting that learning the remaining secrets about the Holocaust are in the clear public interest.

The Nazi War Crimes Disclosure Act is designed to put the concerns expressed by the last Congress into strong action. What our bill would do is amend the Freedom of Information Act to establish a presumption that Nazi war criminal records are to be made available to the public. This means that all materials would be required to be released in their entirety unless a Federal agency head concludes that the release of all or part of these records would compromise privacy or national security interests. The agency head must notify Congress of any determination to not release records.

To facilitate this process, the bill would establish the Nazi War Criminal Records Interagency Working Group. This working group would to the greatest extent possible locate, identify, inventory, declassify, and make available for the public all Nazi war records held by the United States.

This pro-active search is necessary because a full Government search and inventory has never been completed. For example, some documents that surfaced this spring were found in holdings related to Southeast Asia.

Our bill would be targeted toward two classes of Nazi-related materials: First, war crimes information regarding Nazi persecutions; and second, any information related to transactions involving assets of Holocaust and other Nazi victims.

In summary, what we are trying to do with this bill is strike a clear balance between our Government's legitimate privacy and national security interests and the people's desire to know the truth about Nazi atrocities. These records, once released, will be held in a repository at the National Archives.

This bill is a bipartisan effort to ensure the Federal Government has done all it can to ensure Holocaust victims and their families can obtain the answers they need.

Again, this bill is the culmination of years of tireless work by a number of leaders. First, I want to pay special tribute to the Senators from New York—both have worked tirelessly on Holocaust related legislation for years. Senator MOYNIHAN has been a leader in the drive to declassify U.S. Government records and a well-respected historian. He championed the release of the so-called VENONA cables that confirmed that the Soviet Union had an active spy network that had penetrated our Government. I am pleased to be working with Senator MOYNIHAN on a similar endeavor—the cataloging and declassification of as many World War II documents on the Holocaust as possible.

Senator D'AMATO has worked to make public scores of Swiss bank records and lost accounts of Holocaust victims. His efforts inspired us to redraft our legislation to ensure the Federal Government releases records related to the trafficking of Nazi-held assets.

This bill has the support of the chairmen of the Judiciary and Intelligence Committees—respectively, my friend from Utah, Senator HATCH, and my friend from Alabama, Senator SHELBY.

Mr. President, I also would be remiss if I did not mention my friend from Wisconsin, Senator KOHL, who serves with me on the Antitrust Subcommittee on the Judiciary Committee. He has brought insight on this issue that none of us has.

Together, with this kind of bipartisan support, I am hopeful we can move this legislation quickly through Congress and to the President early next year. As a member of the Intelligence Committee, I intend to make this a priority issue—so that people from my State and across our Nation can have access to the most complete inventory of U.S. Government records on the Holocaust. The clock is running, and time is running out for so many victims of the Holocaust. They, and history itself, deserve to know as much as possible about this tragic chapter in the story of humanity.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1379

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nazi War Crimes Disclosure Act".

SEC. 2. REQUIREMENT OF DISCLOSURE UNDER FREEDOM OF INFORMATION REGARDING PERSONS WHO COMMITTED NAZI WAR CRIMES.

(a) IN GENERAL.—Section 552 of title 5, United States Code, is amended—

(1) in subsection (a)(4)(B) in the second sentence, by inserting "or subsection (h)" after "subsection (b)"; and

(2) by inserting after subsection (g) the following:

"(h)(1) For the purposes of this subsection, the term 'Nazi war criminal records' means records or portions of records that—

"(A) pertain to any person as to whom the United States Government, in its sole discretion, has determined there exists reasonable grounds to believe that such person, during the period beginning on March 23, 1933, and ending on May 8, 1945, under the direction of, or in association with—

"(i) the Nazi government of Germany;

"(ii) any government in any area occupied by the military forces of the Nazi government of Germany;

"(iii) any government established with the assistance or cooperation of the Nazi government of Germany; or

"(iv) any government which was an ally of the Nazi government of Germany,

ordered, incited, assisted, or otherwise participated in the persecution of any person because of race, religion, national origin, or political opinion; or

"(B) pertain to any transaction as to which the United States Government, in its sole discretion, has determined there exists reasonable grounds to believe—

"(i) involved assets taken from persecuted persons during the period beginning on March 23, 1933, and ending on May 8, 1945, by, under the direction of, on behalf of, or under authority granted by the Nazi government of Germany or any nation then allied with that government; and

"(ii) such transaction was completed without the assent of the owners of those assets or their heirs or assigns or other legitimate representatives.

"(2)(A) Notwithstanding subsection (b), this subsection shall apply to Nazi war criminal records.

"(B) Subject to subparagraphs (C), (D), and (E), Nazi war criminal records that are responsive to a request for records made in accordance with subsection (a) shall be released in their entirety.

"(C) An agency head may exempt from release under subparagraph (B) specific information, the release of which should be expected to—

"(i) constitute a clearly unwarranted invasion of personal privacy;

"(ii) reveal the identity of a confidential human source, or reveal information about the application of an intelligence source or method, or reveal the identity of a human intelligence source when the unauthorized

disclosure of that source would clearly and demonstrably damage the national security interests of the United States;

"(iii) reveal information that would assist in the development or use of weapons of mass destruction;

"(iv) reveal information that would impair United States cryptologic systems or activities;

"(v) reveal information that would impair the application of state-of-the-art technology within a United States weapon system;

"(vi) reveal actual United States military war plans that remain in effect;

"(vii) reveal information that would seriously and demonstrably impair relations between the United States and a foreign government, or seriously and demonstrably undermine ongoing diplomatic activities of the United States;

"(viii) reveal information that would clearly and demonstrably impair the current ability of United States Government officials to protect the President, Vice President, and other officials for whom protection services, in the interest of national security, are authorized;

"(ix) reveal information that would seriously and demonstrably impair current national security emergency preparedness plans; or

"(x) violate a statute, treaty, or international agreement.

"(D) In applying exemptions (ii) through (x) of subparagraph (C), there shall be a presumption that the public interest in the release of Nazi war criminal records outweighs the damage to national security that might reasonably be expected to result from disclosure. The agency head, as an exercise of discretion, may rebut this presumption with respect to a Nazi war criminal record, or portion thereof, based on an exemption listed in subparagraph (C). The exercise of this discretion shall be promptly reported to the committees of Congress with appropriate jurisdiction.

"(E) This subsection shall not apply to records—

"(i) related to or supporting any active or inactive investigation, inquiry, or prosecution by the Office of Special Investigations of the Department of Justice; or

"(ii) in the possession, custody or control of that office.".

(b) INAPPLICABILITY OF NATIONAL SECURITY ACT OF 1947 EXEMPTION.—Section 701 of the National Security Act of 1947 (50 U.S.C. 431) is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d) the following:

"(e) Subsection (a) shall not apply to any operational file, or any portion of any operational file, that constitutes a Nazi war criminal record under section 552(h) of title 5, United States Code.".

SEC. 3. INTERAGENCY INVENTORY OF NAZI WAR CRIMINAL RECORDS.

(a) DEFINITIONS.—In this section the term—

(1) "agency" has the meaning given such term under section 551 of title 5, United States Code;

(2) "Interagency Group" means the Nazi War Criminal Records Interagency Working Group established under subsection (b);

(3) "Nazi war criminal records" has the meaning given such term under section 552(h)(1) of title 5, United States Code (as added by section 2(a)(2) of this Act); and

(4) "record" means a Nazi war criminal record.

(b) ESTABLISHMENT OF INTERAGENCY GROUP.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the President shall establish the Nazi War Criminal Records Interagency Working Group.

(2) MEMBERSHIP.—The President shall appoint to the Interagency Group the heads of agencies who the President determines will most completely and effectively carry out the functions of the Interagency Group within the time limitations provided in this section. The head of an agency appointed by the President may designate an appropriate officer to serve on the Interagency Group in lieu of the head of such agency.

(3) INITIAL MEETING.—Not later than 90 days after the date of enactment of this Act, the Interagency Group shall hold an initial meeting and begin the functions required under this section.

(c) FUNCTIONS.—Not later than 1 year after the date of enactment of this Act, the Interagency Group shall, to the greatest extent possible consistent with section 552(h)(2) of title 5, United States Code (as added by section 2(a)(2) of this Act)—

(1) locate, identify, inventory, recommend for declassification, and make available to the public at the National Archives and Records Administration, all Nazi war criminal records of the United States;

(2) coordinate with agencies and take such actions as necessary to expedite the release of such records to the public; and

(3) submit a report to Congress describing all such records, the disposition of such records, and the activities of the Interagency Group and agencies under this section.

SEC. 4. EXPEDITED PROCESSING OF REQUESTS FOR NAZI WAR CRIMINAL RECORDS.

(a) DEFINITIONS.—In this section, the term—

(1) "Nazi war criminal record" has the meaning given the term under section 552(h)(1) of title 5, United States Code (as added by section 2(a)(2) of this Act); and

(2) "requester" means any person who was persecuted in the manner described under section 552(h)(1)(A) of title 5, United States Code (as added by section 2(a)(2) of this Act), who requests a Nazi war criminal record.

(b) EXPEDITED PROCESSING.—For purposes of expedited processing under section 552(a)(6)(E) of title 5, United States Code, any requester of a Nazi war criminal record shall be deemed to have a compelling need for such record.

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall apply to requests under section 552 of title 5, United States Code (known as Freedom of Information Act requests) received by an agency after the expiration of the 90-day period beginning on the date of enactment of this Act.

Mr. MOYNIHAN. Mr. President, today we introduce a revised War Crimes Disclosure Act which Senators D'AMATO, DODD and I originally sponsored in the 104th Congress as a companion to a measure introduced by Representative MALONEY.

The measure is a simple one. It requires the disclosure of information under the Freedom of Information Act regarding individuals who participated in Nazi war crimes. This bill, which Senator DEWINE has carefully crafted, builds on our original measure by expanding its scope to include information regarding stolen assets of the victims of Nazi war crimes, and by requiring a Governmentwide search of records to ensure the release of as many relevant documents as possible. A similar search for information regarding Nazi assets was recently conducted under the direction of Stuart Eizenstat, with significant results.

Ideally, documents regarding Nazi war crimes would be made available to the public without further legislation and without having to go through the slow process involved in getting information through the Freedom of Information Act [FOIA]. Unfortunately, this is not the case. Researchers seeking information on Nazi war criminals are denied access to relevant materials in the possession of the United States Government, even when the disclosure of these documents no longer poses a threat to national security—if indeed such disclosure ever did.

Perhaps the most important provision contained in the legislation is the balancing test. This requires that "there shall be a presumption that the public interest in the release of Nazi war criminal records outweighs the damage to national security that might reasonably be expected to result from disclosure." The provision is in keeping with the report of the Commission on Protecting and Reducing Government Secrecy which recommended that such a balancing test be applied in all classification decisions.

The Commission on Protecting and Reducing Government Secrecy was the second statutory examination of Government secrecy. I was honored to Chair the Commission; Representative COMBEST served as vice-chairman. Also serving on the Commission were John Deutch, Martin Faga, John Podesta, and Samuel Huntington. We presented our report to the President in March, and the congressional members of the Commission introduced legislation to implement the recommendations of the Commission in May.

We have welcomed the many editorials and feature articles supporting our efforts as, in the words of the Sacramento Bee, a "sensible, much-needed proposal for reforming runaway classification of secrets by the federal government." And Albany's Times Union assessment that our bill represents a "bipartisan effort * * * to make more government documents accessible to the public and, in the process, make government more accountable."

Our's is a report that, I believe, sets out a new framework for how to think about Government secrecy. Beginning with the concept that secrecy should be understood as a form of Government regulation. In the words of the German sociologist Max Weber, writing some eight decades ago:

Every bureaucracy seeks to increase the superiority of the professionally informed by keeping their knowledge and intentions secret. Bureaucratic administration always

tends to be an administration of "secret sessions"; in so far as it can, it hides its knowledge and action from criticism.

The pure interest of the bureaucracy in power, however, is efficacious far beyond those areas where purely functional interests make for secrecy. The concept of the "official secret" is the specific invention of bureaucracy, and nothing is so fanatically defended by the bureaucracy as this attitude, which cannot be substantially defended beyond these specifically qualified areas.

What we traditionally think of in this country as regulation concerns how citizens are to behave. Whereas public regulation involves what the citizen may do, secrecy concerns what that citizen may know. And the citizen does not know what may not be known. As our Commission stated: "Americans are familiar with the tendency to overregulate in other areas. What is different with secrecy is that the public cannot know the extent or the content of the regulation."

Thus, secrecy in the ultimate mode of regulation; the citizen does not even know that he or she is being regulated. It is a parallel regulatory regime with a far greater potential for damage if it malfunctions. In our democracy, where the free exchange of ideas is so essential, it can be suffocating.

We must develop what might be termed a competing "culture of openness" fully consistent with our interests in protecting national security, but in which power and authority are no longer derived primarily from one's ability to withhold information from others in Government and the public at large.

The Nazi War Crimes Disclosure Act is in keeping with the work of the Commission on Protecting and Reducing Government Secrecy. With the passing of time it becomes ever more important to document Nazi war crimes, lest the enormity of those crimes be lost to history. The greater access which this legislation provides will add clarity to this important effort. I applaud those researchers who continue to pursue this important work.

I would like to thank Representative MALONEY for her original work on this subject in the House of Representatives and I would also thank Senator DEWINE for joining me in this effort here in the Senate.

Mr. KOHL. Mr. President, I am pleased to be an original cosponsor of the Nazi War Crimes Disclosure Act. I want to thank Senator DEWINE and commend him for taking the lead on this important issue.

This bill demonstrates America's commitment to the same historical honesty that we are demanding of Switzerland and other countries only now facing their role in the atrocities of World War II. It is not enough for us to talk about disclosure by others. We need to practice it too. If there are secrets relating to the presence of Nazi war criminals in the United States, or if there is information that will be helpful in identifying assets of Holocaust victims, or even evidence of other governments collaborating with the Nazis, let's open these files and reveal these secrets before an entire generation of survivors is gone.

This bill creates a presumption in favor of the public interest in learning all there is to learn about Nazi war crimes and requires a proactive searching of Government files for relevant documents. We have an obligation to find this information and to disseminate it. Although the Holocaust happened more than 50 years ago, we are now seeing countries and individuals caught up in the maelstrom of World War II grappling with this difficult past. Much of the debate on these issues has been triggered by recently released information from Government and other archives.

For survivors, there is no legislation that can erase the suffering they endured at the hands of the Nazis. As we go about our day-to-day business, it is easy to forget the horrific details of what happened in Europe: the gruesome torture and deaths, the systematic extermination of people. However, for those of us who were directly touched by the Holocaust, history is very real. I grew up in the shadow of this tragedy. When I was a child, my family worried daily about family members left behind in Europe during the war. We constantly discussed what was or wasn't happening, and when the truth finally emerged, and all Americans realized the extent of the tragedy, it touched us even more.

It is only natural for American survivors and their families to expect the American Government to be as forthcoming as possible. Although many survivors have gone on to live productive lives here in the United States, and around the world, they can never forget. Nor should we.

Many emerging democracies are now facing their pasts—through truth commissions and the like. It is tempting to want to look forward and to forget events of long ago. But for these fragile democracies, reckoning with the past is the key to ensuring a secure future. We too must recognize that the openness prescribed by this legislation only makes our democracy stronger.

This legislation maintains protections for individuals from the unwarranted invasion of their personal privacy, and it continues to provide exceptions for the most urgent national security and foreign policy interests. The difference between this bill and existing FOIA protections is that this bill firmly sets into law the public's right to know about Nazi war crimes and the disposition of Nazi assets, and if there is information that agencies insist on keeping secret, the relevant congressional committees must be informed. This will give us the opportunity to determine whether information dating so far back should remain classified. Finally, the bill provides that if an agency head exercises his or her authority to block the release of information, the decision is subject to judicial review.

It is difficult to imagine what knowledge would be subject to these protections so many years after the fact. Yes, there may be information which makes us feel uncomfortable. There is already information about the extent to which the U.S. Government knew about what was going on during the war in the Nazi death camps. We must not be afraid of what we may learn. The only ones who need fear are the perpetrators of these vicious acts who have escaped scrutiny until now, for there are still Nazi war criminals at large in this country and abroad. Armed with new information, much like the information which may be available in our own files, courts around the world are compelling them to answer for their despicable acts.

This legislation is targeted to information solely related to Nazi war crimes and to transactions involving Nazi victims, yet it sets an important precedent in codifying a more narrow set of privacy and national security exceptions for the release of Government information through the Freedom of Information Act. These exceptions are based on Executive Order 12958 which set the criteria for the release of information more than 25 years old. Unfortunately, we still have a long way to go in ensuring that this more open standard is uniformly applied to the release of Government information.

I am pleased that Senator MOYNIHAN is one of the lead sponsors of this bill because he has been such an eloquent spokesman against excessive secrecy. His work with the Commission on Protecting and Reducing Government Secrecy is truly commendable and I am pleased that this legislation is consistent with the findings of the Commission. Beyond shedding light on a difficult chapter in the history of humanity, this legislation can help foster a greater openness in the handling of Government information.

If we succeed, we will have left a legacy of which we can all be proud.

By Mr. COATS (for himself, Mr. LIEBERMAN, Mr. D'AMATO, and Mr. KERREY):

S. 1380. A bill to amend the Elementary and Secondary Education Act of 1965 regarding charter schools; to the Committee on Labor and Human Resources.

THE CHARTER SCHOOL EXPANSION ACT OF 1997

Mr. COATS. Mr. President, I am so pleased to join my good friend, Senator LIEBERMAN, in introducing another bill which has as its primary aim the expansion of educational opportunities for children. Senator LIEBERMAN has

been a leader in promoting educational alternatives, and his efforts in the charter school movement have contributed to the tremendous growth in the number of charter schools since 1994. I commend him for his work in this area and am honored to join him in introducing the Charter School Expansion Act of 1997.

This bill builds on the great success of the original charter school legislation which Senator LIEBERMAN introduced in 1994. The Federal Charter School Grant Program provided seed money to charter school operators to help them cover the startup costs of beginning a charter school. In the last 3 years, the number of charter schools in operation around the country has tripled, with more than 700 charter schools now in 23 States.

The purpose of this bill is to further encourage the growth of high-quality charter schools around the country.

This bill provides incentives to encourage States to increase the number of charter schools in their State. The bill also tightens the eligibility definitions to better direct funds to those States who are committed to developing strong charter schools.

To ensure that charter schools have enough funding to continue once their doors are opened, this bill provides that charter schools get their fair share of Federal programs for which they are eligible, such as title 1 and IDEA.

This bill also increases the financing options available to charter schools and allows them to utilize funds from the title VI block grant program for startup costs.

And finally, the Secretary of Education and each State education agency is directed to inform every school district about the charter school option so that this educational alternative will be an option for any parent who is interested.

WHAT ARE CHARTER SCHOOLS?

Charter schools are independent public schools that have been freed from onerous bureaucratic and regulatory burdens and able to design and deliver educational programs tailored to meet the needs of their students and their communities.

The individualized education available to students through charter schools makes this a very desirable educational alternative. Charter schools give families an opportunity to choose the educational settings that best meet their child's needs. For many low-income families in particular, charter schools provide their first opportunity to select the educational setting which is best for their child.

These innovative charter schools are having tremendous academic success serving the same population of students who are struggling in more traditional public school settings. Several recent studies have highlighted the success of charter schools around the country in serving at-risk students. A study conducted by the Hudson Institute found dramatic improvement for minority and low income students who had been failing in their previous school. These students are flourishing in the smaller, challenging environments found in charter schools.

With results like these, it is no wonder that some of the strongest support for charter legislation comes from low-income families. Low-income families not only have real educational choices, but are actually needed in the charter school environment for everything from volunteering, to coaching, for fundraising, and even teaching. This direct involvement of families is helping to build small communities centered around the school.

Charter schools can be started by anyone interested in providing a quality education: Parents, teachers, school administrators, community groups, businesses, and colleges can all apply for a charter. And, importantly, if these schools fail to deliver a high-quality education, they will be closed—either through a district or State's accountability measures or due to lack of customers. Accountability is literally built in to the charter school process—a school's charter must be complied with and unhappy parents and students can leave if they are not satisfied.

In addition to the positive impact on the charter's students and their families, the overall charter movement is serving as a catalyst for change in the public schools. A foundational principle of the charter concept is that fair competition can stimulate improvement. And improvement in public schools has been spurred around the country due to the rapid growth of charter schools.

Recently, several studies have been released highlighting some of the success of charter schools around the country. In May, the Department of Education released its first formal report on its study of charter schools. Key first-year findings include:

The two most common reasons for starting public charter schools are flexibility from bureaucratic laws and regulations and the chance to realize an educational vision.

In most States, charter schools have a racial composition similar to statewide averages or have a higher proportion of minority students.

Charter schools enroll roughly the same proportion of low income students, on average, as other public schools.

Over the last 2 years, the Hudson Institute has undertaken its own study of charter schools, entitled "Charter Schools in Action." Their research team traveled to 14 States, visited 60 schools, and surveyed thousands of parents, teachers, and students.

Some of this study's key findings include:

Three-fifths of charter school students report that their charter school teachers are better than their previous school's teacher.

Over two-thirds of parents say their charter school is better than their child's previous schools with respect to class size, school size, and individual attention.

Over 90 percent of teachers are satisfied with their charter school's educational philosophy, size, fellow teachers, and students.

Among students who said they were failing at their previous school, more than half are now doing excellent or good work. These gains were dramatic for minority and low-income youngsters, and were confirmed by their parents.

The example of these schools point to important ways to improve and reinvent public education as a whole. The implications from the success of charter schools indicate that successful public schools should be consumer-oriented, diverse, results-oriented, and professional places that also function as mediating institutions in their communities.

The tremendous success of charter schools in the last 6 years gives me great hope for the success of overall education reform. The more than 700 charter schools in this country that have sprung up in such a short period of time provide solid evidence that parents are interested in improving their children's educational opportunities and they will do whatever it takes.

With the introduction of this bill, the Charter School Expansion Act, Senator LIEBERMAN and I hope to send a signal to parents all across this country that they are not alone in their struggle to improve education for their children. We hope to ease their struggle by enabling new charter schools to be developed. More charter schools will result in greater accountability, broader flexibility for classroom innovation, and ultimately more choice in public education. I urge my colleagues to support this bill and to increase educational opportunities for all children.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1380

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Charter School Expansion Act of 1997".

SEC 2. INNOVATIVE CHARTER SCHOOLS.

Title VI of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7301 et seq.) is amended—

(1) in section 6201(a) (20 U.S.C. 7331(a))—

(A) in paragraph (1)(C), by striking "and" after the semicolon;

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

"(2) support for planning, designing, and initial implementation of charter schools as described in part C of title X; and"; and

(2) in section 6301(b) (20 U.S.C. 7351(b))—

(A) in paragraph (7), by striking "and" after the semicolon;

(B) by redesignating paragraph (8) as paragraph (9); and

(C) by inserting after paragraph (7) the following:

"(8) planning, designing, and initial implementation of charter schools as described in part C of title X; and".

SEC. 3. CHARTER SCHOOLS.

(a) PURPOSE.—Section 10301(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8061(b)) is amended—

(1) in paragraph (1), by striking "and" after the semicolon;

(2) in paragraph (2), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(3) expanding the number of high-quality charter schools available to students across the Nation.".

(b) CRITERIA FOR PRIORITY TREATMENT.—Section 10302 of such Act of 1965 (20 U.S.C. 8062) is amended by adding at the end the following:

"(e) PRIORITY TREATMENT.—

"(1) IN GENERAL.—

"(A) FISCAL YEARS 1998, 1999, AND 2000.—In awarding grants under this part for any of the fiscal years 1998, 1999, and 2000 from funds appropriated under section 10311 that are in excess of $51,000,000 for the fiscal year, the Secretary shall give priority to States to the extent that the States meet 1 or more of the criteria described in paragraph (2).

"(B) SUCCEEDING FISCAL YEARS.—In awarding grants under this part for fiscal year 2001 or any succeeding fiscal year from any funds appropriated under section 10311, the Secretary shall give priority to States to the extent that the States meet 1 or more of the criteria described in paragraph (2).

"(2) PRIORITY CRITERIA.—The criteria referred to in paragraph (1) are as follows:

"(A) The State has demonstrated significant progress in increasing the number of charter schools in the period prior to the period for which a State educational agency or eligible applicant applies for a grant under this part.

"(B) The State law regarding charter schools—

"(i) provides for at least 1 authorized public chartering agency that is not a local educational agency for each individual or entity seeking to operate a charter school pursuant to such State law; or

"(ii) in the case of a State in which local educational agencies are the only authorized public chartering agencies, allows for an appeals process for the denial of an application for a charter school.

"(C) The State law regarding charter schools provides for the automatic waiver of most State and local education laws and regulations, except those laws and regulations related to health, safety, and civil rights.

"(D) The State law regarding charter schools provides for periodic review and evaluation by the authorized public chartering agency of each charter school to determine whether the charter school is meeting or exceeding the academic performance requirements and goals for charter schools as set forth under State law or the school's charter.

"(f) AMOUNT CRITERIA.—In determining the amount of a grant to be awarded under this part to a State educational agency, the Secretary shall take into consideration the number of charter schools that will be created under this part in the State.".

(c) APPLICATIONS.—Section 10303(b) of such Act (20 U.S.C. 8063(b)) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following:

"(2) describe how the State educational agency—

"(A) will inform each charter school in the State regarding—

"(i) Federal funds that the charter school is eligible to receive; and

"(ii) Federal programs in which the charter school may participate;

"(B) will ensure that each charter school in the State receives the charter school's commensurate share of Federal education funds that are allocated by formula; and

"(C) will disseminate best or promising practices of charter schools to each local educational agency in the State; and".

(d) NATIONAL ACTIVITIES.—Section 10305 of such Act (20 U.S.C. 8065) is amended to read as follows:

"SEC. 10305. NATIONAL ACTIVITIES.

"The Secretary shall reserve for each fiscal year the lesser of 5 percent of the amount appropriated to carry out this part for the fiscal year or $5,000,000, to carry out the following activities:

"(1) To provide charter schools, either directly or through State educational agencies, with—

"(A) information regarding—

"(i) Federal funds that charter schools are eligible to receive; and

"(ii) other Federal programs in which charter schools may participate; and

"(B) assistance in applying for Federal education funds that are allocated by formula, including assistance with filing deadlines and submission of applications.

"(2) To provide for the completion of the 4-year national study (which began in 1995) of charter schools.

"(3) To provide—

"(A) information to applicants for assistance under this part;

"(B) assistance to applicants for assistance under this part with the preparation of applications under section 10303;

"(C) assistance in the planning and startup of charter schools;

"(D) training and technical assistance to existing charter schools;

"(E) information to applicants and charter schools regarding gaining access to private capital to support charter schools; and

"(F) for the dissemination of best or promising practices in charter schools to other public schools.".

(e) COMMENSURATE TREATMENT; RECORDS TRANSFER; PAPERWORK REDUCTION.—Part C of title X of such Act (20 U.S.C. 8061 et seq.) is amended—

(1) by redesignating sections 10306 and 10307 as sections 10310 and 10311, respectively; and

(2) by inserting after section 10305 the following:

"SEC. 10306. FEDERAL FORMULA ALLOCATION DURING FIRST YEAR AND FOR SUCCESSIVE ENROLLMENT EXPANSIONS.

"For purposes of the allocation to schools by the States or their agencies of funds under part A of title I, and any other Federal funds which the Secretary allocates to States on a formula basis, the Secretary and each State educational agency shall take such measures not later than 6 months after the date of enactment of the Charter School Expansion Act of 1997 as are necessary to ensure that every charter school receives the Federal funding for which the charter school is eligible not later than 5 months after the charter school first opens, notwithstanding the fact that the identity and characteristics of the students enrolling in that charter school are not fully and completely determined until that charter school actually opens. The measures similarly shall ensure that every charter school expanding its enrollment in any subsequent year of operation receives the Federal funding for which the charter school is eligible not later than 5 months after such expansion.

"SEC. 10307. SOLICITATION OF INPUT FROM CHARTER SCHOOL OPERATORS.

"To the extent practicable, the Secretary shall ensure that administrators, teachers, and other individuals directly involved in the operation of charter schools are consulted in the development of any rules or regulations required to implement this part, as well as in the development of any rules or regulations relevant to charter schools that are required to implement part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), or any other program administered by the Secretary that provides education funds to charter schools or regulates the activities of charter schools.

"SEC. 10308. RECORDS TRANSFER.

"State educational agencies and local educational agencies, to the extent practicable, shall ensure that a student's records and, if applicable, a student's individualized education program as defined in section 602(11) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(11)), are transferred to a charter school upon the transfer of the student to the charter school, in accordance with applicable State law.

"SEC. 10309. PAPERWORK REDUCTION.

"To the extent practicable, the Secretary and each authorized public chartering agency shall ensure that implementation of this part results in a minimum of paperwork for any eligible applicant or charter school.".

(f) PART C DEFINITIONS.—Section 10310(1) of such Act (as redesignated by subsection (e)(1)) (20 U.S.C. 8066(1)) is amended—

(1) in subparagraph (A), by striking "an enabling statute" and inserting "a specific State statute authorizing the granting of charters to schools";

(2) in subparagraph (H), by inserting "is a school to which parents choose to send their children, and that" before "admits";

(3) in subparagraph (J), by striking "and" after the semicolon;

(4) in subparagraph (K), by striking the period and inserting "; and"; and

(5) by adding at the end the following:

"(L) has a written performance contract with the authorized public chartering agency in the State.".

(g) AUTHORIZATION OF APPROPRIATIONS.—Section 10311 of such Act (as redesignated by subsection (e)(1)) (20 U.S.C. 8067) is amended by striking "$15,000,000 for fiscal year 1995" and inserting "$100,000,000 for fiscal year 1998".

(h) TITLE XIV DEFINITIONS.—Section 14101 of such Act (20 U.S.C. 8801) is amended—

(1) in paragraph (14), by inserting ", including a public elementary charter school," after "residential school"; and

(2) in paragraph (25), by inserting ", including a public secondary charter school," after "residential school".

(i) CONFORMING AMENDMENT.—The matter preceding paragraph (1) of section 10304(e) of

such Act (20 U.S.C. 8064(e)) is amended by striking "10306(1)" and inserting "10310(1)".

Mr. LIEBERMAN. Mr. President, I rise today to join my good friend and partner Senator COATS in introducing legislation that would speed the progress of what is arguably the most promising engine of education reform in America today, the charter school movement.

Before discussing the legislation itself, I think it's important to talk first about the context in which it is being introduced and the ongoing debates here in Congress over how best to improve our public schools and expand educational opportunities for all students. In listening to much of the back and forth recently, particularly about efforts to promote a limited school choice program, it seems that too often these battles are being waged, in the words of the great John Gardner, between uncritical lovers and unloving critics, those who would defend the status quo in public education at all costs and those who would attack it at the drop of a hat, with neither side doing much listening.

Making matters worse, the uncritical lovers have helped reduce this challenging, vitally important discussion to a simplistic either-or equation. Either you are for public education, which means you subscribe to a certain orthodoxy and dare not depart from it, or you are against it. Either you subscribe to a small set of educationally correct methods of reform or you are subverting public education as we know it.

In my view, this shortsightedness is shortchanging our children. Given how many students are being served poorly by the status quo, particularly those living in urban areas who are trapped in deadening and in some cases deadly public schools, and given the crucial role that education will play in determining whether the American dream can be made real for those kids in the information age, we have an obligation to leave no policy stone unturned or untested and judge ideas by the simple, unalloyed standard of what works. We must be open to trying any plan or program that offers the hope of better education for our children.

That is why Senator COATS and I have been advocating for some time that we experiment with private school choice, sponsoring a series of bills to set up pilot programs in our cities to see if giving low-income students the chance to attend a private or faith-based school will enhance their learning and force those failing public schools to improve.

And that is why today we want to take this opportunity to express our support for the growing public charter school movement and to outline our plans to help make these innovative, independent programs the norm rather than a novelty in this country.

I have been a long-time advocate of the charter approach, which grants educators freedom from top-heavy bureaucracies and their redtape in exchange for a commitment to meet high academic standards. After visiting, this week, with a group of passionate charter school operators and teachers at a national conference here in town, I am all the more convinced that charter schools represent what may be the future of public education. These folks are driving a grassroots revolution that is seeking to reinvent the public school and take it back to the future, reconnecting public education to some of our oldest, most basic values—ingenuity, responsibility, accountability—and refocusing its mission on doing what's best for the child instead of what's best for the system.

The results speak for themselves. Over the past 3 years, the number of public charter schools have more than tripled, with more than 700 of them operating in 23 different States and the District of Columbia, and parents in turn have given these programs overwhelmingly high marks for their responsiveness to them as consumers. Broad-based studies done by the Hudson Institute and the Education Department show that charters are effectively serving diverse populations, particularly many of the disadvantaged and at-risk children that traditional public schools have struggled to educate. And while it's too soon to determine what impact charter schools are having on overall academic performance, the early returns in places like Massachusetts suggest that charters are succeeding where it matters most, in the classroom.

Perhaps most heartening of all, a recent survey done by the National School Board Association found that the charter movement is already having a ripple effect that is being felt in many local school districts. The NSBA report cites evidence that traditional schools are working harder to please local families so they won't abandon them to competing charter schools, and that central administrators often see charters as a powerful tool to develop new ideas and programs without fearing regulatory roadblocks.

The most remarkable aspect of this movement may be that it has managed to bring together educators, parents, community activists, business leaders, and politicians from across the political spectrum on common ground in support of a common goal to better educate our children through more choice, more flexibility, and more accountability in our public schools. In these grassroots may lie the roots of a consensus for renewing the promise of public education.

We want to build on this agreement and the successes of charter schools and do what we can at the Federal level to encourage the growth of this movement. So today we will be introducing bipartisan legislation that will strengthen the Federal investment in charter schools and help remove some of the hurdles preventing charters from flourishing in every State.

Our bill, the Charter School Expansion Act, would revamp the Federal Charter School Grant Program to make it more focused on helping States and local groups create new schools and meet the President's goal of creating 3,000 charters by the year 2000. We want to increase funding for grants to new schools, which help charter operators meet the high costs of starting a school from scratch, and better target that aid to the States that are serious about expanding their charter program. Our hope is that these changes will give States that have been slow to embrace the charter movement an incentive to get on board.

In the near term, we feel this bill can be a starting point for overcoming our partisan and ideological differences and reaching a consensus on how to improve our schools and safeguard the hopes of our children. This proposal has already generated bipartisan interest both here in the Senate and the House, the administration has expressed its support, and we are optimistic it will be passed next year overwhelmingly.

In closing, I would like to thank Senator KERRY and Senator D'AMATO for joining Senator COATS and myself as original cosponsors of this bill. I would urge the rest of our colleagues, if they have not yet already done so, to take a close look at some of the truly innovative charter school programs being run in your home States and around the country. And I would ask you to join us in supporting this legislation to build on all the great work that's being done at the State and local level and help us chart a new course in education reform in America.

By Mr. NICKLES:

S. 1381. A bill to direct the Secretary of the Army to convey lands acquired for the Candy Lake project, Osage County, OK; to the Committee on Environment and Public Works.

THE CANDY LAKE LAND CONVEYANCE ACT OF 1997

Mr. NICKLES. Mr. President, today, I am introducing the Candy Lake Land Conveyance Act of 1997. The purpose of this legislation is to direct the Secretary of the Army to convey lands acquired for the Candy Lake project in Osage County, OK, back to the original landowners.

Briefly, the U.S. Army Corps of Engineers acquired 3,657.45 acres of land in Osage County from 21 landowners for the purpose of constructing Candy Lake. The project was not constructed, and in December 1996, the Corps of Engineers declared the Candy Lake property excess to the needs of the Federal Government.

My legislation will give each of the 21 landowners the option to purchase their original property from the Federal Government at fair market value. If a landowner, or their descendant, opts not to purchase their former property, that land will be disposed of in accordance with the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1381

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. DEFINITIONS.

In this Act:

(1) FAIR MARKET VALUE.—The term "fair market value" means the amount for which a willing buyer would purchase and a willing seller would sell a parcel of land, as determined by a qualified, independent land appraiser.

(2) PREVIOUS OWNER OF LAND.—The term "previous owner of land" means a person (including a corporation) that conveyed, or a descendant of an individual who conveyed, land to the Army Corps of Engineers for use in the Candy Lake project in Osage County, Oklahoma.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Army.

SEC. 2. LAND CONVEYANCES.

(a) IN GENERAL.—The Secretary, acting through the Real Estate Division of the Tulsa District, Army Corps of Engineers, shall convey, in accordance with this section, all right, title, and interest of the United States in and to the land acquired by the United States for the Candy Lake project in Osage County, Oklahoma.

(b) PREVIOUS OWNERS OF LAND.—

(1) IN GENERAL.—The Secretary shall give a previous owner of land first option to purchase the land described in subsection (a) that was owned by the previous owner of land or by the individual from whom the previous owner of land is descended.

(2) APPLICATION.—

(A) IN GENERAL.—A previous owner of land that desires to purchase the land described in subsection (a) that was owned by the previous owner of land, or by the individual from whom the previous owner of land is descended, shall file an application to purchase the land with the Secretary not later than 180 days after the official date of notice to the previous owner of land under section 3.

(B) FIRST TO FILE HAS FIRST OPTION.—If more than 1 application is filed for a parcel of land described in subsection (a), first options to purchase the parcel of land shall be allotted in the order in which applications for the parcel of land were filed.

(3) IDENTIFICATION OF PREVIOUS OWNERS OF LAND.—As soon as practicable after the date of enactment of this Act, the Secretary shall, to the extent practicable, identify each previous owner of land.

(4) CONSIDERATION.—Consideration for land conveyed under this subsection shall be the fair market value of the land.

(c) DISPOSAL.—Any land described in subsection (a) for which an application has not been filed under subsection (b)(2) within the applicable time period shall be disposed of in accordance with the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

(d) EXTINGUISHMENT OF EASEMENTS.—All flowage easements acquired by the United States for use in the Candy Lake project in Osage County, Oklahoma, are extinguished.

SEC. 3. NOTICE.

(a) IN GENERAL.—The Secretary shall notify—

(1) each person identified as a previous owner of land under section 2(b)(3), not later than 30 days after identification, by United States mail; and

(2) the general public, not later than 30 days after the date of enactment of this Act, by publication in the Federal Register.

(b) CONTENTS OF NOTICE.—Notice under this section shall include—

(1) a copy of this Act;

(2) information sufficient to separately identify each parcel of land subject to this Act; and

(3) specification of the fair market value of each parcel of land subject to this Act.

(c) OFFICIAL DATE OF NOTICE.—The official date of notice under this section shall be the later of—

(1) the date on which actual notice is mailed; or

(2) the date of publication of the notice in the Federal Register.

ADDITIONAL COSPONSORS

S. 61

At the request of Mr. LOTT, the name of the Senator from Alaska [Mr. MURKOWSKI] 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. 191

At the request of Mr. HELMS, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 191, a bill to throttle criminal use of guns.

S. 791

At the request of Mr. DASCHLE, the names of the Senator from Montana [Mr. BAUCUS] and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 791, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain amounts received by a cooperative telephone company.

S. 887

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 887, a bill to establish in the National Service the National Underground Railroad Network to Freedom program, and for other purposes.

S. 1084

At the request of Mr. INHOFE, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 1084, a bill to establish a researh and monitoring program for the national ambient air quality standards for ozone and particulate matter and to reinstate the original standards under the Clean Air Act, and for other purposes.

S. 1124

At the request of Mr. KERRY, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 1124, a bill to amend title VII of the Civil Rights Act of 1964 to establish provisions with respect to religious accommodation in employment, and for other purposes.

S. 1153

At the request of Mr. BAUCUS, the name of the Senator from Alabama [Mr. SESSIONS] was added as a cosponsor of S. 1153, a bill to promote food safety through continuation of the Food Animal Residue Avoidance Database program operated by the Secretary of Agriculture.

S. 1297

At the request of Mr. COVERDELL, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 1297, a bill to redesignate Washington National Airport as "Ronald Reagan Washington National Airport".

S. 1311

At the request of Mr. LOTT, the names of the Senator from Nebraska [Mr. KERREY] and the Senator from Maine [Ms. SNOWE] were added as cosponsors 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.

S. 1334

At the request of Mr. BOND, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1334, a bill to amend title 10, United States Code, to establish a demonstration project to evaluate the feasibility of using the Federal Employees Health Benefits program to ensure the availablity of adequate health care for Medicare- eligible beneficiaries under the military health care system.

S. 1335

At the request of Ms. SNOWE, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 1335, a bill to amend title 5, United States Code, to ensure that coverage of bone mass measurements is provided under the health benefits program for Federal employees.

S. 1354

At the request of Mr. MCCAIN, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1354, a bill to amend the Communications Act of 1934 to provide for the designation of common carriers not subject to the jurisdiction of a State commission as eligible telecommunications carriers.

S. 1360

At the request of Mr. ABRAHAM, the name of the Senator from Washington

[Mr. GORTON] was added as a cosponsor of S. 1360, a bill to amend the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 to clarify and improve the requirements for the development of an automated entry-exit control system, to enhance land border control and enforcement, and for other purposes.

SENATE CONCURRENT RESOLUTION 30

At the request of Mr. HELMS, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of Senate Concurrent Resolution 30, a concurrent resolution expressing the sense of the Congress that the Republic of China should be admitted to multilateral economic institutions, including the International Monetary Fund and the International Bank for Reconstruction and Development.

SENATE RESOLUTION 96

At the request of Mr. CRAIG, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Resolution 96, a resolution proclaiming the week of March 15 through March 21, 1998, as "National Safe Place Week."

SENATE CONCURRENT RESOLUTION 61—AUTHORIZING A PRINTING

Mr. WARNER (for himself and Mr. FORD) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 61

Resolved by the Senate (the House of Representatives concurring), That (a) a revised edition of the publication entitled "Our Flag", revised under the direction of the Joint Committee on Printing, shall be reprinted as a Senate document.

(b) There shall be printed—

(1)(A) 250,000 copies of the publication for the use of the House of Representatives, distributed in equal numbers to each Member;

(B) 51,500 copies of the publication for the use of the Senate, distributed in equal numbers to each Member;

(C) 2,000 copies of the publication for the use of the Joint Committee on Printing; and

(D) 1,400 copies of the publication for distribution to the depository libraries; or

(2) if the total printing and production costs of copies in paragraph (1) exceed $150,000, such number of copies of the publication as does not exceed total printing and production costs of $150,000, with distribution to be allocated in the same proportion as in paragraph (1).

SENATE CONCURRENT RESOLUTION 62—AUTHORIZING A PRINTING

Mr. WARNER (for himself and Mr. FORD) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 62

Resolved by the Senate (the House of Representatives concurring), That (a) a revised edition of the brochure entitled "How Our Laws Are Made", under the direction of the Parliamentarian of the House of Representatives in consultation with the Parliamentarian of the Senate, shall be printed as a Senate document, with suitable paper cover in the style selected by the chairman of the Joint Committee on Printing.

(b) There shall be printed—

(1)(A) 250,000 copies of the brochure for the use of the House of Representatives, distributed in equal numbers to each Member;

(B) 100,000 copies of the brochure for the use of the Senate, distributed in equal numbers to each Member;

(C) 2,000 copies of the brochure for the use of the Joint Committee on Printing; and

(D) 1,400 copies of the brochure for distribution to the depository libraries; or

(2) if the total printing and production costs of copies in paragraph (1) exceed $180,000, such number of copies of the brochure as does not exceed total printing and production costs of $180,000, with distribution to be allocated in the same proportion as in paragraph (1).

SENATE CONCURRENT RESOLUTION 63—AUTHORIZING A PRINTING

Mr. WARNER (for himself and Mr. FORD) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 63

Resolved by the Senate (the House of Representatives concurring), That (a) a revised edition of the pamphlet entitled "The Constitution of the United States of America", prepared under the direction of the Joint Committee on Printing, shall be printed as a Senate document, with appropriate illustration.

(b) There shall be printed—

(1)(A) 440,000 copies of the pamphlet for the use of the House of Representatives, distributed in equal numbers to each Member;

(B) 100,000 copies of the pamphlet for the use of the Senate, distributed in equal numbers to each Member;

(C) 2,000 copies of the pamphlet for the use of the Joint Committee on Printing; and

(D) 1,400 copies of the pamphlet for distribution to the depository libraries; or

(2) if the total printing and production costs of copies in paragraph (1) exceed $120,000, such number of copies of the pamphlet as does not exceed total printing and production costs of $120,000, with distribution to be allocated in the same proportion as in paragraph (1).

SENATE RESOLUTION 143—TO AUTHORIZE A PRINTING

Mr. WARNER (for himself and Mr. FORD) submitted the following resolution; which was considered and agreed to:

S. RES. 143

Resolved, That the Committee on Rules and Administration is directed to prepare a revised edition of the Senate Election Law Guidebook, Senate Document 104–12, and that such document shall be printed as a Senate document.

SEC. 2. There shall be printed 600 additional copies of the document specified in section 1 of this resolution for the use of the Committee on Rules and Administration.

AMENDMENTS SUBMITTED

THE RECIPROCAL TRADE AGREEMENT ACT OF 1997

GRAHAM AMENDMENT NO. 1571

(Order to lie on table.)

Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill (S. 1269) to establish objectives for negotiating and procedures for implementing certain trade agreements; as follows:

On page 41, between lines 16 and 17, insert the following new section and redesignate the remaining sections and cross references thereto accordingly:

SEC. 6. ADDITIONAL IMPLEMENTATION AND ENFORCEMENT REQUIREMENTS.

At the time the President submits the final text of the agreement pursuant to section 5(a)(1)(C), the President shall also submit a plan for implementing and enforcing the agreement. The implementation and enforcement plan shall include the following:

(1) BORDER PERSONNEL REQUIREMENTS.—A description of additional personnel required at border entry points, including a list of additional customs and agricultural inspectors.

(2) AGENCY STAFFING REQUIREMENTS.—A description of additional personnel required by Federal agencies responsible for monitoring and implementing the trade agreement, including personnel required by the Office of the United States Trade Representative, the Department of Commerce, the Department of Agriculture, and the Department of the Treasury.

(3) CUSTOMS INFRASTRUCTURE REQUIREMENTS.—A description of the additional equipment and facilities needed by the United States Customs Service.

(4) IMPACT ON STATE AND LOCAL GOVERNMENTS.—A description of the impact the trade agreement will have on State and local governments as a result of increases in trade.

(5) COST ANALYSIS.—An analysis of the costs associated with each of the items listed in paragraphs (1) through (4).

BYRD AMENDMENTS NOS. 1572–1573

(Ordered to lie on the table.)

Mr. BYRD submitted two amendments intended to be proposed by him to the bill, S. 1269, supra; as follows:

AMENDMENT NO. 1572

Beginning on page 27, strike out line 1 and all that follows through page 31, line 3, and insert in lieu thereof the following:

(B) subsections (a) and (b) shall apply with respect to agreements entered into on or after October 1, 2001, and before October 1, 2005, if (and only if)—

(i) the President requests, under paragraph (2), an extension of the authority provided in such subsections; and

(ii) a law extending that authority is enacted before October 1, 2001.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the authority under subsections (a) and (b) should be extended, the President shall submit to Congress, not later than July 1, 2001, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsections

(a) and (b) and, where applicable, the anticipated schedule for submitting such agreements to Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, and objectives set out in section 2 (a) and (b) of this Act, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) REPORT TO CONGRESS BY THE ADVISORY COMMITTEE.—The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of the President's decision to submit a report to Congress under paragraph (2). The Advisory Committee shall submit to Congress as soon as practicable, but not later than August 1, 2001, a written report that contains—

(A) its views regarding the progress that has been made in negotiations to achieve the purposes, policies, and objectives of this Act; and

(B) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(4) REPORTS MAY BE CLASSIFIED.—The reports submitted to Congress under paragraphs (2) and (3), or any portion of the reports, may be classified to the extent the President determines appropriate.

AMENDMENT NO. 1573

At the end of the bill, add the following:

SEC. 11. ESTABLISHMENT OF ADVISORY COUNCIL.

(a) ESTABLISHMENT.—There is established a council to be known as the WTO Advisory Council (hereafter in this section referred to as the "Council").

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Council shall be composed of 10 members of whom—

(A) 1 shall be appointed by the Speaker of the House of Representatives,

(B) 1 each shall be appointed by the Majority and Minority leaders of the House of Representatives,

(C) 1 each shall be appointed by the Majority and Minority Leaders of the Senate, and

(D) 5 shall be appointed by the President of the United States from the membership of the President's Advisory Committee for Trade and Policy Negotiations.

Members appointed pursuant to the paragraph (1)(D) shall serve for the term specified in paragraph (3)(A) or until their membership on the President's Advisory Committee for Trade and Policy Negotiations expires, whichever occurs first.

(2) PERSONS FROM WHOM APPOINTMENTS MADE.—Appointments under paragraph (1) shall be made from the following categories:

(A) Attorneys in the practice of international law.

(B) Academic experts in the field of international trade and economy.

(C) Representatives of United States labor interests.

(D) Representatives of United States industrial interests.

At least one of the Presidential appointments under paragraph (1)(D) shall be a Representative of United States labor interests and at least one shall be a representative of United States industrial interests.

(3) TERMS.—

(A) IN GENERAL.—The members described in paragraph (1) shall each be appointed for a term of 2 years, and may be reappointed for any number of terms.

(B) INITIAL APPOINTMENTS.—The initial appointments of the members of the Council under paragraph (1) shall be made no later than 90 days after the date of the enactment of this Act.

(4) VACANCIES.—

(A) IN GENERAL.—Any vacancy on the Council shall not affect its powers, but shall be filled in the same manner as the original appointment and shall be subject to the same conditions as the original appointment.

(B) UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

(5) INITIAL MEETING.—No later than 30 days after the date on which all members described in paragraph (1) have been appointed, the Council shall hold its first meeting.

(6) MEETINGS.—The Council shall meet at the call of the Chairperson.

(7) QUORUM.—A majority of the members described in paragraph (1) shall constitute a quorum, but a lesser number of members may hold hearings.

(8) CHAIR AND VICE-CHAIR.—The Chairperson and Vice Chairperson shall be appointed by the members of the Council from among its members.

(c) DUTIES.—The Council shall review each report of WTO dispute settlement panels and Appellate Body, that is adopted by the Dispute Settlement Body and in which the United States is a party to the dispute, to determine the short term and long term effect of any actions that are taken in response to such reports, on the United States economy and on particular industries. Within 120 days after all actions have been taken by the parties, the Council shall provide an assessment of, and recommendations regarding, each report to the Speaker of the House of Representatives, the Majority and Minority Leaders of the Senate and the House of Representatives, the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the President. An assessment may contain minority views. The Council may, in making its assessment, take into account the history of previous, relevant reports of dispute settlement panels and the Appellate Body. In the event the case load of assessments strains the resources of the Council, priority shall be given to reports which are adverse to the United States.

(d) REVIEW BY ADVISORY COMMITTEES.—For each report that is reviewed, the Chairman of the Council shall ensure that the relevant industry sector advisory committees and industry policy advisory committees, established pursuant to section 135 of the Trade Act of 1974, provide their analysis and assessment in a manner timely for the assessment by the Council. Subsections (e), (f), and (g) of section 135 of the Trade Act of 1974 (19 U.S.C. 2155) shall apply to the operation of the advisory committees under this section.

(e) PERSONNEL MATTERS.—

(1) EXPENSE REIMBURSEMENT.—There are hereby authorized to be appropriated such sums as may be necessary to defray or reimburse any expenses incurred by the members of the Council in carrying out their official duties.

(2) MEETING ROOMS.—The Council may meet in Senate offices and meeting rooms.

HOLLINGS AMENDMENTS NOS. 1574–1587

(Ordered to lie on the table.)

Mr. HOLLINGS submitted 14 amendments intended to be proposed by him to the bill, S. 1269, supra; as follows:

AMENDMENT NO. 1574

On page 25, strike lines 17 through 25 and insert the following:

(3) FOREIGN TRADE AGREEMENT WITH CHILE.—The provisions of section 151 of the Trade Act of 1974 (in this Act referred to as "trade agreement approval procedures contained within this Act") apply only to an implementing bill submitted with respect to a trade agreement entered into with Chile, but do not apply to any portion of that agreement that affects the duty on imports of wine the product of Chile. For the purpose of applying section 151(b)(1) to that agreement, the implementing bill may contain only—

AMENDMENT NO. 1575

On page 42, between lines 14 and 15, insert the following:

(c) TRADE AGREEMENT APPROVAL PROCEDURES NOT TO APPLY.—The trade agreement approval procedures contained within this Act do not apply to any trade agreement that includes any change in the application of subtitle B of title VII of the Trade Act of 1930 (19 U.S.C. 1673 et seq.).

AMENDMENT NO. 1576

On page 42, between lines 14 and 15, insert the following:

(c) MULTILATERAL AGREEMENT ON FOREIGN INVESTMENT.—The trade agreement approval procedures do not apply to the international agreement commonly known as the Multilateral Agreement on Foreign Investment.

AMENDMENT NO. 1577

On page 42, between lines 14 and 15, insert the following:

(c) TRADE AGREEMENT APPROVAL PROCEDURES NOT TO APPLY.—The trade agreement approval procedures contained within this Act do not apply to any trade agreement that has any affect or impact on the safety of food sold for consumption in the United States.

AMENDMENT NO. 1578

On page 42, between lines 14 and 15, insert the following:

"SEC. 7. TARIFF SNAPBACK.

"Whenever the United States dollar value of the currency of a country the products of which may be imported into the United States at a reduced rate of duty under an agreement authorized by this Act between the United States and that country falls by 10 percent from the value of the currency on the date of the agreement (as reported by the Dow Jones Markets as of 4 p.m. in New York City), any duty imposed on imports of products of that country is increased to the level at which it was imposed before reduction under the agreement for products entered or".

AMENDMENT NO. 1579

On page 42, between lines 14 and 15, insert the following:

(c) TRADE AGREEMENT APPROVAL PROCEDURES NOT TO APPLY.—The trade agreement approval procedures do not apply to any trade agreement that includes any change in the application of subtitle A of title VII of the Trade Act of 1930 (19 U.S.C. 1671 et seq.).

AMENDMENT NO. 1580

On page 42, between lines 14 and 15, insert the following:

(c) TRADE AGREEMENT APPROVAL PROCEDURES NOT TO APPLY.—The trade agreement approval procedures contained within this

Act do not apply to any trade agreement covering a product which has an import penetration in the United States of more than 10 percent, as determined annually by the International Trade Commission in its most recent determination published before the submission of the trade agreement to the Congress.

AMENDMENT NO. 1581

On page 42, between lines 14 and 15, insert the following:

SEC. 7. DISPUTE RESOLUTION PROCEDURES MUST BE PUBLIC.

The trade agreement approval procedures contained within this Act do not apply to any trade agreement unless the dispute resolution procedures applicable to any dispute arising under the agreement are open to the public.

AMENDMENT NO. 1582

On page 32, beginning on line 10, strike through line 20 and insert the following:

(1) CONSULTATION.—Before entering into any trade agreement under section 3 (a) or (b), the President shall consult each committee of the House and the Senate, and each joint committee of the Congress, which has jurisdiction over legislation involving subject matters that would be affected by the trade agreement.

AMENDMENT NO. 1583

On page 37, line 16, beginning with "if" strike through line 16 on page 39 and insert the following: "unless the Congress by fast-track approval resolution approves the application of the trade authorities procedures to that bill.

(2) FAST-TRACK APPROVAL RESOLUTION.—For purposes of this section, the term "fast-track approval resolution" means a concurrent resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: "That the Congress approves the application of section 151 of the Trade Act of 1974 to the implementing bill submitted to the Congress under section 3(b)(3) of the Reciprocal Trade Agreements Act of 1997 on _____.", with the blank being filled with the date on which the implementing bill was received by the Congress.

AMENDMENT NO. 1584

On page 31, beginning with line 20 strike line 2 on page 32 and insert the following:

(2) before and after submission of the notice described in paragraph (1), consult regarding the negotiations with—

(A) the committees of the Senate and the House of Representatives with jurisdiction over legislation involving subject matters that would be affected by a trade agreement; and

(B) the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

AMENDMENT NO. 1585

On page 37, beginning with line 12, strike through line 23 and insert the following:

(1) DISAPPROVAL OF THE NEGOTIATION.—The trade agreement authorities procedures shall not apply to any implementing bill that contains a provision approving any trade agreement that is entered into under section 3(b) with any foreign country if—

(A) any committee of the Senate and the House of Representatives with jurisdiction over legislation involving subject matters that would be affected by a trade agreement; or

(B) the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives,

disapproves of the negotiation of the agreement before the close of the 90-calendar day period that begins on the date notice is provided under section 4(a)(1) with respect to the negotiation of the agreement.

AMENDMENT NO. 1586

On page 42, between lines 14 and 15, insert the following:

SEC. 7. FIXED-RATE CURRENCY AGREEMENT.

The President should negotiate a fixed-rate currency agreement between the United States and other Nations.

AMENDMENT NO. 1587

On page 42, between lines 14 and 15, insert the following:

SEC. 7. TRADE AGREEMENT MUST PROVIDE FORCED LABOR SANCTIONS.

The trade agreement approval procedures contained within this Act do not apply to any trade agreement unless the agreement provides for sanctions against countries the products of which that are covered by the agreement are produced by forced labor.

BYRD AMENDMENT NO. 1588

(Ordered to lie on the table.)

Mr. BYRD submitted an amendment intended to be proposed by him to the bill, S. 1269, supra; as follows:

Beginning on page 33, strike out line 9 and all that follows through page 34, line 24, and insert in lieu thereof the following:

"agreement approval procedures;

"(D) any other agreement the President has entered into or intends to enter into with the country or countries in question; and

"(E) the economic costs and benefits of the agreement to the United States in order to ensure that the purposes of section 2(a)(4) are met.

"(c) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement entered into under section 3(b) of this Act shall be provided to the President, Congress, and the United States Trade Representative not later than 30 calendar days after the date on which the President notifies Congress under section 5(a)(1)(A) of the President's intention to enter into the agreement.

"(d) CONSULTATION BEFORE AGREEMENT INITIALED.—In the course of negotiations conducted under this Act, the United States Trade Representative shall consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the congressional advisers for trade policy and negotiations appointed under section 161 of the Trade Act of 1974 (19 U.S.C. 2211), the Committee on Finance of the Senate, and the Committee on Ways and Means of the House of Representatives.

"SEC. 5. IMPLEMENTATION OF TRADE AGREEMENTS.

"(a) IN GENERAL.—

"(1) NOTIFICATION AND SUBMISSION.—Any agreement entered into under section 3(b) shall enter into force with respect to the United States if (and only if)—

"(A) the President, at least 90 calendar days before the day on which the President enters into the trade agreement, notifies the House of Representatives and the Senate of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

"(B) within 60 calendar days after entering into the agreement, the President submits to Congress a description of those changes to existing laws that the President considers would be required in order to bring the United States into compliance with the agreement, and an analysis of the economic costs and benefits of the agreement to the United States;".

THE OTTAWA AND CHIPPEWA INDIANS JUDGMENT FUNDS ACT OF 1997

INOUYE AMENDMENTS NOS. 1589–1590

(Ordered to lie on the table.)

Mr. INOUYE submitted two amendments intended to be proposed by him to the bill (H.R. 1604) to provide for the division, use, and distribution of judgment funds of the Ottawa and Chippewa Indians of Michigan pursuant to dockets numbered 18–E, 58, 364, and 18–R before the Indian Claims Commission; as follows:

AMENDMENT NO. 1589

In section 11, strike the section heading and all that follows through "The eligibility" and insert the following:

"SEC. 11. TREATMENT OF FUNDS IN RELATION TO OTHER LAWS.

"(a) APPLICABILITY OF PUBLIC LAW 93–134.—All funds distributed under this Act or any plan approved in accordance with this Act, including interest and investment income that accrues on those funds before or while those funds are held in trust, shall be subject to section 7 of Public Law 93–134 (87 Stat. 468).

"(b) TREATMENT OF FUNDS WITH RESPECT TO CERTAIN FEDERAL ASSISTANCE.—The eligibility".

Amendment No. 1590

In section 11, strike the section heading and all that follows through "The eligibility" and insert the following:

"SEC. 11. TREATMENT OF FUNDS IN RELATION TO OTHER LAWS.

"(a) APPLICABILITY OF PUBLIC LAW 93–134.—All funds distributed under this Act or any plan approved in accordance with this Act, including interest and investment income that accrues on those funds before or while those funds are held in trust, shall be subject to section 7 of Public Law 93–134 (87 Stat. 468).

"(b) TREATMENT OF FUNDS WITH RESPECT TO CERTAIN FEDERAL ASSISTANCE.—The eligibility".

THE RECIPROCAL TRADE AGREEMENT ACT OF 1997

REED AMENDMENTS NOS. 1591–1592

(Ordered to lie on the table.)

Mr. REED submitted two amendments intended to be proposed by him to the bill, S. 1269, supra; as follows:

AMENDMENT NO. 1591

On page 41, between lines 16 and 17, insert the following new section and redesignate

the remaining sections and cross references thereto accordingly:

SEC. 6. ACTIONABLE UNFAIR TRADE PRACTICES.

(a) IN GENERAL.—Every applicable trade agreement shall provide that it shall be an actionable unfair trade practice for purposes of section 301 of the Trade Act of 1974 for any party to the agreement or the industries of any party to gain a competitive advantage in international trade, commerce, or finance by systematically denying or practically nullifying internationally recognized worker rights or internationally recognized environmental standards.

(b) DEFINITIONS.—In this section:

(1) APPLICABLE TRADE AGREEMENT.—the term "applicable trade agreement" means a trade agreement approved pursuant to the trade agreement approval procedures provided for in this Act.

(2) INTERNATIONALLY RECOGNIZED WORKER RIGHTS.—The term "internationally recognized worker rights" has the meaning given that term in section 502(a)(4) of the Trade Act of 1974.

(3) INTERNATIONALLY RECOGNIZED ENVIRONMENTAL STANDARDS.—The term "internationally recognized environmental standards" includes—

(A) mitigation of global climate change;

(b) reduction in the consumption and production of ozone-depleting substances;

(C) reduction in ship pollution of the oceans from such sources as oil, noxious bulk liquids, hazardous freight, sewage, and garbage;

(D) a ban on international ocean dumping of high-level radioactive waste, chemical warfare agents, and hazardous substances;

(E) government control of the transboundary movement of hazardous waste materials and their disposal for the purpose of reducing global pollution on account of such materials;

(F) preservation of endangered species;

(G) conservation of biological diversity;

(H) promotion of biodiversity; and

(I) preparation of oil-spill contingency plans.

(4) ACTIONABLE UNFAIR TRADE PRACTICE.—The term "actionable unfair trade practice" means, under the laws of the United States, an act, policy, or practice that, under section 301 of the Trade Act of 1974, is unjustifiable and burdens or restricts United States commerce.

AMENDMENT NO. 1592

On page 15, between lines 23 and 24 insert the following:

(C) In pursuing the negotiating objective described in subparagraph (A), the United States shall seek to prohibit practices that require a transfer of United States developed technology to foreign governments as a condition of trade.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROTH. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet at 9:30 a.m. on global warming.

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

COMMITTEE ON FINANCE

Mr. ROTH. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Wednesday, November 5, 1997 beginning at 2 p.m. in room 215 Dirksen.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. ROTH. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, November 5, 1997, at 10 a.m. to hold a hearing.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Wednesday, November 5, at 10 a.m. on a markup on the following agenda nomination only.

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

COMMITTEE ON THE JUDICIARY

Mr. ROTH. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, November 5, 1997 at 2 p.m. in room 226 of the Senate Dirksen Office Building to hold a hearing on the nomination of Seth Waxman to be Solicitor General.

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. ROTH. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, November 5, 1997, beginning at 9:30 a.m. until business is completed, to conduct a business meeting to vote on matters pending before the committee including the use of laptop computers on the Senate floor; release of documents to Harry Connick, District Attorney of New Orleans; and, reimbursement of expenses in connection with the contested Senate election in Louisiana.

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

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND REGULATORY RELIEF

Mr. ROTH. Mr. President, I ask unanimous consent that the Subcommittee on Financial Institutions and Regulatory Relief of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, November 5, 1997, to conduct a hearing on S. 1315 and the presence of foreign governments and companies, particularly China, in our securities and banking sectors.

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

SUBCOMMITTEE ON IMMIGRATION

Mr. ROTH. Mr. President, I ask unanimous consent that the Subcommittee on Immigration, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Wednesday, November 5, 1997 at 10 a.m. to hold a hearing in room 562, Senate Dirksen Building, on: The Impact of Section 110 of the 1996 Immigration Act of the Land Borders of the United States.

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

SUBCOMMITTEE ON TECHNOLOGY, TERRORISM, AND GOVERNMENT

Mr. ROTH. Mr. President, I ask unanimous consent that the Subcommittee on Technology, Terrorism, and Government, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Wednesday, November 5, 1997 at 3 p.m. to hold a hearing in room 192, Senate Dirksen Building, on: The Nation at Risk; Report of the President's Commission on Critical Infrastructure Protection.

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

SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. ROTH. Mr. President. I ask unanimous consent that the Subcommittee on Transportation and Infrastructure be granted permission to conduct a hearing Wednesday, November 5, 10 a.m., hearing room (SD-406), to examine the General Services Administration proposal to construct or otherwise acquire a facility to house the headquarters of the Department of Transportation.

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

SUBCOMMITTEE ON YOUTH VIOLENCE

Mr. ROTH. Mr. President, I ask unanimous consent that the Subcommittee on Youth Violence, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Wednesday, November 5, 1997 at 10 a.m. to hold a hearing in room 226, Senate Dirksen building, on: Examining the Federal Effort to Prevent Juvenile Crime.

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

ADDITIONAL STATEMENTS

100TH ANNIVERSARY OF THE THOMAS JEFFERSON BUILDING

• Mr. STEVENS. Mr. President, today marks the 100th anniversary of the Thomas Jefferson Building, the crown jewel of the buildings occupied by the Library of Congress. As vice chairman of the Joint Committee on the Library, it is my privilege to mark this important day.

The Library of Congress occupies a unique place in American history, and in the vast flow of information that crosses the globe and drives America's economic well-being. The Library is Congress' legislative library, our major research arm, and a national library as well as cultural institution. Congress

has nurtured this Library from its creation in Philadelphia, through the legislature's move to the new capital city of Washington, through the 1814 British invasion of Washington that burned the Capitol and the Library of Congress, and through our purchase of Thomas Jefferson's own extensive library to recommence the Library of Congress as a universal collection of knowledge.

By the 1870's, the Library of Congress collections had grown to more than 300,000 volumes and had already outgrown the space in the Capitol that it had occupied since its move to Washington. It was the foresight of Ainsworth Rand Spofford, the sixth Librarian of Congress, that helped transform the Library of Congress into an institution of national stature, and eventually lead to the building of the Thomas Jefferson building we celebrate today.

Spofford recognized the importance of copyright deposit as a means to ensure the continued development of the Library's collections. After the 1870 revision of the copyright law, two copies of every book, pamphlet, map, print, photograph, and piece of music registered for copyright was to be deposited with the Library of Congress. The copyright law today continues to fuel the Library's special collections, including film, television, digital materials, and computer software.

The growth of the collections through copyright deposit created the need for a new building for the Library of Congress. The building, later named for Thomas Jefferson, was authorized in 1886 and completed in 1897, on time and under budget and was immediately hailed as a national monument—an imposing structure of the Italian Renaissance style. Every Member of Congress has had the opportunity to visit the magnificently restored Jefferson Building and admire the extraordinary beauty and grandeur of the Great Hall, the Main Reading Room, and the Members' Room.

It is not a simple matter to authorize a new Federal building, let alone a building to be constructed immediately adjacent to the Capitol. Librarian of Congress Spofford had two staunch allies: Senator Daniel W. Voorhees of Indiana and Senator Justin S. Morrill of Vermont. Today, Senator Morrill's efforts will be recognized. A plaque honoring his commitment to the Library and construction of the Jefferson Building will be unveiled by our current Librarian of Congress, James Billington, and the Vermont congressional delegation. The Morrill plaque will flank that recognizing Senator Voorhees so that each Senator might be honored by all who enter the Great Hall for their dedication to and vision for Congress' Library.

This evening, on behalf of the Joint Committee on the Library, I will join the joint committee chairman, Representative BILL THOMAS, Librarian James Billington, and Architect of the Capitol Alan Hantman to light for the very first time the restored Torch of Learning that crowns the Thomas Jefferson Building. The Main Reading Room is the heart of the Thomas Jefferson Building. It is covered by a beautiful dome, the exterior of which is covered by a great blazing torch and flame, marking the center and apex of the Jefferson Building. This torch and flame are symbolic of the learning and knowledge in the Library of Congress. From now on, the glowing Torch of Learning will light the skyline over the Capitol, a worthy companion to the lighted dome of the Capitol.

I thank, on behalf of my colleagues on the joint committee, the Office of the Architect of the Capitol which has overseen the restoration of the Jefferson Building we celebrate today. As the Library of Congress moves toward its Bicentennial in the year 2000, Congress will continue to reap the benefits of the Library's incomparable collections. In particular, our constituents will benefit from Librarian James Billington's efforts to extend the Library's unique special collections and service nationwide through the Internet.

One hundred years ago, the Congress supported the vision of Ainsworth Rand Spofford and provided the means for the collections to grow and to be housed in a building described as the most beautiful in America. As the Library of Congress approaches the 21st century, it needs and deserves the continued support of Congress as our nation's strategic information reserve.

I ask that a summary of the Library's operations, to date this year, be printed in the RECORD.

The material follows:

LIBRARIAN OF CONGRESS,
Washington, DC, October 24, 1997.

Hon. TED STEVENS,
Chairman, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: It will be some months before the Library's Annual Report for FY97 is completed and delivered to you. I wanted to take the beginning of a new fiscal year as an occasion to provide you with a summary of the Library's operations. I believe that it is important for you, as a Member of Congress charged with oversight of the Library, to understand the Library's management goals and our progress toward them.

MANAGEMENT

General Donald Scott has just marked his first anniversary as Deputy Librarian, the Library's Chief Operating Officer. Don's capable handling of the Library's day-to-day operations has enabled me to focus on policy concerns, planning for the Library's Bicentennial (see below), and completing the necessary private-sector fundraising to meet our goal of $45 million for the National Digital Library (NDL).

To date, we have $30 million in gifts and pledges. The NDL site continues to be one of the most recognized content sites on the Internet. THOMAS, the American Memory collections, and the Learning Page are used by millions of citizens, legislators, teachers, parents, and students each month.

The National Science Foundation will shortly announce a second round of Digital Library research grants. The Library of Congress's NDL and the National Library of Medicine have been invited to participate as user test-bed sites for possible cutting-edge research applications. A recent example may help suggest to you the importance of this invitation from NSF. Compression software, originally developed at the Los Alamos Lab and only recently made available for non-defense applications, was given as a gift to the Library. for the first time, the Library was able to digitize items from our enormous map collections for the NDL. This compression software made it possible to display and search maps for the first time. We hope that other research breakthroughs will help the Library offer even more diverse collections through the NDL.

Under the leadership of Chief of Staff, Jo Ann Jenkins, the Library has updated its strategic plan through 2004. We have also established a Directorate for Planning, Management and Evaluation (PMED), headed by Thomas Bryant.

Finally, the Library's second external audit of its financial operations received a clean option from KPMG. This is an outstanding achievement, in only the second audit cycle, for any government agency.

SECURITY

In February 1997, the Library hired Kenneth Lopez as its Director of Security. Working under Ken with a team of security professionals, curators, and senior librarians, we have completed the Library's Security Plan, and I have forwarded it to the Library's oversight committees for their review. The Library's external audit process calls for an annual review of the Library's care and control of its "heritage assets"—the 112 million items in the Library's collections. The audit will, therefore, provide an annual update on the Library's overall security of its collections.

BICENTENNIAL

As you well know, the Library will celebrate its bicentenary—along with the bicentenary of the Congress' move to Washington—in the year 2000. On October 6th, the Library announced its theme, goals, and overall plans and launched a website for its Bicentennial (http:/www.loc.gov/bicentennial). A copy of our announcement is enclosed with this letter.

Prior to our public announcement, I wrote to Members of Congress to invite their participation and that of their constituents—particularly libraries—in our plans. I am pleased that we have received over 100 responses to date.

On October 7, the Madison Council, the Library's private-sector advisory fundraising group, hosted a gala to launch the Bicentennial and to raise funds for its implementation. The evening, a celebration of Creative America, highlighted the Library's enormously rich music and manuscript collections and raised $800,000 to support Bicentennial programs, bringing the total commitment to date from the Madison Council to $1.5 million. Thanks are due to John Kluge, chair of the Madison Council, and to the gala co-chairs, Buffy Cafritz of Washington, D.C., and Alyne Massey of Nashville, Tennessee.

LEGISLATIVE UPDATE

We are deeply grateful that the Library's FY98 budget was very generously supported

by the Congress. In particular, funding for our top priority, an Integrated Library System (ILS), and for the cost of our mandatory pay raises will make an enormous difference in the Library's ability to continue to secure its collection and provide the highest quality service to the Congress and to the nation.

The American Folklife Center requires reauthorization. Consistent with the Board's wishes, and with my wholehearted support, we have transmitted the formal request for permanent authorization for the Center to the Library's oversight committees.

Particularly as the Library approaches its own Bicentenary, it is essential that this important collection and its curators have assurance of their place in the Library. The collection itself dates from the 1890's The Center was created during the Bicentenary of the American Revolution in 1976 as a powerful tool to ensure the place of folklore and local history and customs in our national consciousness. The rich ethnic and regional materials in the Center's Archive comprise the nation's largest and most varied folklore collection—filled with the type of material that is providing of special value for local schools and libraries throughout America on the National Digital Library.

The Library is beginning the new fiscal year with strategic goals, sound financial management, significant new staffing, and enormous external and internal enthusiasm and interest in our Bicentenary. I trust that I can count on your continued interest and support. Please feel free to follow up on any topic I have raised. We would be pleased to come brief you further at any time.

Sincerely,

JAMES H. BILLINGTON,
The Librarian of Congress.

Enclosure.

LIBRARY OF CONGRESS—BICENTENNIAL 1800–2000

LIBRARIES, CREATIVITY, LIBERTY

In a press conference on October 6, 1997, the Librarian of Congress James H. Billington presented preliminary plans for the commemoration of the Library's Bicentennial in the year 2000. "From its earliest days, the Library of Congress has supported the work of libraries everywhere in the spirit of James Madison, who eloquently said that he could not imagine anything more essential for our new republic than 'liberty and learning, each leaning on each other for their mutual and surest support' . . . 'knowledge will forever govern ignorance and a people who mean to be their own governors must arm themselves with the power that knowledge gives.' We believe that the link between learning and liberty is one of our most basic civic truths. It is our responsibility as the largest library to ensure that the tools of learning are universally accessible."

GOAL OF THE BICENTENNIAL COMMEMORATION

The goal of the Bicentennial commemoration is "To inspire creativity in the century ahead by stimulating greater use of libraries and other avenues of learning everywhere."

The Bicentennial goal will be achieved through a variety of national, state, and local projects, developed in collaboration with the offices of the Members of Congress, the Library's staff, and special advisory committees.

BICENTENNIAL LOGO AND THEME

The logo for the Bicentennial commemoration features the interior dome of the Library's famous Main Reading Room and the theme "Libraries, Creativity, Liberty." The unseen painting within the circle in the dome's "eye" is the image of a woman representing "Human Understanding." In the painting, "Human Understanding" is lifting her veil and looking upward toward the future. This logo and theme symbolize what the Bicentennial Commemoration is about: stimulating creativity and ensuring a free society through greater use of libraries everywhere. The Library of Congress looks forward in the months ahead to developing ways for other libraries to share in the use of this logo.

BICENTENNIAL PLANS

Libraries of all kinds and sizes are invited to participate in the Bicentennial Commemoration of the Library of Congress, which will celebrate the creative use of knowledge as a function of democracy. At the October 6 press conference, John Y. Cole, the Library's Bicentennial project director and director of the Center for the Book, said "Libraries are important educational institutions and a natural link between learning and liberty; this is their celebration too." Core Bicentennial endeavors include "Gifts to the Nation," "Frontiers of Knowledge," "Local Legacies" and "Favorite Poems."

Gifts to the Nation

The "Gifts to the Nation" program is a reciprocal endeavor. It will include activities such as significant acquisitions for the Library's collections; the Library's commissioning of creative works of music, drama, art and literature; and the Library's effort, through its National Digital Library Program, of making available electronically millions of items from its American historical collections by the end of the year 2000. The idea of Bicentennial "Gifts to the Nation" continues the Library's proud tradition of helping local libraries through donating surplus books and by providing cataloging information, services which save libraries millions of dollars each year.

Frontiers of Knowledge

Drawing on the remarkable comprehensiveness and diversity of the Library's collections, the "Frontiers of Knowledge" program will present a series of lectures and symposia exploring ideas that shape our lives, especially as we look to the next century. At the June 1999 conference, "The Frontiers for the Mind in the 21st Century," distinguished scholars will summarize significant developments in approximately 20 fields in the past century and look ahead to challenges in the year 2000 and beyond. Interaction between the scholars and young people, the latter representing every Congressional District in the nation, will be an important focus of the conference. Fields of inquiry will include: demography, immunology/epidemiology, economics, political philosophy/law, semiotics, neuroscience, molecular evolution and historical genetics, cosmology, earth and ocean science, ecology, biochemistry, physics/computer science, religion/theology, history as narrative, humanities, literature, ethnomusicology, philosophy, and cultural psychology.

Local Legacies

"Local Legacies" will build upon local projects now underway nationally in partnership with Library of Congress offices such as the *American Folklife Center* and the *Center for the Book* to highlight the richness of America's heritage at the end of the century and the millennium. These include *Montana Heritage, Rivers of America, Literary Maps of America,* and *Building a Nation of Readers.* The *Montana Heritage* project, funded by the Liz Claiborne and Art Ortenberg Foundation, fosters projects in local schools teaching students how to research and document local cultural heritage. The *Rivers of America* project examines and celebrates the historical, literary, and environmental heritage of America's rivers. It encourages high school students, such as those taking part in the *Montana Heritage* project, to focus their field research on a local river, particularly the history of the community in relation to that river. Documentary reports and histories for the collections of local institutions are one product. The *Literary Map* project encourages learning about local geography and literature—simultaneously. Literary maps depict a state or region's literary heritage, usually through colorful, well-illustrated maps that show where authors live or were born or where novels or well-known books were written. Since 1992, more than 20 such maps have been created and added to the collections of the Library of Congress. To remind Americans of the importance of reading to individuals and to the nation, the Center for the Book of the Library of Congress has chosen *Building a Nation of Readers* for the Library of Congress's national reading promotion campaign for the years 1997–2000. The Library also wants to identify local historical collections that should be linked with the National Digital Library.

Favorite Poems

Poet Laureate Robert Pinsky will take the lead in the "favorite poem" project, which will feature approximately 100 Americans from all walks of life choosing and reading aloud a favorite poem. The resulting audio and video archives, in Mr. Pinsky's words, will be "a record, at the end of the century, of what we choose, and what we do with our voices and faces, when asked to say aloud a poem that we love."

Commemorative Coin and Stamp

Legislation has been introduced for a Bicentennial commemorative coin. The Library of Congress is also exploring a Bicentennial commemorative stamp series, based on its unparalleled collections, to be issued in the year 2000.

Bicentennial Publications

Between the fall of 1997 and the year 2000, the Library of Congress will produce several major publications as part of fulfilling its Bicentennial goal of stimulating creativity and wisdom through greater understanding of the Library and its remarkable collections. Highlights of the Bicentennial publishing program include:

1997

Eyes of the Nation: A Visual History of the United States

A pictorial and narrative history published by Alfred A. Knopf, *Eyes of the Nation* contains more than 500 full-color and duotone illustrations from the Library's collections. The book marks the centennial of four of the Library's major collection divisions: *Prints and Photographs, Manuscript, Music* and *Geography and Map.* An *Eyes of the Nation* CD-ROM is also available.

The Library of Congress: The Art and Architecture of the Thomas Jefferson Building

Published by W. W. Norton, *The Art and Architecture of the Thomas Jefferson Building* features essays and 280 illustrations, 185 of them in color, depicting the architecture and decorative elements in this magnificent building. The book commemorates the centennial of the building's opening.

1998

The Jefferson Building: A Guide for Visitors

This publication will provide visitors a compact, but fully illustrated book.

1999

The Library of Congress: A Bicentennial History

Published by Yale University Press, the volume will be a well-illustrated popular history and interpretation of the Library's 200 years of service to Congress and the nation.

Encyclopedia of the Library of Congress

The illustrated, one-volume reference work will contain 12 topical essays and approximately 150 brief entries about the Library and its activities.

2000

The Library of Congress in American Life, 1800–2000

The Library of Congress in American Life will be a four-volume documentary set, featuring the Library's chronology, biographies of the Librarians of Congress, documents and resources for the study of the Library, and current scholarly research about the Library and its role in American life.

VIRTUAL TOUR OF THE THOMAS JEFFERSON BUILDING

A *Virtual Tour of the Thomas Jefferson Building*, with photographs and moving panoramas of the splendid public spaces and other rooms of this historic building, is currently being prepared for the Library's World Wide Web site.

OTHER BICENTENNIAL PROJECTS UNDER DEVELOPMENT

Among other Bicentennial projects in the early planning stages are major exhibitions, *Jefferson Knowledge, and Democratic* and *America at Play*, and national television programming.

Jefferson, Knowledge, and Democracy Exhibition

This major exhibition is being planned for April–October 2000 and will use Jefferson's personal books that he sold to the Congress in 1815, his personal papers, his architectural drawings, his personal artifacts (such as his original "reading machine," a revolving reading stand which he designed) to examine his ideas. A secondary theme will be how these ideas—in architecture, the arts, law, science, politics, music, geography, agriculture, and other subjects-have influenced America and the world.

Jefferson's idea on the relationship between knowledge and democracy are as vital today as when he first enunciated them. This is clearly evident in the intense debate on those ideas among contemporary Jeffersonian scholars, which will be explored in the exhibition. Jefferson's coupling of knowledge and freedom also are at the root of the current impassioned demand for an information "superhighway" whereby knowledge can be speedily and universally disseminated.

The exhibition will be the centerpiece for a series of events and multi-media projects that will help make Jefferson's ideas (and the Jefferson-Library of Congress connection) understandable to a wide audience. Interpretive brochures, a catalog, educational materials, a summer institute for teachers, a concert of music in Jefferson's time, films, and various videos will enhance the exhibition.

America at Play Exhibition

America at Play is the second exhibition to celebrate the Library's 200th anniversary; through it visitors can see and enjoy how Americans have amused themselves over the past two centuries. Drawing on the Library of Congress's extensive and unique collections, the exhibitions will take its cue from prints, photographs, maps, travel literature, recorded audio and visual materials, manuscripts, and books to cover topics such as the exploration of the west and the rise of tourism; the development of recreational areas in the country; the growth of spectator and recreational sports; the importance of recorded music and film classics; and the golden age of television.

To link these separate elements, the exhibition will select from its unparalleled collection of political cartoons and drawings and the writings of American humorists. These visual commentaries will further illustrate and put into context the "amusements" covered. The exhibition, on display from the Fall of 2000, will be accompanied by a catalog, and educational and outreach programs, including a series of musical comedy and film presentation and live performances.

PROPOSED BICENTENNIAL PROJECTS

A variety of Bicentennial projects have been proposed, including local newspaper surveys to identify the most influential book and film of the century, an international conference on comparative constitutional law, a Library-related photography contest with an exhibition of winning photographs traveling around the country, a conference about national libraries at the Library of Congress, and the joint celebration of National Library Week and the Library's Bicentennial in April of 2000.

SUPPORT FOR THE BICENTENNIAL

The Bicentennial projects will be privately funded, with substantial support from the *James Madison Council*. The Madison Council was established in 1990 to help the Library share its unique resources with the nation and the world.

LOOK FOR UPDATES TO THE BICENTENIAL PROGRAM

The Library of Congress Bicentennial home page will be changed as the program develops. Check in at this address—*http://www.loc.gov/bicentennial/*—for the latest information on Bicentennial activities and events.•

WORKPLACE RELIGIOUS FREEDOM ACT

• Ms. MIKULSKI. Mr. President, I rise today to support a bill introduced by my colleagues, Senators KERRY and COATS, to protect workplace religious freedom.

I have long championed the rights of individuals to freedom of religious observance and practice. I believe individual Christians, Jews, Muslims, and others should be able to honor their religious beliefs without fear of losing their jobs.

For example, employees should be able to observe Good Friday, the Jewish Sabbath or wear clothing required by one's religion. I've met with many constituents who have expressed their concern to me that they have been discriminated against because of their religious practices.

My State of Maryland already has many employers who are sensitive to the needs of religious accommodation. However, there is room for improvement. One Arab-American woman from my State told me she cannot wear her traditional Muslim garb at her place of employment. I know there are other stories like this which cut across all faiths.

If an employee's religious practice does not cause an undue hardship on an employer, an employee should be given the freedom to observe or practice a religious custom.

I am dismayed that many individuals are discriminated against in our society, because of their religious beliefs. Our country was founded on the premise that everyone has a right to religious freedom. We need to preserve this doctrine.

Unfortunately, the courts have interpreted title VII of the Civil Rights Act of 1964 very narrowly when it comes to religious practices. This bill would restore the basic tenet of religious freedom to thousands of individuals who have met with discrimination at the workplace.

I urge my colleagues to support S. 1164, the Workplace Religious Freedom Restoration Act. I believe religious accommodation is a cherished right that we must protect.•

SITUATION IN IRAQ

• Mr. McCAIN. Mr. President, the United States is once again facing a decision about whether and how to respond to Iraqi intransigence over the issue of its continued development and concealment of weapons of mass destruction and their associated delivery systems. It is imperative that we not back down, as has already been the case to an alarming degree.

All countries act out of their own economic self-interest. The United States is no exception. We should not, however, acquiesce in such conduct in the case of Iraq. Russia, which seeks compensation for weapons it sold to Baghdad during the Soviet era as well as the hard currency and access to oil that Iraq represents, and France, which similarly pursues contracts for the development of Iraqi oil, have led the way in arguing for a relaxation of the economic sanctions levied against Iraq as a result of its 1990 invasion of Kuwait. Countries like Egypt and Kenya have demonstrated growing sympathy for Iraq's economic situation.

The reason why the United States should stand firm and not continue to adopt essentially meaningless positions on the question of sanctions is quite simple: Iraq has to a remarkable degree always held its destiny in its own hands. Little was asked of it other than to come clean on the extent of its efforts to develop weapon systems capable of threatening stability in the world's most volatile region. And, yet, it has consistently, for more than 6 years now, refused to do that, repeatedly challenging the international community and miscalculating the ramifications of its actions.

With regard to its efforts at developing chemical, biological, and nuclear

weapons and the missiles to deliver them, a particularly illuminating episode occurred back in August 1995. It was then that Saddam Hussein's sons-in-law, one of whom had been in charge of overseeing the development of those weapons, defected to Jordan. Anticipating the intelligence coup for the United Nations that was to come, the Iraqis decided to preempt the damage the defectors could cause by revealing a wealth of documents—over half-a-million pages—detailing their biological weapons program. Mr. President, 150 steel trunks and boxes stuffed with documentation that was to have been turned over in the aftermath of the Persian Gulf war, yet would likely have remained hidden indefinitely had the defections not occurred, suddenly and miraculously appeared.

Iraq's refusal to abide by the rules of civilized society and to test the will of the international community has been manifested in other ways also. In October 1994, it moved thousands of troops toward the Kuwaiti border, precipitating a costly but essential deployment of United States military forces to the region to deter a repeat of the 1990 invasion. Whether Iraq intended to invade Kuwait at that time is highly unlikely; whether a failure to respond on the part of the United States would have emboldened Saddam is beyond dispute.

Two years later, Iraq launched a large-scale concerted ground campaign against Kurdish enclaves in the country's north. Saddam was able to exploit longstanding, violent divisions within the Kurdish population to reestablish a measure of control over territory denied it since the Gulf war. In so doing, it sent a resounding message to the Kurdish population, including that part to which it allied itself during its military incursion, that it was willing and capable of asserting itself within its borders. Particularly disturbing, if totally in character for Saddam, his intelligence service utilized the opportunity to hunt down and execute Kurdish factions hostile to his brutal rule, including hundreds of individuals who had cast their lot with the United States.

The Clinton administration's response to that incursion into territory supposedly under U.N. protection was to launch a small number of embarrassingly ineffectual cruise missile launches in an entirely different region and to expand the no-fly zone in the south. If our intent was to prevent a horizontal escalation of the conflict, we succeeded. The fact that there was not apparent intent on the part of Saddam at that time to conduct military operations in the south was purely academic.

The most recent incident started out considerably more ambiguous, but is no less damaging to the U.N.'s ability to enforce its provisions over the protracted periods of time necessary to get results. Iraq clearly violated the no-fly zone, but only after Iranian attacks against bases of the People's Mojahedin of Iran situation on the Iraqi side of the border. There is a noticeable dearth of sympathetic parties here, but the bottom line is that the no-fly zone was violated, and the administration was correct to respond. Iraq's apparent retaliatory measures, in effect, the refusal to permit United States citizens to participate in the U.N. inspection teams enforcing Security Council resolutions, has been appropriately rejected by members of the Council.

The problem lies in the political environment Council members France and Russia continue to create that encourages Saddam to believe he can act with impunity. It is absolutely imperative that the administration communicate to these countries, as well as to others sympathetic to the plight of the Iraqi people, that the sanctions must remain in place until Iraq finally does what it has resisted doing for 6 years: abide by the conditions of the cease fire. Saddam himself holds his country's welfare in his hands. All that is asked of him is to place that welfare above his drive to threaten his neighbors with chemical, biological, and nuclear weapons. The fact that he has been unwilling to accept that very basic condition illustrates the need to maintain the sanctions in perpetuity if necessary. The international community was willing to isolate South Africa for an indefinite period of time until fundamental changes were implemented. It is entirely reasonable, and essential for the future of our friends and allies in the Middle East as well as for our own economic well-being, that the international community demonstrate the same steadfastness in the case of Iraq that it did with South Africa. Morally and practically, it is the only option available to us.•

PROMOTION OF JOHN H. OLDFIELD, JR.

• Mr. COVERDELL. Mr. President, I rise today to commend the promotion of John H. Oldfield to Brigadier General of the Georgia Air National Guard and applaud his lifelong service to the State of Georgia and to the U.S. military.

Mr. President, Mr. Oldfield, who was born and still resides with his wife and one son in Savannah, GA, has received numerous distinguished military awards and decorations over his career in the Armed Services. These accomplishments, as well as his lifelong dedication to the well being of the State of Georgia, have led to his recent promotion, which was unanimously approved by the U.S. Senate on October 30, 1997.

Mr. President, I would like to take this opportunity to congratulate Brigadier General Oldfield and wish him continued success in his new position.•

FAREWELL TO JOHN STURDIVANT

• Mr. STEVENS. Mr. President, yesteday, the Federal employee community said a final goodby to John Sturdivant, the president of the American Federation of Government Employees. John lost his battle with leukemia on October 28.

John Sturdivant lead the American Federation of Government Employees—AFGE—since 1988. In fact, in August he won reelection to another term. To say that he will be missed is an understatement.

Although we did not always agree over the years, there was never any question of John's ultimate goal—protection of the interests of Federal employees.

John Sturdivant was a strong leader and forceful defender of the rights of Federal employees. He recognized the need for public servants. Federal employees provide a necessary and valuable service to our country. They should not be misunderstood or mistreated or maligned. John was himself a good public servant and worked hard to be a strong advocate.•

IN SUPPORT OF ENLARGING NATO TO INCLUDE THE NEW INVITEES AND THE BALTIC COUNTRIES

• Mr. DURBIN. Mr. President, I rise today in support of enlarging the NATO alliance to include the current invitees of Poland, Hungary, and the Czech Republic during this round, and the Baltic countries of Lithuania, Latvia, and Estonia during the next round. For the past few weeks, various Senate committees have been reviewing the costs of bringing Poland, Hungary, and the Czech Republic into NATO. The administration estimates the entire cost for this first round of NATO enlargement at $27–$35 billion in the 13-year period from 1997 to 2009. Opponents suggest that the actual costs might actually be much higher, although we will really not have a clear picture until after new estimates are made early next year based on a commonly agreed-upon set of military requirements that NATO ministers will decide on in December. In any case, two things are clear. First, most of these costs would have to be paid anyway—even if NATO did not enlarge. Second, the U.S. share of the total costs will be relatively small.

As part of the present effort to enlarge NATO, Poland, Hungary, and the Czech Republic must restructure and modernize their armed forces. However, they would need to do this in any case and the costs of doing so would probably be much higher without enlargement, since they would have to rely entirely on their own resources to protect

themselves. Additionally, current European NATO members must reconfigure their forces so they are more flexible and more easily deployed; but these changes result from the requirements of NATO's New Strategic Concept agreed on by all alliance members in 1991, and not from enlargement as such. These enlargement costs will be paid for by our allies and not by us. From our perspective, these enlargement costs should really be seen as benefits—improvements to NATO's security paid for by our allies, not by us.

The only extra costs of the current round of NATO enlargement are the so-called direct costs of enlargement, which include such things as upgrading communications, air defenses, and infrastructure for rapid reinforcement. These costs would be borne jointly by all NATO members with the United States paying roughly one-quarter of the cost. This means that for every dollar we put toward these direct costs, our allies, old an new, would put in three. You can't get better value for your money than that. Thus, the range of costs the United States would have to pay for the present round of enlargement over the next 13 years would be somewhere between $2 billion—if you believe the administration's figures—and $7 billion—if you believe the recent report by the CATO Institute. Given the millions of lives lost in World War I and II, and the billions of dollars spent during these conflicts, the cold war and now in Bosnia, NATO enlargement is the cheapest single investment we can make.

Aside from the costs, we get real benefits from NATO enlargement. As Secretary Albright and other administration officials have repeatedly and convincingly pointed out, NATO enlargement will deter future threats, prevent the development of a dangerous power vacuum in the heart of Europe, make border and ethnic conflicts far less likely and solidify democratic institutions and free markets in Europe. Just as importantly, the United States will be gaining strong new allies in Poland, Hungary, and the Czech Republic, who between them will add 300,000 troops to the alliance. The costs of enlargement will fall heaviest on them, but these countries know the price of freedom. Each country has been invaded more than once this century and each suffered under Communist domination for over 40 years. They understand that their own security is indivisible from that of the rest of Europe and have already expressed their commitment to be producers of security, and not merely consumers, by cooperating with NATO forces to implement the Dayton accords in Bosnia.

If we refuse to enlarge NATO, we would have told these countries that despite their epic and inspiring struggle to liberate themselves from communism, the West had once again turned its back on them. Even worse, we would leave Central Europe without an effective security system, creating a heightened sense of insecurity in these countries, forcing them to devote more resources to military expenditures, and lowering their potential for economic growth. Under these circumstances, a backlash against Western values might very well develop, yielding a vicious cycle of authoritarianism, militarism, economic stagnation, and greater conflict between neighbors—a pattern this region has seen in the past. This would inevitably bring more problems for the United States in Europe.

Some have asked what's the hurry over NATO enlargement. Surely, the end of the cold war gives us plenty of time to contemplate so momentous a decision. However, if we don't enlarge now when it's relatively easy and inexpensive, how can we be sure that we'll be ready to respond to a crisis in time? We were slow to respond to World War I, World War II, and Yugoslavia out of the fear of the costs. If we wait until a crisis develops, our capacity to deal with it early on will be less, the costs will be higher and our reluctance will be greater. Let's make the decision to enlarge now.

I would remind my colleagues that as the debate over this issue draws near, we must also look beyond the present round of enlargement. In particular, we must pay especially close attention to Lithuania, Latvia, and Estonia.

Given their geography and history, the Baltic countries are a weather vane indicating which way the winds from Russia will blow. Any ambiguity in our commitment to the Baltic countries can only encourage those forces in Russia which have not reconciled themselves to the transformation of the Soviet Union. We must make it clear that Russia is welcome to cooperate with the undivided, free, prosperous, and secure Europe that is being built. However, it can only do so if it is prepared to recognize one of the cardinal principles of the new Europe, articulated by Secretary of State Albright during her visit to Lithuania last July: that all States, large and small, must have the right to choose their own alliances and associations.

By their actions, the Baltic States have clearly made their choice known. They have applied for membership in NATO and the European Union, they participate in NATO's Partnership for Peace program and they are contributing directly to NATO's security by cooperating on a regional airspace initiative. By providing troops for NATO-led operations in Bosnia and by participating in the Vilnius Conference on good neighborly relations hosted by Lithuania in September, they have shown their willingness to be producers, not just consumers, of security. Having been invaded by both Stalin and Hitler and having suffered 50 years of Communist occupation, the people of the Baltic countries, no less than the people of Poland, Hungary, and the Czech Republic, know the price of freedom and are willing to pay for it.

If we are serious about our commitment to create a Europe that is whole and free, than the Baltic countries must be included. For that reason, the United States must make it absolutely clear at the earliest possible moment that it supports NATO membership for Lithuania, Latvia, and Estonia.•

THE 50TH ANNIVERSARY OF MADONNA UNIVERSITY

• Mr. ABRAHAM. Mr. President, today I rise to pay tribute to Madonna University on the occasion of its 50th anniversary. As a school which emphasizes academic, social, and spiritual development, Madonna has established a tremendous presence in southeast Michigan, enhancing the quality of life for its students through an excellent array of campus activities and academic programs.

Having converted to a 4-year liberal arts college in 1947, Madonna rapidly continued its expansion of academic services. It was recognized by the Michigan Board of Education in 1954, and just a short time later added nursing, gerontology, religious studies, criminal justice, and radiologic technology to its list of 4-year programs. Thereafter other programs have been added, though there are too many to mention by name. In 1975, Madonna College opened special services to students with hearing and other disabilities. In 1991, changed its name to Madonna University, and 1 year later the school reached an enrollment high of over 4,400 students.

Of the university's many accomplishments, the one which Madonna achieves year after year is a rapport among students of being a school big enough to offer a vast selection of educational opportunities, but small enough to offer them in a personal manner. When most universities are looking to cut costs through larger class sizes, I'm pleased to say Madonna University is one place where the professors still know their students by name.

Mr. President, on behalf of the U.S. Senate, I commemorate the outstanding tradition of excellence maintained by the faculty, staff, students, and alumni of Madonna University.•

RETIREMENT OF DR. HARRIETT G. JENKINS

• Mr. LEAHY. Mr. President, I submit for the RECORD a joint statement by myself and Senator JEFFORDS on the retirement of Dr. Harriett G. Jenkins.

The statement follows:

JOINT STATEMENT BY SENATOR PATRICK LEAHY AND SENATOR JAMES JEFFORDS ON THE RETIREMENT OF DR. HARRIETT G. JENKINS

On September 30, 1997, Dr. Harriett G. Jenkins officially retired after twenty-five years of service in the executive and legislative branches of our government. Her outstanding contributions in the field of education, at the National Aeronautics and Space Administration (NASA), the Office of Senate Fair Employment Practices, the Senate Committees on Agriculture, Labor, and Judiciary, and at the U.S. Equal Employment Opportunity Commission (EEOC) have won her the respect and admiration of everyone who has been privileged to work with her. Her impressive career in public service spanned 19 years as a public school educator in Berkeley, California, and carried through her most recent and superior performance as Special Assistant to Commissioner Reginald Jones of the EEOC. In appreciation of her outstanding service, we want to recognize her many achievements.

Dr. Jenkins was born in Fort Worth, Texas, and received a Bachelor of Arts Degree in Mathematics from Fisk University in Nashville, Tennessee. She earned a Master of Arts Degree in Education and a Doctorate of Education in Policy, Planning and Administration, both from the University of California at Berkeley. She completed the Advanced Management Program of the Harvard Business School; obtained a law degree from Georgetown University, Washington, D.C., and was awarded an Honorary Doctorate of Science Degree from Fisk University.

Dr. Jenkins began her career as a public school educator in Berkeley, California, and rose through the ranks to become vice-principal, principal, and Director of Elementary Education before reaching the post of Assistant Superintendent for Instruction in 1971. She assisted with the integration of the school system, fully involving parents and the community, and with the implementation of many exemplary educational programs. In 1973, Dr. Jenkins moved to Washington, D.C., accepting the position of consultant to the District of Columbia school system for the Response to Educational Needs Project.

In 1974, Dr. Jenkins joined the staff at NASA. She served for eighteen years as Assistant Administrator for Equal Opportunity Programs at NASA. She helped NASA integrate its workforce and ensure equal opportunity in personnel transactions. During this period, she helped initiate a significant increase in the number of female and minority employees, particularly in the non-traditional positions of engineers, scientists and astronauts. She also assisted with the expansion of educational programs and scientific research for minority universities.

In 1992, Harriett Jenkins was chosen by the Majority and Minority Leaders and appointed by the President pro tempore of the United States Senate to be the first Director of the newly established Office of Senate Fair Employment Practice. In 1996–1997, she served as counsel and professional staff member on the Senate Committees on Agriculture, Forestry and Nutrition, Labor and Human Resources, and Judiciary. In June, 1997, she was appointed as Special Assistant to Commissioner Reginald Jones of the U.S. Equal Employment Opportunity Commission until her retirement on September 30, 1997. In this position, she made critical contributions to the report of the EEOC task force on the "Best" Equal Employment Opportunity Policies, Programs and Practices in the Private Sector.

Dr. Jenkins has received numerous awards throughout her prestigious career. In 1977, Dr. Jenkins received NASA's highest award, the Distinguished Service Medal. Also during 1977, she chaired the Task Force on Equal Opportunity and Affirmative Action, one of nine task forces of the Personnel Management Project which led to the Civil Service Reform Act. For this work, she received the Civil Service Commissioner's Award for Distinguished Service. Dr. Jenkins received the President's Meritorious Executive Award in 1980; NASA's Outstanding Leadership Medal in 1981; and the President's Distinguished Executive Award in 1983.

In 1986, Dr. Jenkins was elected to the National Academy of Public Administration; and in 1987, she received the Black Engineer of the Year Award for Affirmative Action. In 1988, she received a second Distinguished Service Medal from NASA; in 1990, the Women in Aerospace Lifetime Achievement Award; in 1992, NASA's Equal Employment Opportunity Medal, and the President's Meritorious Executive Award; and in 1994, NASA's Equal Employment Opportunity Medal. In September, 1997, she was awarded a citation by the EEOC for her distinguished service to the Task Force on the "Best" Equal Employment Opportunity Policies, Programs and Practices in the Private Sector.

Integrity, intelligence, and commitment to doing the best job possible are characteristics that describe Dr. Jenkins. She has worked tirelessly to advance the goals of protecting the American worker from discrimination in the workplace and tear down the barriers preventing women and minorities from reaching full employment potential.

Dr. Jenkins is leaving government service, but her legacy of dedication to fairness and equality in the workplace will enrich and enlighten workers for generations to come. We personally want to thank Dr. Jenkins for her long career in government service as a friend and advisor and wish her the very best in her retirement years.•

FISCAL YEAR 1998 INTERIOR APPROPRIATIONS CONFERENCE REPORT

• Mr. McCAIN. Mr. President, on October 24, I submitted for the RECORD, a list of objectionable provisions in the fiscal year 1998 Interior appropriations bill. Among the projects mentioned were three items which should not have been listed. They are as follows: $1.5 million for the home energy rating system; $1 million for the weatherization assistance program; and $25,000 for State energy program grants.

Mr. President, these three line items do not violate the criteria I use for determining low-priority, unnecessary, or wasteful spending that was not reviewed in the appropriate merit-based prioritization process. Unfortunately, these three items were inadvertently included on the list. I regret this error, and withdraw my recommendation that these items be line-item vetoed.•

TIME TO RECONSIDER 'RACIST' RHETORIC

• Mr. ABRAHAM. I would like to bring to my colleagues' attention a recent article in Asian Week by Susan Au Allen, president of the United States Pan Asian American Chamber of Commerce, who points out Senator BROWNBACK's significant work on behalf of Asian Pacific American families. It was Senator BROWNBACK who stood up in the House of Representatives last year and opposed those who wanted to slash family immigration. If the elimination of the brothers and sisters and adult children categories had passed, tens of thousands of Asian Pacific families would have been unable to reunite with their loved ones. Ms. Allen writes, "When the chips were down last year, he came through to preserve freedom for our close family members to immigrate to the United States. And for that Asian Pacific American families across America are grateful to him."

I ask that the text of the article by Susan Au Allen be printed in the RECORD.

The article follows:

TIME TO RECONSIDER 'RACIST' RHETORIC

(By Susan Au Allen)

No pain, no gain. No money, no talk. No raise money, no get bonus. Are these offensive words? Several Asian Pacific American organizations think so. The Organization of Chinese Americans, the Congressional Asian Pacific American Caucus Institute, and the Asian Pacific American Legal Consortium have been complaining unfairly about a phrase that Sen. Brownback, R-Kan., uttered during a recent Senate Governmental Affairs Committee hearing on the Democratic Party's campaign finance scandal.

The argument is that the "So no raise money, no pay bonus" phrase is racist. I saw the videotape of the occasion and did not find it offensive.

Sen. Brownback was speaking to an educated white male, Richard Sullivan, former finance director of the Democratic National Committee. The senator neither mimicked nor changed the tone of his voice. He was drawing a conclusion to a series of questions he asked Sullivan, who was playing escape, evasion, and dissemble. The senator wanted Sullivan to tell the truth about the unusual compensation package that former DNC fundraiser John Huang negotiated with the Democratic Party—the same truth Sullivan told investigators in an earlier deposition.

The senator asked, "If he didn't produce, no more money. You said, "If things worked out," were your terms. Is that correct?

But the recalcitrant Sullivan did his best to duck the question and replied incoherently, "Yes. But, senator, if he—he never raised it, and it was more of a—if he had raised it, we—as I've stated, we had no reason to believe anything was improper or illegal. And if he had raised it in April or May I'm certain that it would have been met."

The truth is that when John Huang took a pay cut to become the Democratic National Committee's top fundraiser, he was paid a base salary of $60,000, plus a bonus based on the amount of money he would raise. To close the circle, Sen. Brownback concluded with a straight face, "So, no raise money, no get bonus." Even Sen. Daniel Inouye, D-Hawaii, said that Brownback "didn't mean to slight anybody by this remark."

Now, why would these Asian Pacific American organizations get so offended by that remark? Every time they make a public statement about the campaign finance scandal,

the leaders of these groups mention the senator's utterance. Why? It's clear that a number of these groups are led by, for the lack of a better word, liberals. As friends of the Clinton-Gore administration, groups like the Organization of Chinese Americans, the Congressional Asian Pacific American Caucus Institute, and the Asian Pacific American Legal Consortium are playing partisan politics and, quite implausibly, becoming more outraged at a single misinterpreted comment by a Republican senator than by Democratic Party individuals, including the president, whose fundraising improprieties have cast aspersions on millions of law-abiding Asian Pacific Americans.

Their complaint against Sen. Brownback is out of place and, more importantly, shows a lack of serious interest in the truth. Otherwise, they would have found out that Sen. Brownback is a true friend of the Asian Pacific American community. In 1996, Congress was debating a contentious immigration bill which could cut legal immigration by one-third. The proposed bill would stop American citizens from petitioning for their parents, adult children, brothers, and sisters for immigration.

However, the senator introduced the famous Brownback amendment which preserved all these immigrant categories in the law. Not only did he cosponsor the amendment, he worked very hard to persuade two dozen Republicans to fight the cut in legal immigration. He told those who would listen that "It's wrong for us to turn the clock back to the 1920s when we shut the door to immigrants." Because of this, tens of thousands of Asian Pacific Americans are and will be able to petition for their parents, adult children, brothers, and sisters for immigration. Perhaps these Asian Pacific American organizations did not know about his work at the time because they only worked with the Democratic side of Congress.

Now all of them should know who their friends are and who their enemies are. As to the enemy? Well, who got them into this campaign finance scandal in the first place? Try President Clinton, Al Gore, and the Democratic National Committee. And who is a true friend to Asian Americans? Try Sen. Brownback. When the chips were down last year he came through to preserve freedom for our close family members to immigrate to the United States. And for that, Asian Pacific American families across America are grateful to him.•

CBO COST ESTIMATE—S. 318

• Mr. D'AMATO. Mr. President, the Committee on Banking, Housing, and Urban Affairs reported S. 318, the Homeowners Protection Act on Friday, October 31, 1997. The committee report, Senate Report No. 105–129, was filed the same day.

The Congressional Budget Office cost estimate required by Senate Rule XXVI, section 11(b) of the Standing Rules of the Senate and section 403 of the Congressional Budget Impoundment and Control Act, was not available at the time of filing and, therefore, was not included in the committee report. Instead, the committee indicated the Congressional Budget Office cost estimate would be published in the CONGRESSIONAL RECORD when it became available.

Mr. President, I ask that the full cost estimate and cover letter from the Congressional Budget Office regarding S. 318 be printed in the RECORD.

The material follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 4, 1997.

Hon. ALFONSE M. D'AMATO,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 318, the Homeowners Protection Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Susanne S. Mehlman and Mary Maginniss (for federal costs), Marc Nicole (for the state and local impact), and Patrice Gordon (for the private-sector impact).

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 318—Homeowners Protection Act

Summary: S. 318 would institute certain reforms in the private mortgage insurance industry. First, the bill would require mortgage lenders and loan servicers to notify borrowers of their right to cancel mortgage insurance and of the procedures to do so. For each loan made one year or more after enactment, the bill would provide for the automatic cancellation of mortgage insurance (including coverage provided by state and local governments) when the outstanding principal balance on the loan drops to 78 percent of the value of the home at the time the loan was issued, provided the borrower's payments are current. S. 318 would establish disclosure procedures for the providers of lender-paid mortgage insurance and would impose civil liability on any mortgage servicer who failed to comply with the requirements of this bill. S. 318 also would dissolve the Thrift Depositor Protection Oversight Board and transfer its remaining responsibilities to the Department of the Treasury. In addition, the bill would reduce from four to two the number of annual meetings the Affordable Housing Advisory Board must hold each year.

CBO estimates that enacting S. 318 would result in savings of about $250,000 a year in outlays from direct spending. Because the bill would affect direct spending, pay-as-you-go procedures would apply. We also estimate that enacting this bill would not result in any significant impact on federal spending subject to appropriation.

S. 318 would impose both private-sector and intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA). CBO estimates, however, that the direct costs of complying with the mandates would not likely exceed the thresholds specified in UMRA ($100 million for private-sector mandates and $50 million for intergovernmental mandates, in 1996 dollars adjusted annually for inflation).

Estimated cost to the Federal Government

Direct spending

Current law requires the Thrift Depositor Protection Oversight Board to monitor the operations and spending of the Resolution Trust Corporation (RTC). The RTC was a temporary agency established to resolve thrift failures beginning in 1989. In late 1995 the RTC was dissolved and its remaining assets were transferred to the Federal Deposit Insurance Corporation. The Oversight Board now retains responsibility for only two functions. The first is to oversee operations of the Resolution Funding Corporation (REFCORP), which issued bonds totaling $30 billion from 1989 to 1991 as part of RTC's initial funding. Second, the Oversight Board retains a nonvoting membership, through the end of 1998, on the Affordable Housing Advisory Board. By terminating the Oversight Board, the bill would eliminate the annual costs for the one employee of the board who prepares periodic reports required of all distinct entities of the government and performs other routine functions. Based on information from the Treasury, CBO estimates that transferring the statutory responsibilities of the Oversight Board to the Treasury would result in savings of about $250,000 annually in direct spending. Because the Oversight Board has the authority to pay its expenses without appropriation action, these savings would be a reduction in direct spending.

This bill also would affect insured depository institutions, including banks, thrifts, and credit unions that hold qualifying mortgage portfolios. As a result, the federal banking regulators—the Federal Reserve, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of Thrift Supervision—would have some responsibility to monitor and enforce the statute. Spending by these agencies is not subject to the annual appropriation process. However, CBO expects that the additional regulatory costs for these agencies would be small and offset by fees in most cases, resulting in no significant net cost to the federal government.

Spending subject to appropriation

Spending by the Treasury to carry out the routine functions of the Oversight Board would be subject to appropriation. CBO estimates that any additional spending would be minimal. In addition, reducing the number of times the Affordable Housing Advisory Board must meet annually is not expected to result in any significant savings. Also, CBO estimates that imposing civil liability on mortgage servicers who do not comply with the requirements under the bill would not result in any significant costs to the federal court system because the caseload is expected to be minimal and any cases reaching trial would most likely be tried in state courts.

Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Legislation providing funding necessary to meet the government's existing deposit insurance commitment is excluded from these procedures. CBO believes that requiring insured depository institutions to terminate private mortgage insurance would not meet the exemption for full funding of deposit insurance and thus would have pay-as-you-go implications. Spending by the federal banking regulators to monitor and enforce the provisions of the bill is estimated to be small, however, and in most cases would be offset be fees charged to the depository institutions, resulting in no significant net cost to the federal government. Eliminating the Thrift Depositor Protection Oversight Board would reduce direct spending, but these savings would also be insignificant.

Intergovernmental and private-sector impact: S. 318 would impose both private-sector

and intergovernmental mandates as defined in UMRA. The bill contains mandates on mortgage lenders, loan servicers, purchasers of mortgage loans, and private mortgage insurance (PMI) companies in the mortgage industry. Provisions in the bill would be enforced by private law suits. CBO estimates that the annual direct costs of complying with mandates identified in this bill are not likely to exceed the statutory thresholds for private-sector or intergovernmental mandates. Inasmuch as state and local governments finance mortgage loans and service and insure some of the loans extended, they would bear some of the costs of complying with these mandates. CBO estimates that at least 95 percent of all identified costs would fall on the private sector, less than 5 percent of the costs would be borne by state and local governments.

Private mortgage insurance protects lenders—or the ultimate purchaser of a mortgage loan, such as Fannie Mae or Freddie Mac—against financial loss if a borrower defaults on a mortgage loan. Industry data show that the lower the down payment, as a percentage of the property value, the greater is the risk that the loan will default. Mortgage insurance is generally used when a borrower makes a down payment of less than 20 percent of the value of the home—that is, when the mortgage has a loan-to-value (LTV) ratio greater than 80 percent. In 1996, the eight PMI companies backed nearly one million residential mortgage loans and a total of $127 billion in loans were covered by PMI.

Mandates

S. 318 would allow borrowers to request cancellation of a PMI policy after paying off 20 percent of the property's original value. To be eligible for policy cancellation at 20 percent equity, the bill would require that a borrower (1) make a written request for cancellation; (2) be current on mortgage payments; (3) certify that he or she holds no second mortgages on the property; and (4) demonstrate that the property's value has not depreciated below its value at closing. S. 318 would require that private mortgage insurance be canceled once a borrower has reached 22 percent equity unless the insurance covers a "high-risk" loan. Borrowers with loans deemed to be high risk according to guidelines to be developed by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation would not qualify for early cancellation. Such borrowers, however, would have their insurance terminated at the half-life of the loan. Upon termination of PMI insurance, the bill would require that servicers (and PMI companies) refund to the borrower any premiums already paid for the period beyond the termination date.

Beginning one year after enactment, S. 318 would require lenders and servicers to provide written disclosures about insurance cancellation rights to borrowers who are required by creditors to obtain private mortgage insurance as a condition for entering into a residential mortgage agreement. S. 318 would require that the lender notify the borrower in writing at or before closing of his cancellation rights under PMI and give the borrower an amortization schedule. The amortization schedule would be used to determine a termination date at which the borrower would no longer be required to pay insurance premiums. The bill also would require, before closing, mandatory disclosures to purchasers of lender-paid mortgage insurance indicating that lender-paid mortgage insurance may not be canceled. After the initial disclosure at loan origination, loan servicers would be required to notify borrowers with "borrower-paid" PMI (including existing loans with PMI) of their cancellation rights in an annual written statement.

Estimated Costs of Mandates

In the first year after enactment, the total costs of the mandates would consist of the costs to lenders and services of modifying systems to accommodate the transmittal and storage of additional data. Lenders and servicers would also have to modify software programs to provide the required additional disclosures to borrowers and to develop the procedures to trigger automatic termination of PMI insurance for eligible borrowers. In total, the initial "set-up" costs should be somewhat below $100 million dollars. After an initial set-up period of about one year, costs would likely drop. The bulk of costs in the second year would cover disclosure at or before settlement to roughly one million borrowers required to purchase PMI insurance and annual disclosure to about five million borrowers who already have borrower-paid PMI insurance.

CBO estimates that costs to the mortgage industry would gradually start to rise again in a few years as the cost to servicers of terminating PMI policies, and the loss of premium income to PMI companies start to accumulate. Most loans to which automatic termination would apply would not reach an LTV ratio of 78 percent to qualify for termination until well after the five-year period of analysis required by UMRA.

Estimated impact on State, local and tribal governments

Because state and local governments participate in mortgage financing, they would bear some of the compliance costs of S. 318. CBO estimates that the state and local share of such costs would total less than $5 million a year. All 50 states and some local governments finance mortgages (primarily with mortgage revenue bonds), 21 states service at least a portion of their own mortgage portfolio, and seven states insure mortgages. (The definition of private mortgage insurance used in this bill includes insurance provided by state governments. Only insurance provided by the federal government is excluded.) Based on data from the National Council of State Housing Agencies and Standard and Poors, CBO estimates that state and local governments are involved in less than 5 percent of mortgages that have private mortgage insurance. Their share of the costs would thus be relatively small.

S. 318 would also impose an additional mandate on state governments by preempting certain state laws pertaining to the termination or cancellation of private mortgage insurance or the disclosure of certain information addressed by the bill. Based on discussions with mortgage industry officials and a review of certain state mortgage insurance laws, CBO estimates that this mandate would impose no significant costs on state governments nor would it result in the loss of any revenue.

Previous CBO estimates: On April 7, 1997, CBO provided an estimate for H.R. 607, the Homeowners Insurance Protection Act, as ordered reported by the House Committee on Banking and Financial Services on March 20, 1997. While both H.R. 607 and S. 318 would require that borrowers be notified of their rights to cancel mortgage insurance, these bills differ in their requirements for automatic cancellation of mortgage insurance. H.R. 607 would require automatic cancellation of mortgage insurance when the mortgage has an LTV of 75 percent (or less) while S. 318 would require automatic cancellation of mortgage insurance when the mortgage has an LTV of 78 percent (or less).

On September 17, 1997, CBO provided an estimate for H.R. 2343, a bill to terminate the Thrift Depositor Protection Oversight Board, as ordered reported by the House Committee on Banking and Financial Services on September 9, 1997. S. 318 would also eliminate the Oversight Board and would transfer its remaining responsibilities to the Department of the Treasury.

Estimate prepared by: Federal Costs: Susanne S. Mehlman, for private mortgage insurance. Mary Maginniss, for federal deposit insurance. Impact on State, Local, and Tribal Governments: Marc Nicole. Impact on the Private Sector: Patrice Gordon.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.•

VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1997

Mr. NICKLES. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 245, H.R. 2367.

The PRESIDING OFFICER (Ms. COLLINS). The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2367) to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans.

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

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

Mr. NICKLES. Madam President, I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

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

The bill (H.R. 2367) was read a third time, and passed.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACT

Mr. NICKLES. Madam President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 236, Senate bill 714.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 714) to make permanent the Native American Veteran Housing Loan Pilot Program of the Department of Veterans' Affairs.

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

There being no objection, the Senate proceeded to consider the bill which

had been reported from the Committee on Veterans' Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. EXTENSION AND IMPROVEMENT OF NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM.

(a) EXTENSION.—Section 3761(c) of title 38, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "December 31, 2003".

(b) OUTREACH.—Section 3762(i) of such title is amended—

(1) by inserting "(1)" after "(i)";

(2) in paragraph (1), as so designated—

(A) by inserting ", in consultation with tribal organizations (including the National Congress of American Indians and the National American Indian Housing Council)," after "The Secretary shall"; and

(B) by striking out "tribal organizations and"; and

(3) by adding at the end the following:

"(2) Activities under the outreach program shall include the following:

"(A) Attending conferences and conventions conducted by the National Congress of American Indians in order to work with the National Congress in providing information and training to tribal organizations and Native American veterans regarding the availability of housing benefits under the pilot program and in assisting such organizations and veterans in participating in the pilot program.

"(B) Attending conferences and conventions conducted by the National American Indian Housing Council in order to work with the Housing Council in providing information and training to tribal organizations and tribal housing entities regarding the availability of such benefits.

"(C) Attending conferences and conventions conducted by the Department of Hawaiian Homelands in order to work with the Department of Hawaiian Homelands in providing information and training to tribal housing entities in Hawaii regarding the availability of such benefits.

"(D) Producing and disseminating information to tribal governments, tribal veterans service organizations, and tribal organizations regarding the availability of such benefits.

"(E) Assisting tribal organizations and Native American veterans in participating in the pilot program.".

(c) ANNUAL REPORTS.—Section 3762 of such title is further amended by adding at the end the following:

"(j) Not later than February 1 of each of 1998 through 2003, the Secretary shall transmit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report relating to—

"(1) the implementation of the pilot program under this subchapter during the fiscal year preceding the date of the report;

"(2) the Secretary's exercise during such fiscal year of the authority provided under subsection (c)(1)(B) to make loans exceeding the maximum loan amount;

"(3) the appraisals performed for the Secretary during such fiscal year under the authority of subsection (d)(2), including a description of—

"(A) the manner in which such appraisals were performed;

"(B) the qualifications of the appraisers who performed such appraisals; and

"(C) the actions taken by the Secretary with respect to such appraisals to protect the interests of veterans and the United States;

"(4) the outreach activities undertaken under subsection (i) during such fiscal year, including—

"(A) a description of such activities on a region-by-region basis; and

"(B) an assessment of the effectiveness of such activities in encouraging the participation of Native American veterans in the pilot program;

"(5) the pool of Native American veterans who are eligible for participation in the pilot program, including—

"(A) a description and analysis of the pool; and

"(B) a description and assessment of the impediments, if any, to full participation in the pilot program of the Native American veterans in the pool; and

"(6) the Secretary's recommendations, if any, for additional legislation regarding the pilot program.".

SEC. 2. EXTENSION OF AUTHORITIES RELATING TO HOMELESS VETERANS.

(a) DRUG AND ALCOHOL ABUSE AND DEPENDENCE.—Section 1720A(e) of title 38, United States Code, is amended by striking out "December 31, 1997" and inserting in lieu thereof "December 31, 1999".

(b) AGREEMENTS FOR HOUSING ASSISTANCE FOR HOMELESS VETERANS.—Section 3735(c) of such title is amended by striking out "December 31, 1997" and inserting in lieu thereof "December 31, 1999".

(c) AUTHORITY FOR COMMUNITY-BASED RESIDENTIAL CARE FOR HOMELESS CHRONICALLY MENTALLY ILL VETERANS AND OTHER VETERANS.—Section 115(d) of the Veterans' Benefits and Services Act of 1988 (38 U.S.C. 1712 note) is amended by striking out "December 31, 1998" and inserting in lieu thereof "December 31, 1999".

(d) DEMONSTRATION PROGRAM OF COMPENSATED WORK THERAPY.—Section 7(a) of Public Law 102–54 (38 U.S.C. 1718 note) is amended by striking out "December 31, 1997" and inserting in lieu thereof "December 31, 1999".

(e) SERVICES AND ASSISTANCE TO HOMELESS VETERANS.—The Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended—

(1) in section 2(a), by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1999";

(2) in section 3(a)(2), by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1999"; and

(3) in section 12, by striking out "through 1997" and inserting in lieu thereof "through 1999".

(f) HOMELESS VETERANS' REINTEGRATION PROJECTS.—(1) Section 738(e)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11448(e)(1)) is amended by adding at the end the following:

"(G) $10,000,000 for fiscal year 1999.".

(2) Section 741 of such Act (42 U.S.C. 11450) is amended by striking out "December 31, 1997" and inserting in lieu thereof "December 31, 1999".

SEC. 3. EXTENSION AND EXPANSION OF ENHANCED-USE LEASE AUTHORITY.

(a) EXPANSION.—Section 8168(a) of title 38, United States Code, is amended by striking out "20" and inserting in lieu thereof "40".

(b) EXTENSION.—Section 8169 of such title is amended by striking out "December 31, 1997" and inserting in lieu thereof "December 31, 1999".

SEC. 4. EXTENSION OF CERTAIN OTHER AUTHORITIES OF THE SECRETARY OF VETERANS AFFAIRS.

(a) PILOT PROGRAM FOR NONINSTITUTIONAL ALTERNATIVES TO NURSING HOME CARE.—Section 1720C(a) of title 38, United States Code, is amended by striking out "December 31, 1997" and inserting in lieu thereof "December 31, 1999".

(b) HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM.—Section 7618 of such title is amended by striking out "December 31, 1997" and inserting in lieu thereof "December 31, 1999".

Mr. NICKLES. Madam President, I ask unanimous consent that the committee amendment be agreed to, the bill be considered a third time, and passed, the motion to reconsider be laid upon the table, the title amendment be agreed to, and any statements relating to the bill be printed in the RECORD.

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

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to extend and improve the Native American Veteran Housing Loan Pilot Program of the Department of Veterans Affairs, to extend certain authorities of the Secretary of Veterans Affairs relating to services for homeless veterans, to extend certain other authorities of the Secretary, and for other purposes.

AMENDING THE ACT TO INCORPORATE THE AMERICAN LEGION

Mr. NICKLES. Madam President, I ask unanimous consent the Senate now proceed to the consideration of S. 1377 introduced earlier today by Senators HATCH and LEAHY.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

A bill (S. 1377) to amend the act incorporating the American Legion to make a technical correction.

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

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

Mr. LEAHY. Mr. President, I rise today to comment on a bill which will amend the act of incorporation of the American Legion. I have introduced this bill with my colleague from Utah, Senator HATCH, the chairman of the Judiciary Committee.

Last year, Congress expanded the dates of the Vietnam war for purposes of veterans benefits by shifting the official start of the war from December 22, 1961, to February 28, 1961. The bill before the Senate makes a similar change in the Legion's charter. When we pass this into law the Legion will be able to extend membership to those men and women who served honorably on active duty in the U.S. Armed Forces during the early years of the Vietnam war. I am hopeful that we can pass it by unanimous consent today, and have it signed into law by the President before we adjourn for the year.

Mr. President, this modest change will mean a lot to the veterans from

that period who wanted the opportunity to join the American Legion but never could. They have waited for more than 35 years to have the privilege of becoming Legionnaires. We should not make them wait one day longer.

I yield the floor.

Mr. NICKLES. Madam President, I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The bill (S. 1377) was read the third time and passed, as follows:

S. 1377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act entitled "An Act to Incorporate the American Legion", approved September 16, 1919 (41 Stat. 285; 36 U.S.C. 45) is amended by striking "December 22, 1961" and inserting "February 28, 1961".

AUTHORIZATING PRINTING OF SENATE DOCUMENTS AND USE OF OFFICIAL MAIL

Mr. NICKLES. I ask unanimous consent the Senate now proceed to the consideration en bloc of the following resolutions and bill which were submitted and introduced earlier today by Senator WARNER: Senate Resolution 143, Senate Concurrent Resolution 61, Senate Concurrent Resolution 62, Senate Concurrent Resolution 63, and S. 1378.

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

Mr. NICKLES. Madam President, I ask unanimous consent the resolutions be agreed to, the bill be considered read a third time and passed, the motions to reconsider be laid upon the table, and any statements relating to these items be printed in the RECORD with all the preceding occurring en bloc.

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

The resolutions (S. Res. 143, S. Con. Res. 61, S. Con. Res. 62, and S. Con. Res. 63) were agreed to, as follows:

S. RES. 143

Resolved, That the Committee on Rules and Administration is directed to prepare a revised edition of the Senate Election Law Guidebook, Senate Document 104–12, and that such document shall be printed as a Senate document.

Sec. 2. There shall be printed 600 additional copies of the document specified in section 1 of this resolution for the use of the Committee on Rules and Administration.

S. CON. RES. 61

Resolved by the Senate (the House of Representatives concurring), That (a) a revised edition of the publication entitled "Our Flag", revised under the direction of the Joint Committee on Printing, shall be reprinted as a Senate document.

(b) There shall be printed—

(1)(A) 250,000 copies of the publication for the use of the House of Representatives, distributed in equal numbers to each Member;

(B) 51,500 copies of the publication for the use of the Senate, distributed in equal numbers to each Member;

(C) 2,000 copies of the publication for the use of the Joint Committee on Printing; and

(D) 1,400 copies of the publication and distribution to the depository libraries; or

(2) if the total printing and production costs of copies in paragraph (1) exceed $150,000, such number of copies of the publication as does not exceed total printing and production costs of $150,000, with distribution to be allocated in the same proportion as in paragraph (1).

S. CON. RES. 62

Resolved by the Senate (the House of Representatives concurring), That (a) a revised edition of the brochure entitled "How Our Laws Are Made", under the direction of the Parliamentarian of the House of Representatives in consultation with the Parliamentarian of the Senate, shall be printed as a Senate document, with suitable paper cover in the style selected by the chairman of the Joint Committee on Printing.

(b) There shall be printed—

(1)(A) 250,000 copies of the brochure for the use of the House of Representatives, distributed in equal numbers to each Member;

(B) 100,000 copies of the brochure for the use of the Senate, distributed in equal numbers to each Member;

(C) 2,000 copies of the brochure for the use of the Joint Committee on Printing; and

(D) 1,400 copies of the brochure for distribution to the depository libraries; or

(2) if the total printing and production costs of copies in paragraph (1) exceed $180,000, such number of copies of the brochure as does not exceed total printing and production costs of $180,000, with distribution to be allocated in the same proportion as in paragraph (1).

S. CON. RES. 63

Resolved by the Senate (the House of Representatives concurring), That (a) a revised edition of the pamphlet entitled "The Constitution of the United States of America", prepared under the direction of the Joint Committee on Printing, shall be printed as a Senate document, with appropriate illustration.

(b) There shall be printed—

(1)(A) 440,000 copies of the pamphlet for the use of the House of Representatives, distributed in equal numbers to each Member;

(B) 100,000 copies of the pamphlet for the use of the Senate, distributed in equal numbers to each Member;

(C) 2,000 copies of the pamphlet for the use of the Joint Committee on Printing; and

(D) 1,400 copies of the pamphlet for distribution to the depository libraries; or

(2) if the total printing and production costs of copies in paragraph (1) exceed $120,000, such number of copies of the pamphlet as does not exceed total printing and production costs of $120,000, with distribution to be allocated in the same proportion as in paragraph (1).

The bill (S. 1378) was read the third time and passed, as follows:

S. 1378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF AUTHORIZATION OF USE OF OFFICIAL MAIL IN THE LOCATION AND RECOVERY OF MISSING CHILDREN.

The Act entitled "An Act to amend title 3, United States Code, to authorize the use of penalty and franked mail in efforts relating to the location and recovery of missing children", approved August 9, 1985 (39 U.S.C. 3220 note; Public Law 99–87), is amended—

(1) in section 3(a) by striking "June 30, 1997" and inserting "June 30, 2002"; and

(2) in section 5 by striking "December 31, 1997" and inserting "December 31, 2002".

UNANIMOUS-CONSENT AGREEMENT—S. 1253

Mr. NICKLES. Madam President, I ask unanimous consent that if and when S. 1253 is reported by the Energy Committee, it be referred to the Agriculture Committee solely for the purpose of considering matters within its jurisdiction for not to exceed 40 days of Senate session. I further ask that if the Agriculture Committee has not reported the matter after that period, the bill be immediately discharged from committee and placed on the calendar.

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

UNANIMOUS-CONSENT AGREEMENT—NOMINATION OF RONALD LEE GILMAN

Mr. NICKLES. Madam President, as in executive session, I ask unanimous consent that at 9:30 on Thursday, November 6, the Senate proceed to executive session to consider the Executive Calendar No. 326, the nomination of Ronald Lee Gilman to be circuit court judge for the sixth circuit. I further ask consent that there be 10 minutes of debate equally divided in the usual form, and following that debate the Senate proceed to a vote on the confirmation of the nomination.

I finally ask consent that immediately following the vote, the motion to reconsider be laid upon the table, 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.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. NICKLES. Madam President, I ask unanimous consent that the Senate go into executive session and proceed en bloc to the following nominations on the Executive Calendar: Nos. 271, 272, 279, 282, 288, 352, 372, 376 through 379, 382, 383, 440, 441, 442, and all nominations on the Secretary's desk in the Coast Guard.

I finally ask unanimous consent the nominations be confirmed, the motions

to reconsider be laid upon the table, and any statements relating to the nominations appear at this point in the RECORD, 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 considered and confirmed en bloc are as follows:

DEPARTMENT OF STATE

Nancy Jo Powell, of Iowa, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Uganda.

Amelia Ellen Shippy, of Washington, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malawi.

Barbara K. Bodine, of California, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Yemen.

Johnny Young, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Bahrain.

Robin Lynn Raphel, of Washington, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Tunisia.

DEPARTMENT OF DEFENSE

Jacques Gansler, of Virginia, to be Under Secretary of Defense for Acquisition and Technology.

EXECUTIVE OFFICE OF THE PRESIDENT

Duncan T. Moore, of New York, to be an Associate Director of the Office of Science and Technology Policy.

THE JUDICIARY

William P. Greene, Jr., of West Virginia, to be an Associate Judge of the United States Court of Veterans Appeals for the term of 15 years.

DEPARTMENT OF LABOR

Espiridion A. Borrego, of Texas, to be Assistant Secretary of Labor for Veterans' Employment and Training.

DEPARTMENT OF VETERANS AFFAIRS

Richard J. Griffin, of Illinois, to be Inspector General, Department of Veterans Affairs.

Joseph Thompson, of New York, to be Under Secretary for Benefits of the Department of Veterans Affairs.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Jo Ann Jay Howard, of Texas, to be Federal Insurance Administrator, Federal Emergency Management Agency.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Richard F. Keevey, of Virginia, to be Chief Financial Officer, Department of Housing and Urban Development.

U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

Hank Brown, of Colorado, to be a Member of the United States Advisory Commission on Public Diplomacy for a term expiring April 6, 2000.

Penne Percy Korth, of Texas, to be a Member of the United States Advisory Commission on Public Diplomacy for a term expiring July 1, 2000.

DEPARTMENT OF THE TREASURY

Nancy Killefer, of Florida, to be an Assistant Secretary of the Treasury.

IN THE COAST GUARD

Coast Guard nominations beginning Thomas Flora, and ending Michael R. Olson, which nominations were received by the Senate and appeared in the Congressional Record of October 7, 1997.

Coast Guard nomination of Whitney L. Yelle, which was received by the Senate and appeared in the Congressional Record of October 29, 1997.

LEGISLATIVE SESSION

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

ORDERS FOR THURSDAY, NOVEMBER 6, 1997

Mr. NICKLES. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Thursday, November 6. I further ask that on Thursday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate immediately resume executive session to consider the nomination of Ronald Gilman of Tennessee to be a circuit judge, for 10 minutes, to be followed by a rollcall vote on the confirmation of Judge Gilman.

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

Mr. NICKLES. Following the 9:40 a.m. vote, the Senate will begin consideration of the conference report to accompany H.R. 1119, the Department of Defense Authorization Act, as under the previous order.

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

PROGRAM

Mr. NICKLES. Tomorrow, at 9:40 a.m., the Senate will conduct a rollcall vote on the confirmation of Judge Gilman of Tennessee, to be followed by up to 4 hours of consideration of the conference report to accompany H.R. 1119, the Department of Defense Authorization Act. As under the order, a vote on the adoption of the conference report will occur at the expiration or yielding back of time. Therefore, Members can anticipate that vote at approximately 2 p.m. on Thursday. The Senate may also consider and complete action on any of the following: Amtrak reform, the D.C. appropriations bill, FDA reform conference report, the Intelligence authorization conference report, and any additional legislative or executive items that can be cleared for action.

Therefore, Members can anticipate rollcall votes throughout Thursday's session of the Senate, with the first vote occurring at 9:40 a.m.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. NICKLES. Madam 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 6:04 p.m, adjourned until Thursday, November 6, 1997, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate November 5, 1997:

FEDERAL ELECTION COMMISSION

DARRYL R. WOLD, OF CALIFORNIA, TO BE A MEMBER OF THE FEDERAL ELECTION COMMISSION FOR A TERM EXPIRING APRIL 30, 2001, VICE JOAN D. AIKENS, TERM EXPIRED.

EXECUTIVE OFFICE OF THE PRESIDENT

REBECCA M. BLANK, OF ILLINOIS, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS, VICE ALICIA HAYDOCK MUNNELL, RESIGNED.

CONFIRMATIONS

EXECUTIVE NOMINATIONS CONFIRMED BY THE SENATE NOVEMBER 5, 1997:

DEPARTMENT OF STATE

NANCY JO POWELL, OF IOWA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF UGANDA.

AMELIA ELLEN SHIPPY, OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF MALAWI.

BARBARA K. BODINE, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF YEMEN.

JOHNNY YOUNG, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE STATE OF BAHRAIN.

ROBIN LYNN RAPHEL, OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF TUNISIA.

DEPARTMENT OF DEFENSE

JACQUES GANSLER, OF VIRGINIA, TO BE UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND TECHNOLOGY.

EXECUTIVE OFFICE OF THE PRESIDENT

DUNCAN T. MOORE, OF NEW YORK, TO BE AN ASSOCIATE DIRECTOR OF THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY.

THE JUDICIARY

WILLIAM P. GREENE, JR., OF WEST VIRGINIA, TO BE AN ASSOCIATE JUDGE OF THE UNITED STATES COURT OF VETERANS APPEALS FOR THE TERM OF FIFTEEN YEARS.

DEPARTMENT OF LABOR

ESPIRIDION A. BORREGO, OF TEXAS, TO BE ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.

DEPARTMENT OF VETERANS AFFAIRS

RICHARD J. GRIFFIN, OF ILLINOIS, TO BE INSPECTOR GENERAL, DEPARTMENT OF VETERANS AFFAIRS.

JOSEPH THOMPSON, OF NEW YORK, TO BE UNDER SECRETARY FOR BENEFITS OF THE DEPARTMENT OF VETERANS AFFAIRS.

FEDERAL EMERGENCY MANAGEMENT AGENCY

JO ANN JAY HOWARD, OF TEXAS, TO BE FEDERAL INSURANCE ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RICHARD F. KEEVEY, OF VIRGINIA, TO BE CHIEF FINANCIAL OFFICER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY

HANK BROWN, OF COLORADO, TO BE A MEMBER OF THE UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY FOR A TERM EXPIRING APRIL 6, 2000.

PENNE PERCY KORTH, OF TEXAS, TO BE A MEMBER OF THE UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY FOR A TERM EXPIRING JULY 1, 2000.

DEPARTMENT OF THE TREASURY

NANCY KILLEFER, OF FLORIDA, TO BE AN ASSISTANT SECRETARY OF THE TREASURY.

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

JAMES S. GWIN, OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF OHIO.

IN THE COAST GUARD

COAST GUARD NOMINATIONS BEGINNING THOMAS FLORA, AND ENDING MICHAEL R. OLSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON OCTOBER 7, 1997.

COAST GUARD NOMINATION OF WHITNEY L. YELLE, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF OCTOBER 29, 1997.

HOUSE OF REPRESENTATIVES—*Wednesday, November 5, 1997*

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

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
November 5, 1997.

I hereby designate the Honorable JOHN E. SUNUNU to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

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

We pray, gracious God that whatever our obligations or whatever our time in life, we will experience purposeful challenges that engage the spirit and keep our hearts and minds filled with enthusiasm. Help us to be aware that there are always ways that we can contribute to the benefit of people about us or to help lift the burdens of others with their daily concerns. May Your Spirit, O God, so touch our spirits that our minds are alert, our hearts are compassionate, and our hands eager to do the good works that honor You and serve people whatever their need. In Your name we pray. Amen.

THE JOURNAL

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

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

Mr. ROGAN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

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

Mr. ROGAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, further proceedings on this question are postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio [Mr. KUCINICH] come forward and lead the House in the Pledge of Allegiance.

Mr. KUCINICH led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundegran, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 79. An act to provide for the conveyance of certain land in the Six Rivers National Forest in the State of California for the benefit of the Hoopa Valley Tribe;

H.R. 708. An act to require the Secretary of the Interior to conduct a study concerning grazing use and open space within and adjacent to Grand Teton National Park, Wyoming, and to extend temporarily certain grazing privileges; and

H.R. 2464. An act to amend the Immigration and Nationality Act to exempt internationally adopted children 10 years of age or younger from the immunization requirement in section 212(a)(1)(A)(ii) of such Act.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 813. An act to amend chapter 91 of title 18, United States Code, to provide criminal penalties for theft and willful vandalism at national cemeteries;

S. 940. An act to provide for a study of the establishment of Midway Atoll as a national memorial to the Battle of Midway, and for other purposes;

S. 1231. An act to authorize appropriations for fiscal years 1998 and 1999 for the United States Fire Administration, and for other purposes; and

S. 1324. An act to deauthorize a portion of the project for navigation, Biloxi Harbor, Mississippi.

The message also announced, that pursuant to section 4355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the following Senator to the Board of Visitors of the United States Military Academy:

The Senator from New Jersey [Mr. LAUTENBERG] from the Committee on Appropriations, vice the Senator from Wisconsin [Mr. KOHL].

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 15 one-minutes on each side.

CUTTING TAXES IS NOT SELFISH

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

Mr. NEUMANN. Mr. Speaker, I rise this morning to look at the results of last night's elections and see that the people have spoken and they do not believe it is selfish for the working families of this great Nation to want to keep more of their own money in their own home and spend it on their families, rather than sending it to whatever the taxing organization might be, whether it be Washington or their local tax burden.

We understand that the President said that he believes it is selfish, selfish, for people to support tax cuts. Mr. President, it is not selfish for our hard-working families that are going to receive the $400 per child tax credit to want to keep that money in their home to use on their families rather than send it to Washington, DC.

It is not selfish for a hard-working family that is maybe now working three jobs to want to keep more of their own hard-earned money in their family so they only need to work two jobs instead of three to make ends meet, so they can keep more money there and spend more time with their families because they are now only working two jobs instead of three. That is not selfish. That is family values of this great Nation that we live in. That is the opportunity for parents to spend more time with their children.

DEFEAT OF "ISSUE 2" A LESSON FOR ALL

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

Mr. KUCINICH. Mr. Speaker, yesterday one of the most important election issues in America was decided in the State of Ohio in favor of working families. Ohio "Issue 2" sought to reduce and eliminate many benefits accorded injured workers under the workers compensation system. When people are injured on the job, they have a right to fair compensation, but Issue 2 would have taken away that right.

A powerful coalition led by labor and other representatives of injured workers rose up to protect the moral, the economic, and the spiritual rights of people to be able to be fairly compensated when they are injured on the job.

The defeat of Issue 2 is a lesson for those who would seek to use the legislative process to deprive workers of their rights. It is also a lesson for those who would defy power which seems omnipotent, who believe that they could overcome the odds, assert their rights and triumph on behalf of working men and women.

COMMON SENSE NEEDED AT THE IRS

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

Mr. TIAHRT. Mr. Speaker, soon it will be cookies and tea at the IRS. They are holding an open house down at the IRS. It is their kinder and gentler version of the most feared bureaucracy in America.

After years of abusing Americans on repeated audits, after confiscating personal property and closing family businesses, after harassing local churches for returning contributions made freely by their parishoners, the IRS says, trust us. We did not do anything illegal. If we did, we will not do it again, but we do need to make some changes. It kind of sounds like campaign reform.

Mr. Speaker, there are a lot of good people working at the IRS put in very bad positions by their management. The best thing to do would be to eliminate the Tax Code and create a fairer and flatter tax. But in the meantime we should all vote for H.R. 2676, the IRS Restructuring and Reform Act, and get some common sense back at the IRS.

BRING SOME COMMON SENSE TO FOREIGN RELATIONS

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

Mr. TRAFICANT. Mr. Speaker, see if this makes sense. America gives billions of foreign aid to Russia; Russia then takes American cash and builds new weapons; Russia then offers to sell the old weapons to Iran. America trying to keep nuclear technology from Iran, and they buy the old weapons from Russia. Russia then asks America for more foreign aid. America trying to keep the Marx brothers out of Russia, and I do not mean Groucho, give Russia more foreign aid.

After all this, the State Department labels the National Council Resistance, the opposition party in Iran, fighting for democracy, trying to throw those bums out. They label them a terrorist group.

Unbelievable. How dumb can Uncle Sam be? Let us tell it like it is. Those Russian nuclear scientists are not hanging around Iran to watch belly dancers. What is next? Will the Pentagon lease Tehran?

Beam me up, Mr. Speaker. With a foreign policy like this, I do not know how we still have our sovereignty.

EARLY DETECTION SAVES LIVES

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

Mr. SNOWBARGER. Mr. Speaker, I have come to the floor to focus our Nation's attention on a disease that afflicts one in every 8 women and affects everyone's lives. Each year, more than 46,000 women lose their lives in a fight against breast cancer and it is this fact I find most distressing, because in many cases, early detection could have prevented the losses of life.

According to the American Cancer Society, nearly 9 out of every 10 women who are diagnosed with breast cancer survive. A major component in achieving this success rate is educating women to regularly conduct breast self-examinations. Again, early detection of breast cancer can prevent the loss of life.

In Kansas City, women are benefiting from the works of Florein Leiberman, who founded the Breast Exam Self Testing Program, known as the BEST Program. BEST is sponsored by Menorah Medical Center and is supported by 35 physicians who volunteer their time and expertise to provide a free clinic visit to help educate women on proper breast self-examination techniques.

Since 1985, more than 3,500 women have benefited from this program. In addition, BEST is working with local junior and senior high schools to help educate young women on ways to work on this disease.

BRING H.R. 856, SELF DETERMINATION FOR PUERTO RICO, TO THE FLOOR

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

Mr. ROMERO-BARCELÓ. Mr. Speaker, I rise to the occasion in support of H.R. 856, a bill to provide a process leading to the full self-determination for Puerto Rico. This bill seeks to put an end to the disenfranchisement of 3.8 million U.S. citizens in Puerto Rico. This bill is essential to strengthening our Democratic process.

The U.S. citizens of Puerto Rico have been partners of the United States since 1898, almost one century, having fought hand-in-hand to defend American principles and Democratic ideals worldwide. After having faithfully fought side-by-side with our fellow citizens in every armed conflict since 1917, Puerto Ricans are denied the right to exercise self-determination and their right to vote. As the United States preaches to the world on human rights and democracy, it has forgotten 3.8 million of its own citizens.

How can we ask Castro to hold a plebiscite and open elections in Cuba when this Nation, an example and inspiration of democracy, keeps 3.8 million of its own citizens disenfranchised? Please support H.R. 856. It is our responsibility. We must bring H.R. 856 to the floor soon.

ELECTION RESULTS SAY IT ALL

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

Mr. PAPPAS. Mr. Speaker, we frequently hear that liberal and conservative are nothing but labels, but Mr. Speaker, it is a question of vision contrasting between the liberal vision and the conservative vision for America.

Just a few days ago while campaigning in Alexandria, VA, President Clinton called the voters who support tax relief selfish. Well, Mr. Speaker, yesterday all throughout this country, in particular I would like to point out in the 13th district of New York, a district where VITO FOSSELLA was elected to replace Susan Molinari in the House of Representatives, a district that the Democrats said would be a bellwether test for what is to happen in 1998 in the House elections. Mr. FOSSELLA was overwhelmingly elected by over 60 percent and we are fortunate to have him join this House this morning.

Mr. Speaker, selfishness is not an effort to keep more of what Americans earn, it is the right thing to do.

SAY "NO" TO FAST TRACK

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

Mr. DEFAZIO. Mr. Speaker, the full court corporate press for fast track legislation is on. The USA NAFTA captains are back. Remember these folks, colleagues? These are the same corporate CEO's that came here and promised NAFTA would be a boon for American workers. We would run trade surpluses with Mexico. Our people would be in full employment.

Guess what? These same folks are back. Their salaries are up dramatically, their profits are up, but 43 percent of them have laid off American workers. They have moved the jobs to Mexico. Twenty percent of them are documented for threatening their workers with moving their jobs to Mexico unless they accept lower wages, but for us, is it not wonderful? Twenty percent of them are also in the top givers of soft money to politicians.

They are here now in the back rooms and trying to get into your offices. Say no to the corporate money. Say yes to the American workers. Say no to fast track, no, no, no.

AMERICA NEEDS A NEW IRS

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

Mr. GIBBONS. Mr. Speaker, we can control disease in America, but we cannot control the IRS. Here we go again, and as my mother used to say, same song, just a different verse. The IRS has found a new way to abuse the American taxpayer. This time they are reneging on an agreement with the restaurant industry.

After complaining for years that they are not able to tax the tips earned by hard-working restaurant employees, the IRS proposed a new voluntary taxation plan. Restaurants could, but were by no means obligated to, use this method of recording this income. To nobody's surprise, the IRS has now resorted to intimidation, threatening audits on any business that does not follow their extortionary demands.

This type of harassment must end. Fortunately, the IRS Restructuring and Reform Act of 1997 will prohibit this abuse of power. Yes, Mr. Speaker, today is a new day, and we need a new IRS. The time has come to restore the common sense and accountability of this country's tax collection agency.

□ 1015

CONGRATULATIONS, HOUSTON, FOR SUPPORTING AFFIRMATIVE ACTION

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am very proud this morning to announce that the citizens of Houston, TX, are decent people. Resoundingly, yesterday they defeated a clone of proposition 209 out of California, and they proclaimed their commitment to affirmative action and equal opportunity for all. They rejected a referendum to deny the city of Houston the opportunity to implement affirmative action.

With congratulations to local elected officials and all of us who worked very hard, but most of all congratulations to the citizens of Houston, who understood what affirmative action is. It does not take away from someone else and give to another unfairly, it simply opens the door of opportunity for someone equally qualified.

To the Canady legislation to be marked up in the Committee on the Judiciary, be forewarned, the people of America are saying that equal opportunity is what we believe in and what this country stands for. We will fight all the way to maintain the opportunity for all citizens. Thank you, Houston, for standing for what America truly believes in, and that is equal opportunity and access for all of us, through an effort to defeat discriminatory practices by the use of affirmative action.

PRESIDENT WRONG TO LABEL TAXPAYERS SELFISH

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

Mr. ROGAN. Mr. Speaker, we Republicans believe that one of the greatest family values we can promote in Congress is to allow hard-working people to keep more of the money they have earned, and have the right to spend it on their families. How I wish the President would join us in that family value.

I was stunned to pick up the front page of the newspaper yesterday and to see the headline: "Clinton Labels Tax Cut Selfish." I read from the newspaper, lest anybody think I am exaggerating: "President Clinton yesterday called voters attracted to Republican tax cut promises selfish, saying they should be satisfied instead with a revived economy, and *happy* to pay for government services" (emphasis added).

Yesterday, in Virginia he scolded voters for backing the selfishly gratifying pledge to slash taxes. "This is going to be like one of those meals you order and you are hungry 30 minutes later," the President proclaimed.

Mr. President, I am gravely disappointed in these comments. For a leader who likes to remind us he "feels our pain," I wish you would recognize the pain caused by oppressively high taxes on working American families. You have a chance to join us in the fight to return more of their money from the IRS to their pocketbooks. I urge you to reconsider who is the truly selfish one in this debate.

VOUCHER PROPOSAL DEFEAT IS VICTORY FOR PUBLIC SCHOOLS

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

Ms. DELAURO. Mr. Speaker, last night this body voted down the Gingrich voucher proposal. This was a great victory for America's public schools and a great victory, more important, for America's public school children. This Nation's commitment to public schools, to public education, is one of the cornerstones of our democratic society.

The notion, the notion that every child, regardless of race, gender, station in life, is entitled to public education, that is what we have been about in this great Nation.

Today our public schools do have a lot of problems. Vouchers is not the way to fix them. Vouchers simply provide an out for a lucky few, while draining precious resources that could be spent on replacing leaky roofs, buying new computers, or hiring new teachers. This is a way to take money from public education and put it to private education for the privileged and for the few.

Let me congratulate my colleagues who stood up on the floor last night. They stood up for public education, and they voted down the Gingrich voucher plan.

VOTES REFLECT SOLIDARITY WITH CHINESE IN STRUGGLE FOR DEMOCRACY

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

Ms. ROS-LEHTINEN. Mr. Speaker, the U.S. Congress has a unique opportunity today to stand in solidarity with the long-suffering Chinese people in their struggle for freedom, for democracy, for respect for human rights.

There is a series of bills before us today ranging from enforcing a ban on slave labor products to condemning the abhorrent practice of forced abortion.

The House will vote on sanctions on Chinese missile exports to Iran, as well as my bill, which will place human rights monitors in our Embassy and consulates in China.

We will send a message to the people of Tibet and Taiwan that we want them to have self-determination.

The House will vote on adopting a voluntary set of principles which promote good corporate citizenship by United States companies doing business in China.

We pressure China to stop selling nuclear-related technology to countries such as Pakistan that are trying to develop nuclear weapons.

The House will increase funding for the National Endowment for Democracy to promote democracy in China, and we will express our disgust at the Chinese practice of harvesting and transplanting human organs from prisoners, and we will deny U.S. visas to those Chinese officials.

MAJOR ENVIRONMENTAL GROUPS UNIFIED IN OPPOSITION TO FAST TRACK

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

Mr. PALLONE. Mr. Speaker, the major environmental organizations,

some of which were strong supporters of NAFTA in 1993, have expressed their opposition to the current fast track proposals moving through the House and Senate. The National Wildlife Federation, the National Audubon Society, and Defenders of Wildlife have joined with the Sierra Club, Friends of the Earth, and dozens of other grassroots environmental organizations around the country who oppose this legislation.

The debate currently raging over fast track is not a question of whether the United States enters into a global economy, it is a question of how we participate in that economy, and whether we should sacrifice the rights of workers in this country and around the world in the name of free trade. It is a question of whether we should capitulate to multinational corporations which would bargain down the environmental protection standards of nations around the world in the name of competitiveness.

Mr. Speaker, the United States cannot afford to encourage a race to the bottom when it comes to preserving the global environmental or the rights of workers to a safe workplace and a fair wage. We should vote down this fast track legislation when it comes up at the end of this week.

SUPPORT THE REPUBLICAN EDUCATION REFORM AGENDA

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

Mr. SHIMKUS. Mr. Speaker, as a former teacher in Edwardsville, IL, I often use my 1-minutes to praise teachers and students who have touched so many lives in central and southern Illinois. My past in education also makes me very aware of the need for reforms in our local schools.

That is why I rise today to urge parents, teachers, and students to embrace the bold education reform agenda that was proposed by my fellow Republicans. This education agenda includes six measures which provide every child in America with first-class learning opportunities in safe, secure schools where children can focus on learning and teachers can focus on teaching.

Sending more money to Washington bureaucrats is a policy of the past, and we must begin to give control of our schools back to the States, local schools, teachers, and our parents, where it belongs.

PROTECT AMERICA'S SOVEREIGNTY AND SLOW DOWN FAST TRACK

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

Mr. BOYD. Mr. Speaker, in the last few weeks I have grown increasingly concerned about the World Trade Organization's impact on our sovereignty. The WTO allows a panel of trade experts to rule that Federal and State laws are barriers to trade. If we do not take action to comply with the WTO's ruling, other nations then can level punitive tariffs against us.

While many have glossed this over, Congress has already changed one law to avoid these sanctions. The WTO has cases pending against several State and Federal laws. In Florida, we require foreign agricultural producers who ship crops into our State to pay for inspections when their produce enters our ports. These inspections protect locally grown crops from exposure to foreign-based infestations, which could devastate a multibillion-dollar agricultural industry.

While the State law does not violate any Federal statute, it is currently being challenged in the WTO. I would urge my colleagues to take a close look at the WTO before voting on fast track. Protect our sovereignty and slow down fast track.

IRS REFORM

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

Mr. KNOLLENBERG. Mr. Speaker, it is no wonder that the vast majority of Americans feel that nobody in Washington is on their side. Consider the IRS, as some speakers have already. For too long and for too many times, this agency has acted in an arrogant, heavy-handed fashion, running roughshod over hard-working taxpayers.

Fortunately, I believe Congress has listened to the American people and is now on the verge of passing a bill that will provide taxpayers with some much needed protections against the abuses of the IRS. This bill makes it easier for taxpayers to recover legal fees when the IRS is wrong. It allows taxpayers to sue the IRS for up to $100,000 for negligent collection practices, and most important, it shifts the burden of proof in court cases from a taxpayer to the IRS.

Mr. Speaker, it is time for Congress to stick up for the American people by standing up to the IRS. I urge my colleagues to support this important IRS reform.

INCONSISTENCY IN AMERICA'S FOREIGN POLICY

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

Mr. PAUL. Mr. Speaker, the Congress has never earned high marks for consistency. We do spend many hours debating the minor differences in the management of many centralized programs that are generally unwarranted. But when it comes to foreign policy, I see both sides of the aisle are eagerly agreeing with the President that we must threaten force and use of force in Iraq.

Yet, Mr. Speaker, there is no indication that this is a proper position. We have been told by the Ambassador to the United Nations that the reason we must threaten force in this area is that it is a direct threat to the security of the United Nations. Here all along I thought I was here in the Congress to protect the security of the United States.

We are inconsistent because the majority of Americans want us out of Bosnia. Most Members of Congress argue and vote to get us out of Bosnia. There is no indication that we are going to get out of Bosnia. Yet, here we are, chanting away that we should use force and threaten force in Bosnia. We do not have that same policy with China.

THE PRESIDENT JOINS REPUBLICANS IN ESSENTIAL IRS REFORM

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

Mr. ENGLISH of Pennsylvania. Mr. Speaker, in response to the last speaker, I would point out that Ralph Waldo Emerson once wrote that, "A foolish consistency is the hobgoblin of little minds, adored by little statesmen and philosophers and divines."

I think President Clinton must have meditated on Emerson when he recently flip-flopped on reforming the Internal Revenue Service. Although the Clinton administration originally opposed IRS restructuring, the President wisely sacrificed consistency and jumped on the bandwagon of the IRS reform bill developed by the Committee on Ways and Means.

Building on the recommendation of the bipartisan Kerry-Portman Commission, this reform legislation would overhaul IRS management by placing the agency under an independent oversight board. It would expand taxpayer protections by enacting 28 new taxpayer rights, including the right to sue for negligence, to collect legal fees, to be notified of the reasons for an audit.

For the first time, taxpayers in advanced IRS proceedings will be considered innocent until proven guilty. This IRS reform bill is essential.

WOULD MEMBERS GIVE FAST TRACK AUTHORITY TO A PRESIDENT THEY SAY CANNOT BE TRUSTED?

(Mr. TAYLOR of Mississippi asked and was given permission to address

the House for 1 minute and to revise and extend his remarks.)

Mr. TAYLOR of Mississippi. Mr. Speaker, my two previous colleagues stressed the importance of consistency in statesmanship. I am going to agree. For the past 6 years folks on this side of the aisle in particular have been saying that Bill Clinton could not be trusted, on a daily and almost hourly basis.

Well, if they really feel that way, I hope they will stick to their guns, because within the next week we will be called upon as Congressmen to give away our constitutionally mandated duty, given to us in article 1, section 8, clause 3 of the Constitution, to regulate commerce with foreign nations. Fast track will take that authority from Congress and give it to a President that they say cannot be trusted.

If Members really think he cannot be trusted, then do not give him our responsibilities. Under no circumstances should Congress be giving away our constitutionally-mandated duties. This is the highest law of the land. I would encourage all of us to live by it.

DO AMERICANS WANT MORE BUREAUCRACY OR MORE FREEDOM FOR EDUCATION AT THE LOCAL LEVEL?

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

Mr. PETERSON of Pennsylvania. Mr. Speaker, we have been having an ongoing educational debate here in Congress, in the 105th Congress. There are several issues that have come out that I want to share today.

Seven percent of the money for education comes from the Federal Government, yet 70 percent of the paperwork and red tape come from the Federal Government. We have discussed special education, vocational education, choice, charter schools, literacy.

The Democrats have worked for more money, more Federal control, more bureaucracy, which equals more taxes. The Republicans have fought for 90 percent to go to the classroom, which has normally been about 70 percent; for local control, allowing the community and parents to choose. Federal control means Federal bureaucracy and will not be in the best interests of our students.

Today I ask the American public, which do they want, more bureaucracy, or more freedom for education at the local level?

PRESIDENT CALLS VIRGINIANS SELFISH FOR SEEKING LOWER TAXES

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

Mr. HAYWORTH. Mr. Speaker, I noted with interest and I must admit, Mr. Speaker, a trace of disbelief the headline in yesterday's Washington Times: Clinton Labels Tax Cut Selfish.

□ 1030

Mr. Speaker, I would suggest to the President that it is not the American people who are selfish. Instead, it is a government that takes more and more and more of what people earn and then unfairly takes it away from them.

I would point out the experience of a 93-year-old American who suffered from Alzheimer's disease who sent a check to the Internal Revenue Service for $7,000. Even the IRS admitted that was a mistake. But when it came time to give that money back, the Internal Revenue Service said, no, the statute of limitations had run out. So the IRS was protected with its own selfishness.

Today, Mr. Speaker, in our bill to reform the Internal Revenue Service, we take away that statute of limitations. For that senior citizen's family, including an Arizona couple, we will try to make it right. No, it is not the people who are selfish; it is a brutal, repressive tax regime.

SELFISH TO VOTE TO SLOW THE SIZE AND GROWTH OF GOVERNMENT

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

Mr. FOLEY. Mr. Speaker, the President says it is selfish to vote to slow the size and wasteful growth of government.

Consider this: Have you looked at your phone bill lately with all the government fees? Have you looked at your cable bill and all of its government taxes and fees, your gas taxes when you fill up your car, your sales taxes on purchases, your property taxes on real estate, your State income taxes, your payroll taxes on earning, your excise taxes on beverages, your IRS taxes on income?

Only in Washington can one say the Lord giveth and the Government taketh away. When Washington takes it from you, it is called compassionate. When you want your money back from Washington because it is wasting it, you are called selfish.

Mr. Speaker, it is the American taxpayers' money, not ours, not Congress', not the White House's, the taxpayers'. It is not selfish to ask for fiscal discipline. It is not selfish to save for the future. It is not selfish to give more money to your children so that they can invest for their education. It is not selfish to ask government to restrain its wasteful spending patterns. It is time government recognizes that it is for the people, by the people, of the people, not for the President.

POLICY AGAINST CHINESE GOVERNMENT

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

Mr. ADERHOLT. Mr. Speaker, I rise today to ask my colleagues a question. What exactly are we waiting for? What trade practice? What military threat? What human rights atrocity will finally move us to take a stand against the policies of the Chinese Government?

America fought a war to end slavery, yet we wink at the sale of human body parts. We stand in line at the Holocaust Museum, yet we also line up to make deals with a government that murders Christians and Buddhists. We had sanctions against South Africa, yet we extend MFN to China. Why?

No one has a stronger desire to see U.S. businesses flourish, but profit comes at a price. If it costs a little more to make a product in the United States, I will gladly pay the difference.

History will judge us harshly if we fail to take a stand. I urge Members to vote for the Cox package and to support H.R. 1865, the Freedom from Religious Persecution Act.

THE JOURNAL

The SPEAKER pro tempore (Mr. SUNUNU). Pursuant to clause 5 of rule I, the pending business is the question de novo of agreeing to the Speaker's approval of the Journal.

The question is on agreeing to the Speaker's approval of the Journal of the last day's proceedings.

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

Mr. ADERHOLT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 353, nays 48, not voting 31, as follows:

[Roll No. 575]

YEAS—353

Ackerman	Bateman	Boyd
Aderholt	Bentsen	Brady
Allen	Bereuter	Brown (FL)
Andrews	Berman	Bryant
Archer	Berry	Bunning
Armey	Bilbray	Burr
Bachus	Bilirakis	Burton
Baesler	Bishop	Buyer
Baker	Blagojevich	Callahan
Baldacci	Bliley	Calvert
Ballenger	Blumenauer	Camp
Barcia	Blunt	Campbell
Barrett (NE)	Boehlert	Canady
Barrett (WI)	Boehner	Cannon
Bartlett	Bonilla	Cardin
Barton	Bono	Carson
Bass	Boucher	Castle

Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Collins
Combest
Condit
Conyers
Cook
Costello
Cox
Coyne
Cramer
Crapo
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeGette
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Fawell
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefner
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (WI)
Jones
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McGovern
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
Meehan
Metcalf
Mica
Millender-McDonald
Miller (FL)
Minge
Mink
Moakley
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Redmond
Regula
Reyes
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Ryun
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schumer
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Sununu
Talent
Tanner
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (FL)

NAYS—48

Abercrombie
Becerra
Bonior
Borski
Brown (CA)
Brown (OH)
Clay
Clayton
Clyburn
DeFazio
DeLauro
English
Ensign
Everett
Fazio
Filner
Fox
Gephardt
Gibbons
Gutknecht
Hastings (FL)
Hefley
Hilliard
Hinchey
Hulshof
Johnson, E. B.
Kucinich
Lewis (GA)
Lipinski
LoBiondo
McDermott
McNulty
Menendez
Miller (CA)
Moran (KS)
Nussle
Oberstar
Pickett
Ramstad
Sabo
Schaffer, Bob
Stupak
Tauscher
Taylor (MS)
Thompson
Vento
Visclosky
Weller

NOT VOTING—31

Barr
Boswell
Coburn
Cooksey
Crane
Cubin
Davis (IL)
Delahunt
Dellums
Dixon
Engel
Flake
Foglietta
Gonzalez
Hutchinson
Hyde
Jefferson
Johnson, Sam
Kaptur
McIntyre
Meek
Mollohan
Riggs
Riley
Royce
Salmon
Schiff
Scott
Spence
Waters
Young (AK)

□ 1056

Mr. GIBBONS changed his vote from "yea" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The Speaker laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, November 5, 1997.

Hon. NEWT GINGRICH,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I have the honor to transmit herewith a facsimile copy of a letter received from Mr. Peter S. Kosinski, Deputy Executive Director, State Board of Elections, State of New York, indicating that, according to the unofficial returns for the general election held November 4, 1997, the Honorable Vito Fossella was elected Representative in Congress for the Thirteenth Congressional District, State of New York.

With warm regards,

ROBIN H. CARLE.

STATE OF NEW YORK,
STATE BOARD OF ELECTIONS,
Albany, NY, November 5, 1997.

ROBIN H. CARLE,
Clerk, House of Representatives, The Capitol, Washington, DC.

DEAR MS. CARLE: Based on the unofficial returns, Vito Fossella was elected to the Office of Representative in Congress from the 13th Congressional District of New York at the General Election held on November 4, 1997.

Sincerely,

PETER S. KOSINSKI,
Deputy Executive Director.

SWEARING IN OF THE HONORABLE VITO FOSSELLA, OF NEW YORK, AS A MEMBER OF THE HOUSE OF REPRESENTATIVES

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. VITO FOSSELLA] be permitted to take the oath of office today. His certificate of election has not arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Chair requests that the Member-elect from New York present himself in the well of the House escorted by the New York delegation.

Mr. FOSSELLA appeared at the bar of the House and took the oath of office, as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion, and that you will well and faithfully discharge the duties of the office on which you are about to enter. So help you God?

The SPEAKER. Congratulations, you are a Member of the House.

WELCOMING THE HONORABLE VITO FOSSELLA TO THE HOUSE OF REPRESENTATIVES

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

Mr. GILMAN. Mr. Speaker, it is indeed an honor to be able to introduce the newest Member of our New York delegation, VITO FOSSELLA, who is joined today by his good lady, Mary Pat, who is here with him watching this beautiful occasion.

□ 1100

Mr. Speaker, it is a great honor for the Staten Island population to have such an accomplished legislator join us. VITO was formerly on the New York City Council for many years. He is now going to fill the shoes of the 13th Congressional District, who was so ably represented by Mrs. Paxon, Susan, whom we all know and did such an outstanding job in the days gone by.

VITO, we wish you the best of luck. God bless in all of your new endeavors.

WELCOMING THE HONORABLE VITO FOSSELLA TO THE HOUSE OF REPRESENTATIVES

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

Mr. RANGEL. Mr. Speaker, this was hardly the way I expected this to turn out. Having said that, the Members of the New York delegation take great pride in working together not only what we think is in the interests of our great State, but certainly of our wonderful country. We welcome you to the delegation, we welcome you to the Congress. We will be working with you for better appropriations, better support for our State, and a better America.

OPENING REMARKS OF THE HONORABLE VITO FOSSELLA

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

Mr. FOSSELLA. Mr. Speaker, this is truly perhaps the greatest honor that could be bestowed upon anyone. The fact that the great people of Brooklyn and Staten Island have given me the honor and the privilege and the opportunity to serve them in the U.S. House of Representatives is something that could not be eclipsed as a public servant.

On a personal note, let me thank from the bottom of my heart my lovely wife Mary Pat; my mother and father, Beth and Vito; and all my friends and family who made this journey down to Washington to share this special day with me. My son, the essence of our being, is not here with us, Dylan, but in absentia. We have our new child to be, my wife was expecting our second child yesterday, and she said that if I deliver, she will deliver. We are waiting.

In conclusion, not everyone voted for me yesterday, but to the people of Brooklyn and Staten Island and throughout this great, great country, the best in the history of the world, let me say that I will never break my covenant with them to represent every member of my congressional district and to fight for what I believe in, fight for this great country, fight for the rights and fight for freedom for all of us. Thank you very, very much. This is a tremendous honor.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1997

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 303 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 303

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2676) to amend the Internal Revenue Code of 1986 to restructure and reform the Internal Revenue Service, and for other purposes. The bill shall be considered as read for amendment. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendments printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. All points of order against the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) two hours of debate on the bill, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions.

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

Mr. DREIER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this rule makes in order H.R. 2676, the IRS Restructuring and Reform Act of 1997, under a closed rule providing for 2 hours of debate in the House equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

The rule provides that the amendment in the nature of a substitute recommended by the House Committee on Ways and Means, as modified by the noncontroversial amendments printed in the report to accompany this rule, be considered as adopted.

The first amendment simply clarifies the authorization for low-income taxpayer clinics and the salaries of members of the IRS Oversight Board to address Budget Act violations.

The second amendment clarifies that IRS management and employees may address any flexibility issues in a demonstration project.

The third amendment is a Rules Committee substitute making a number of clarifying and technical changes to section 422 relating to the Joint Committee on Taxation's preparation of a tax complexity analysis.

The fourth amendment adds the text of H.R. 2645, the Tax Technical Corrections Act of 1997, which makes bipartisan and noncontroversial corrections to reflect the intent of the Taxpayer Relief Act of 1997.

Mr. Speaker, I want to applaud the gentleman from Texas [Mr. ARCHER] and the original sponsors of this bipartisan IRS reform bill, the gentleman from Ohio [Mr. PORTMAN] and the gentleman from Maryland [Mr. CARDIN]. Thanks to their tremendous skill and determination in moving this historic bill forward, we are about to end once and for all some of the most egregious and abusive practices of the Internal Revenue Service.

I also want to commend the gentleman from Ohio [Mr. PORTMAN] for his efforts as cochairman of the bipartisan National Commission on Restructuring the Internal Revenue Service. The Commission conducted a yearlong audit of the IRS and found a troubled agency that wastes billions of dollars in resources and lacks a culture of customer service. The audit also revealed an agency that is fraught with management, governance and oversight problems and is unaccountable to Congress and the American people.

These problems were further illustrated during 3 days of Senate Finance Committee hearings in September, which revealed an out-of-control agency that intentionally engages in unnecessary and sometimes illegal tactics to harass middle-income taxpayers who have limited due process rights.

If enacted, H.R. 2676 will bring about the first comprehensive reform of the IRS in four decades. It will make the IRS more user-friendly, among other things, establishing an independent governing board and shifting the burden of proof from the taxpayer to the IRS in disputes that reach Tax Court.

These reforms will make the IRS more accountable to the American people. They will enhance the fairness of the tax collection process by giving the taxpayer the benefit of the doubt when he or she has cooperated with the IRS and has documented evidence of compliance.

These reforms will not solve the more intractable problems brought on by a complicated and inefficient Tax Code itself. The solutions to those problems require comprehensive reform of the Internal Revenue Code, which I hope very much the House will address next year. But the reforms contained in H.R. 2676 will go a long way toward protecting the rights of taxpayers, making the IRS more accountable, and restoring public confidence in the way the IRS enforces our tax laws.

Mr. Speaker, I urge my colleagues to support this very fair and balanced rule, and I urge strong support, bipartisan support, of this bill.

Mr. Speaker, I include the following extraneous material for the RECORD:

EXPLANATION OF RULES COMMITTEE SUBSTITUTE TO SECTION 422 OF H.R. 2676

As reported by the House Committee on Ways and Means, Section 422 of H.R. 2676 requires the Joint Committee on Taxation to provide a "Tax Complexity Analysis" for legislation reported by the House Committee on Ways and Means and the Senate Committee on Finance and all conference reports that would amend the Internal Revenue Code. The analysis would identify those provisions in a bill or conference report that the staff of the Joint Committee on Taxation determines would add significant complexity or simplification to the tax laws. If the report accompanying such legislation does not include a Tax Complexity Analysis, the legislation would be subject to a point of order in the House and Senate.

The Rules Committee substitute makes a number of clarifying and technical changes to Section 422.

For purposes of the requirement that the Joint Committee on Taxation provide a "Tax Complexity Analysis," the term "legislation" is further defined as "bills or joint resolutions" reported by the House Committee on Ways and Means, the Senate Committee on Finance or a committee of conference.

For purposes of compliance with Section 422, the Committee involved shall either include the Tax Complexity Analysis in the committee report or cause it to be printed in the Congressional Record prior to consideration of the legislation in the House and Senate.

References to "the staff" of the Joint Committee on Taxation are removed.

Tax Complexity Analysis is defined as "a report which is prepared by the Joint Committee on Taxation and which identifies the provisions of the legislation adding significant complexity or providing significant simplification (as determined by the Joint Committee on Taxation) and includes the basis for such determination."

Language containing the point of order in the House of Representatives with respect to legislation reported by the Committee on Ways and Means and by a committee of conference is stricken from Section 8024 of the Internal Revenue Code and inserted in the rules of the House of Representatives. Specifically:

Clause 2(l) of House rule XI is amended to require the report of the Committee on Ways and Means on any bill or joint resolution containing any provision amending the Internal Revenue Code of 1986 to contain a Tax Complexity Analysis unless the Committee causes to have such Analysis printed in the Congressional Record prior to the consideration of the bill or joint resolution; and

House rule XXVIII is amended to prohibit consideration of a conference report which contains any provision amending the Internal Revenue Code unless the accompanying joint statement of managers contains a Tax Complexity Analysis, unless such Analysis is printed in the Congressional Record prior to the consideration of the report.

COMMITTEE ON RULES,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 28, 1997.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means, Longworth House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I am writing concerning H.R. 2676, The Internal Revenue Service Restructuring and Reform Act of 1997, which your committee ordered reported on October 22 by a vote of 33-4.

This legislation contains provisions in Title IV, Congressional Accountability for the Internal Revenue Service, which fall within the jurisdiction of the Committee on Rules.

The Committee on Rules does not intend to consider this bill as a matter of original jurisdiction. It is the intention of the Committee to address several concerns with the proposed language in Title IV during the Rules Committee's consideration of an appropriate rule for this legislation.

I reserve jurisdiction of the Committee on Rules over all bills relating to the rules, joint rules, and the order of business of the House. It would also be my intention to be represented on the conference committee on this bill. Thank you for your consideration.

Sincerely,

GERALD B. SOLOMON,
Chairman.

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

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

Mr. Speaker, I rise in support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1997, and this rule which provides for its consideration. The rule is closed, but because this is vitally important legislation and is supported by both Democrats and Republicans, liberals, moderates and conservatives, I believe the House should proceed with the consideration of this legislation in order to speed it on its way to the President's desk.

Mr. Speaker, in my nearly 19 years in Congress, I have received many, many complaints from my constituents regarding their difficulties in resolving disputes with the Internal Revenue Service. The report of the Portman-Kerrey Commission, which detailed abuses and mismanagement within the agency coupled with recent congressional hearings which revealed very publicly a number of disturbing abuses perpetuated—perpetrated by the IRS against taxpayers have provided ample evidence that the many complaints we have all heard are based on real problems for real people.

Mr. Speaker, while the IRS must fulfill its mission of administering our tax laws and enforcing collection, the IRS cannot be permitted to abuse the rights of American taxpayers. H.R. 2676 will go a long way toward correcting abuses and ensuring that the agency is restructured in such a way that honest taxpayers need not fear undue harassment and reprisals from the IRS.

This legislation contains several provisions which will substantially strengthen taxpayers' rights in dealing with the IRS. This bill makes it more difficult for the IRS to hold a spouse responsible for mistakes made on taxpayer returns by the other spouse. It allows taxpayers to sue the Federal Government for up to $100,000 in civil damages caused by IRS employees who negligently disregard tax laws, and in those cases which come before the U.S. Tax Court, places the burden of proof on the IRS rather than on the taxpayer.

□ 1115

These are but a small part of this bill but important reforms that will help all honest and law-abiding taxpayers.

Mr. Speaker, the bill also establishes an oversight board for the IRS which will bring private sector expertise to the management and administration of the agency. The board will not have any responsibility for or authority over the development and formulation of Federal tax policy but would, instead, work to ensure that the agency works for the benefit of taxpayers and the country as a whole.

I am disappointed, however, that the Committee on Rules did not provide for the consideration of an amendment that I, along with my colleague from Pennsylvania, Mr. GEKAS, sought to have made part of H.R. 2676.

Our amendment seeks to correct a provision in current law which requires that local governments file W-2 forms for poll workers in spite of the fact that these workers are, for the most part, retired persons who earn only a hundred dollars or so for their work on election day. This requirement places a heavy financial and administrative burden on localities. I would hope that in the not too distant future the Congress will fix what is an onerous burden for local government.

Mr. Speaker, as a cosponsor of H.R. 2676, I am delighted that the Congress is taking action on this matter prior to our adjournment for the year. I encourage my colleagues to support the rule in order to move quickly to the consideration of this landmark legislation.

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

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Sanibel, FL [Mr. GOSS], my very good friend and the distinguished chairman of the Subcommittee on Budget and Legislative Process and the Permanent Select Committee on Intelligence.

Mr. GOSS. Mr. Speaker, I thank my distinguished friend from the greater metropolitan downtown area of Claremont, CA, the vice chairman of the Committee on Rules and leader of many good causes in this House, for yielding me this time, and I rise in support of his rule. It is a closed rule, but it is a good rule; it is time tested for debating tax-related bills under the jurisdiction of the Committee on Ways and Means.

For years, millions of Americans have known what we are today finally acknowledging here on the floor of the House, that the IRS is inefficient, it is unaccountable, and it is often downright abusive for the very people who pay the salaries, the American taxpayer. Even the most routine audit can strike fear in the hearts of Americans, and even more disturbing is the belief by many Americans that the IRS targets based on partisan political motive.

The facts serve to underscore their anxiety. In 1993, the IRS gave the wrong answer to taxpayer questions millions of times. Last year, only one in five calls to the IRS customer hotline apparently got through, and even then we were not sure the answer was right.

Today we are taking the first concrete steps to clean up this agency. Congressional hearings have demonstrated clearly and poignantly the need for structural reform at the IRS, and we are acting. Built on the recommendations of the bipartisan commission chaired by the gentleman from Ohio [Mr. PORTMAN] and the gentleman from Maryland [Mr. CARDIN], H.R. 2676 will create mechanisms to ensure that the IRS serves Americans with the respect and dignity that we all deserve.

For starters, the bill creates an independent oversight board composed of private citizens. The board will place a needed check on the excesses of the agency as well as restore accountability for the American taxpayer. By changing the burden of proof in tax court proceedings, H.R. 2676 will make sure that law-abiding taxpayers are guaranteed the same basic rights offered in other judicial proceedings. They are still innocent until proven guilty, which is our way.

After weeks of stops and starts, hesitation, rhetoric, the Clinton administration has finally decided to join our effort in these first steps. They recognize this is a good effort. I welcome the President's conversion, and I urge my colleagues to support this fair rule and this important bipartisan bill.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I want to thank my friend from Texas [Mr. FROST] for yielding me this time.

I want to compliment the Committee on Rules for bringing out this rule, and I hope that it will receive strong support by both sides of the aisle.

During the consideration of the underlying bill by the Committee on Ways and Means, there was only one amendment that was not approved by the committee that was offered. I want to thank the Committee on Rules for dealing with that amendment by the gentleman from California [Mr. STARK] in the self-executing rule that adopts the amendment. So we have really taken care of all the concerns of Members that have offered changes.

The reason why this rule and the underlying bill will receive strong bipartisan support is that it was developed by the National Commission on Restructuring the IRS, and it was adopted in a bipartisan manner in that commission.

I particularly want to compliment our colleague, the gentleman from Ohio [Mr. PORTMAN], for the work that he did in leading that commission and keeping us focused on dealing with the problems of the IRS so that we could bring the bill to the floor in a way that it could receive strong support by all Members of this House.

I also want to compliment the gentleman from Texas [Mr. ARCHER], the chairman of the Committee on Ways and Means, and the gentleman from New York [Mr. RANGEL], the ranking member. The Committee on Ways and Means took a good bill and made it better, and we worked in a bipartisan way to do that.

By adopting this rule, this House has the opportunity to pass today a bill that will deal with the problems at the IRS before the next tax season. I hope that what we are doing here in this House, the other body will follow suit so that we can pass meaningful reform of the IRS now to help our taxpayers before April of next year.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Morris, IL [Mr. WELLER], my very good friend, a member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, let me begin as I rise in support of this rule and this bill to commend the chairman of the Committee on Ways and Means, the gentleman from Texas [Mr. ARCHER], and the ranking member, the gentleman from New York [Mr. RANGEL], for management of this bill, but particularly I want to commend the gentleman from Ohio [Mr. PORTMAN] and the gentleman from Maryland [Mr. CARDIN] for their leadership on managing this bill as well because this legislation is such an important victory for middle class taxpayers.

There is no agency in more need of reform than the Internal Revenue Service, and that is why we all stand here today in support of very important legislation, legislation that is really a long time coming, but legislation that is a big victory for the middle class.

There are two very, very important changes, fundamental changes, that are included in this legislation I would like to note, and probably the most important one is the one which shifts the burden of proof off the backs of the taxpayer and on to the IRS. There is no greater complaint that I hear back home in Illinois than, when someone is audited by the IRS, they are treated as guilty until proven innocent, whereas if someone is in a criminal court, they are innocent until proven guilty. This legislation gives the taxpayers, those who play by the rules, work hard, and pay their taxes on time, the same protections with the IRS that one enjoys in the courtroom. That is a big victory for the middle class.

And during this process, we also learned about some of the impact of what the IRS has done in the past and how they treat human beings. One of the issues that we also address in this is a particularly important issue to those that we call the unlucky and innocent spouse.

We discovered in many cases that someone who is a deadbeat parent is also a deadbeat taxpayer. In a case where you have a deadbeat dad who is not paying his child support and not paying his taxes, who do my colleagues think the IRS went after? That poor, unlucky, innocent working mom with the kids whose husband is not paying the child support. And the IRS showed up wanting to collect his taxes from her. This legislation puts in place more protections to protect the unlucky, innocent spouse.

These are two important victories, shifting the burden of proof so that someone is innocent until proven guilty with the IRS, and also another important victory is protecting the unlucky and innocent spouse.

My colleagues, this legislation deserves bipartisan support, and it is a big victory.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, today is a day that I am very glad to see come, and in a way I am also sad. For 10 years I have worked to shift the burden of proof in the civil tax case, and I guess I am glad because today we finally get a chance to see that on the House floor.

What I am sad about, to be quite honest, is I have offered this bill for 10 years and could never get a hearing from my Democrat colleagues. I believe today's legislation will probably continue to keep a majority in this House for Republicans. And I know Democrats are saying, why does Mr. TRAFICANT say that? I think the Democrat Party is going to have to deal with the substantive issues and problems of our country if we want to take the House back.

I want to thank the Republican Party for including the Traficant provision. I want to thank the gentleman from Texas [Mr. ARCHER] and the gentleman from Ohio [Mr. PORTMAN], and I want to thank the gentleman from New York [Mr. RANGEL] and the gentleman from Maryland [Mr. CARDIN]. In all fairness, they were not in that position to make those decisions years ago, and maybe we would have had more success had we had it.

But I think there are some other people that have to be thanked. My strategy was to get the American people to support that legislation. The White House never wanted it. Quite frankly, no one wanted it. And now 98 percent of the American people support the burden of proof shift in a civil tax case, the No. 1 supported bill in the Congress. I want to thank Rush Limbaugh, I want to thank Michael Reagan, I want to thank Mary Matalin, I want to thank Blanquita Cullum, I want to thank Jane Wallace and Bay Buchanan and Pat Buchanan. I want to thank Ron Verb and Ron Novak. I want to thank Jeff and Flash Talk Show out of Cleveland and the great work they did in the Midwest. I want to thank Jack Anderson, George Will, the gentleman from New York [Mr. SOLOMON], Joseph Sobran. I want to thank everyone in America who helped to bring this day about. And I want to again commend the Republican Party; they have done the right thing.

Now just let me say this, that I do not know how much time I have left, but years ago a family in North Carolina by the name of Counsel had a problem, and Alex Counsel actually took his life, and when he did so, he left a message in the form of a suicide note to his wife. He said, Kay, I have taken

my life in order to provide money for you and our family to fight the IRS, which is out of control and has taken liens against our property illegally. I have made the only decision I can, Kay. Take the insurance money and save our good name.

My colleagues, what has happened to us? How did we allow the greatest tenet of America's freedom, innocent until proven guilty, the accuser carries the burden, to be shifted like this in a court of law? I mean, what has happened to us?

Then you have IRS agents testifying behind screens with voice scramblers because they, too, are afraid of the IRS.

Now I see some of the Democrat staffers laughing. Man, we have laughed on this one for sure.

It is the right thing to do. I support this rule, I support this bill, and I want to compliment Chairman BILL ARCHER, because without the gentleman from Texas [Mr. ARCHER] standing up to both the White House and the other body, my provision still is not free and clear, and I predict the other body will challenge it, and I predict the White House will come out against it, and now the IRS is putting the spin: It is not really going to do that much.

Well, just years ago they said it was going to bust the bank and it was going to make tax protesters and tax cheats win out. I think the IRS has given us a lot of lies over the years, and I believe this bill will help to straighten that out.

So I am sad to see that it is not the Democrat Party that has brought the bill, but I commend the Republicans.

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

Let me first say that I want to congratulate my friend from Ohio. I remember very well when he took me to the well and had me sign a discharge petition to release this burden of proof legislation, and it has taken a long time getting to this point. I remember he told me that I might be in trouble for signing that discharge petition when he stood over me as I did it, but I still followed his directive.

Mr. Speaker, I yield such time as he may consume to the gentleman from Glens Falls, NY [Mr. SOLOMON], my friend and the chairman of the Committee on Rules.

□ 1130

Mr. SOLOMON. I thank the gentleman from Claremont, CA [Mr. DREIER], the vice chairman of the Committee on Rules, for giving me the time to request unanimous consent to revise and extend my remarks and to praise the gentleman from Texas [Mr. ARCHER]; the gentleman from Ohio [Mr. PORTMAN]; the gentleman from California [Mr. DREIER]; and especially the gentleman from Ohio [Mr. TRAFICANT]. Without him, this legislation never would have reached this floor, and I commend him for it.

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

Mr. Speaker, a Washington Post magazine spoof in December of 1991 on the role of the IRS succinctly characterizes many Americans view of the IRS today. It read, "In a sweeping post-coup reform move, Gorbachev abolished the Communist Party and fired thousands of entrenched hard-line Kremlin bureaucrats, all of whom were immediately hired by the Internal Revenue Service."

Now we know that IRS employees are not former Kremlin agents but the characterization of IRS agents as part of an American Gestapo contingent strikes a nerve among the American people.

Many taxpayers are forced to live in fear that making a minor error in the myriad tax forms and requirements they are faced with each year will result in a demanding visit by an IRS agent or even a severe punishment. Today the IRS is a bureaucracy out of control because of the lack of proper checks and balances, which are pillars of the American system of government.

In recognition of this out of control bureaucracy and the growing cries for fundamental reform by the American people, the National Commission on Restructuring the IRS, chaired by Representative PORTMAN and Senator KERREY of Nebraska was established. Its yearlong mission was to make recommendations for modernizing and improving its efficiency and taxpayer services. On June 25, 1997, the Commission issued a comprehensive report making recommendations relating to the executive branch governance and management of the IRS, congressional oversight of the IRS, personnel flexibility, customer service and compliance, technology modernization, electronic filing, tax law simplification, taxpayer rights, and financial accountability.

These extensive recommendations provided the foundation for the legislation this House will be considering today.

H.R. 2676, the IRS Restructuring and Reform Act, introduced by Representatives ARCHER, PORTMAN, and CARDIN, builds on the commission's recommendations to form a comprehensive IRS reform package.

For example, the bill establishes the Internal Revenue Service Oversight Board, within the Treasury Department, whose general responsibilities are to oversee the Internal Revenue Service in its administration, management, conduct, direction and supervision of the execution and application of our country's internal revenue laws.

The bill also makes it unlawful for the President, Vice President, their employees and all Cabinet heads to request that any officer or employee of the IRS conduct or terminate an audit or begin or terminate an investigation with respect to any particular taxpayers.

Perhaps even more important, this reform package shifts the burden of proof in any court tax proceeding from the taxpayer to the Secretary of the Treasury. This bill will greatly increase the accountability and efficiency of the IRS and will help to restore the confidence and faith of the American people in its government.

Mr. Speaker, I would also be remiss if I did not commend our colleagues Chairman BILL ARCHER and Representative ROB PORTMAN of the Ways and Means Committee for their steadfast and thorough efforts in producing this legislation.

The bipartisan work of the commission combined with the bipartisan efforts of the Ways and Means Committee have produced meaningful reform that will be to the benefit of every American taxpayer.

Mr. Speaker, the Constitution grants this Congress the authority to raise the revenue necessary to run the Federal Government. While I would contend that this Congress has a long way to go toward reforming our overall tax system, this first reform effort in four decades of the agency charged with collecting that revenue, is a giant leap in responsibility fulfilling this constitutional duty.

For these reasons, I urge all of my colleagues to support this fair rule and to support this historic legislation.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Omaha, NE [Mr. CHRISTENSEN], the future Governor.

Mr. CHRISTENSEN. Mr. Speaker, I thank my friend for yielding me this time.

Mr. Speaker, this is a great day. It is a great day for all of us, but it is a great day for the gentleman from Ohio [Mr. TRAFICANT]. There has not been anybody who has been in the well fighting for this day longer, more arduously, than he. It is hard to believe why some staffers over there on the Democrat side are scowling at the gentleman and have their arms crossed. They just do not get it. They do not understand what the IRS has done to the taxpayer.

The gentleman's provision on taking the burden of proof off the taxpayer is going to turn what has been a lopsided situation for a number of years and turn it back in favor of the taxpayer.

In America, we have always known the principle that one is presumed innocent until proven guilty. But in the IRS, as long as I have known about it and as long as I have heard the gentleman from Ohio [Mr. TRAFICANT] talking about it, one is guilty, and one has to prove one's innocence. His provision is going to change that.

So I thank the gentleman from Ohio for his fight, and I thank him for everything that he is doing. Nebraskans thank the gentleman, and western Nebraskans thank the gentleman. As I have talked to them a number of times, they wanted the gentleman from Ohio [Mr. TRAFICANT] to come out to Nebraska and talk about IRS reform and talk about changing the way things are done in Washington.

Mr. Speaker, the Department of Treasury could have fixed this, but they never got it done, they never attempted it. But the gentleman from Ohio [Mr. PORTMAN] and the gentleman from Nebraska [Mr. KERREY], on the Senate side, put this legislation together with the help of my chairman, the gentleman from Texas [Mr. ARCHER].

This provision also as an authority called the oversight board that is going to be having some real citizens that are nongovernmental citizens putting their expertise to work. I believe that this board will provide some commonsense oversight that is much needed in this area.

The IRS has got to do a better job of providing fair tax treatment that it has been commissioned to do. This bill is a small step in the right direction until we pull out the IRS by its roots, as my chairman has hoped to do for a very long time, and move to either a sales tax or a flat tax approach. This is an intermediary step; it is a step in the right direction. I thank the gentleman from New York for assisting us with this. He has been a great support and we thank him for his help.

Mr. Speaker. I rise in strong support today for H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1997.

Some say the three most frightening letters of the alphabet are IRS—and for good reason.

The IRS is one of the most bureaucratic, outdated, and inefficient government agencies and it touches every hard-working, tax-paying American.

The IRS Restructuring and Reform Act would help fix what ails the IRS.

In America, people are presumed innocent until proven guilty. In the IRS, it is the other way around—the taxpayer bears the burden of proving himself or herself innocent.

This bill shifts the burden of proof in court proceedings from the taxpayer to the IRS.

This bill also creates an Independent Oversight Board that includes non-governmental experts who can bring new thinking and a more tax-payer oriented culture to the IRS.

If the Department of Treasury could have fixed the IRS, they would have done so already.

This oversight board will have real power and authority—it won't just be another governmental advisory board.

Those of us committed to easing the burden on taxpayers will continue to work to replace the income tax with a more simple and fair Tax Code.

But as long as we have an income tax, the IRS must do a better job of providing fair treatment and efficient customer service to the Nation's taxpayers. This bill is a step in that direction.

I urge my fellow colleagues to cast their vote for a more fair and efficient IRS for America's taxpayers. Thank you Mr. Speaker, I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. GREEN].

Mr. GREEN. Mr. Speaker, I would like to thank my colleague from Texas and a member of the Committee on Rules for allowing me to speak in support of not only the rule today, but also the IRS reform bill.

As a cosponsor of the bill of the gentleman from Ohio [Mr. TRAFICANT] earlier, I support one of the issues particularly that is in this bill, where the reform would allow for the burden of proof to be placed on the IRS instead of on the taxpayer, but I also want to compliment both the Democratic Members and the Republican Members and my colleague the gentleman from Houston, Texas [Mr. ARCHER], on the bill. I know from the Republican side, we hear this is a small step, but let me tell my colleagues, this is a much bigger step than it may be considered, because in my two terms here before, we did not get to this point, even during the last session of Congress, to get to the point where we can really talk about an IRS reform bill.

Mr. Speaker, it is a bipartisan bill. I am glad the President decided to support it, but there are a number of Democrats who supported the issue long before the Committee on Ways and Means brought it up. If one is mistreated by a government agency, whether it be the IRS or HUD or anyone else, or EPA, it is not a Democratic or Republican problem, it is a problem that we all need to address, and that is why I think it is important that this bill is a bipartisan bill today. Again, I congratulate the people who put it together on the Committee on Ways and Means.

I support the change that puts the burden of proof on the IRS, in tax disputes that come before the IRS tax court. People's lives have been turned into a living hell by a system that assumed they were guilty as charged and before they actually knew what they were guilty of. Again, I think we understand that that burden of proof is so important because if a person accused of a criminal crime in our country is innocent until proven guilty, we need to do that at least in the tax courts of our land.

I am also pleased that the President will continue to appoint the IRS Commissioner and to remove the Commissioner at will. As we increase the power and the influence of the Independent Advisory Board, it is important to make sure the final authority rests with an elected office; and whether on the Republican side one agrees with this President or not, it is important that an elected official have that authority, because the buck stops there.

Taxpayers also receive other rights in the bill, such as innocent spouses will no longer be held responsible by mistakes made by the other spouse on tax returns. That is why I encourage my colleagues to vote for the bill and the rule.

Mr. Speaker, I rise in support of the IRS reform bill.

Mr. Speaker, I believe the bill we have before us will bring much-needed reform to the Internal Revenue Service and Relief to those Americans who are audited to be treated fairly.

As a long-time sponsor of the bill by Mr. TRAFICANT, I support the change that will place the burden of proof on the IRS in most tax disputes that will come before the IRS Tax Court. As the recent congressional hearings demonstrated, people's lives have turned into a living hell by a system that assumed they were guilty as charged.

I am also pleased the President will retain the ability to appoint the IRS Commissioner and to remove the Commissioner at will. As we increase the power and influence of the independent advisory board, it is important to place the final authority over the performance of the Commissioner with the President. The buck stops there.

Taxpayers will also receive other rights on this bill: innocent spouses will no longer be held responsible for mistakes made by the other spouse on a tax return. And taxpayers will be able to sue the Government for civil damages caused by IRS employees who negligently disregard laws.

I urge support for this bill.

Mr. FROST. Mr. Speaker, if the gentleman has no other speakers, then we urge adoption of the rule and adoption of the bill, and yield back the balance of our time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to say that this is our great opportunity to finally deal with this issue of the burden of proof, which has been a long time in coming. The leadership of the gentleman from Texas [Mr. ARCHER] and the gentleman from Ohio [Mr. PORTMAN] and others have made this day possible, and I am very happy that we have seen our colleagues on the other side of the aisle come, not quite kicking and screaming, but they have now come enthusiastically in support of what I think is very good public policy.

With that, I urge support of the previous question, support of the rule and support of the bill that will come from my friends on the Committee on Ways and Means.

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

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1145

Mr. BUNNING. Mr. Speaker, pursuant to House Resolution 303, I call up the bill (H.R. 2676) to amend the Internal Revenue Code of 1986 to restructure and reform the Internal Revenue Service, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SUNUNU). Pursuant to House Resolution 303, the amendment in the nature of a substitute printed in the bill, modified by the amendments printed in House Report 105–380, is adopted.

The text of the committee amendment in the nature of a substitute, as modified by the amendments printed in House Report 105–380, is as follows:

H.R. 2676

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Internal Revenue Service Restructuring and Reform Act of 1997".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—EXECUTIVE BRANCH GOVERNANCE AND SENIOR MANAGEMENT OF THE INTERNAL REVENUE SERVICE

Subtitle A—Executive Branch Governance and Senior Management

Sec. 101. Internal Revenue Service Oversight Board.
Sec. 102. Commissioner of Internal Revenue; other officials.
Sec. 103. Other personnel.
Sec. 104. Prohibition on executive branch influence over taxpayer audits and other investigations.

Subtitle B—Personnel Flexibilities

Sec. 111. Personnel flexibilities.

TITLE II—ELECTRONIC FILING

Sec. 201. Electronic filing of tax and information returns.
Sec. 202. Due date for certain information returns filed electronically.
Sec. 203. Paperless electronic filing.
Sec. 204. Return-free tax system.
Sec. 205. Access to account information.

TITLE III—TAXPAYER PROTECTION AND RIGHTS

Sec. 300. Short title.

Subtitle A—Burden of Proof

Sec. 301. Burden of proof.

Subtitle B—Proceedings by Taxpayers

Sec. 311. Expansion of authority to award costs and certain fees.
Sec. 312. Civil damages for negligence in collection actions.
Sec. 313. Increase in size of cases permitted on small case calendar.

Subtitle C—Relief for Innocent Spouses and for Taxpayers Unable To Manage Their Financial Affairs Due to Disabilities

Sec. 321. Spouse relieved in whole or in part of liability in certain cases.
Sec. 322. Suspension of statute of limitations on filing refund claims during periods of disability.

Subtitle D—Provisions Relating to Interest

Sec. 331. Elimination of interest rate differential on overlapping periods of interest on income tax overpayments and underpayments.
Sec. 332. Increase in overpayment rate payable to taxpayers other than corporations.

Subtitle E—Protections for Taxpayers Subject to Audit or Collection Activities

Sec. 341. Privilege of confidentiality extended to taxpayer's dealings with non-attorneys authorized to practice before Internal Revenue Service.
Sec. 342. Expansion of authority to issue taxpayer assistance orders.
Sec. 343. Limitation on financial status audit techniques.
Sec. 344. Limitation on authority to require production of computer source code.
Sec. 345. Procedures relating to extensions of statute of limitations by agreement.
Sec. 346. Offers-in-compromise.
Sec. 347. Notice of deficiency to specify deadlines for filing Tax Court petition.
Sec. 348. Refund or credit of overpayments before final determination.
Sec. 349. Threat of audit prohibited to coerce Tip Reporting Alternative Commitment Agreements.

Subtitle F—Disclosures to Taxpayers

Sec. 351. Explanation of joint and several liability.
Sec. 352. Explanation of taxpayers' rights in interviews with the Internal Revenue Service.
Sec. 353. Disclosure of criteria for examination selection.
Sec. 354. Explanations of appeals and collection process.

Subtitle G—Low Income Taxpayer Clinics

Sec. 361. Low income taxpayer clinics.

Subtitle H—Other Matters

Sec. 371. Actions for refund with respect to certain estates which have elected the installment method of payment.
Sec. 372. Cataloging complaints.
Sec. 373. Archive of records of Internal Revenue Service.
Sec. 374. Payment of taxes.
Sec. 375. Clarification of authority of Secretary relating to the making of elections.
Sec. 376. Limitation on penalty on individual's failure to pay for months during period of installment agreement.

Subtitle I—Studies

Sec. 381. Penalty administration.
Sec. 382. Confidentiality of tax return information.

TITLE IV—CONGRESSIONAL ACCOUNTABILITY FOR THE INTERNAL REVENUE SERVICE

Subtitle A—Oversight

Sec. 401. Expansion of duties of the Joint Committee on Taxation.
Sec. 402. Coordinated oversight reports.

Subtitle B—Budget

Sec. 411. Funding for century date change.
Sec. 412. Financial Management Advisory Group.

Subtitle C—Tax Law Complexity

Sec. 421. Role of the Internal Revenue Service.
Sec. 422. Tax complexity analysis.

TITLE V—CLARIFICATION OF DEDUCTION FOR DEFERRED COMPENSATION

Sec. 501. Clarification of deduction for deferred compensation.

TITLE I—EXECUTIVE BRANCH GOVERNANCE AND SENIOR MANAGEMENT OF THE INTERNAL REVENUE SERVICE

Subtitle A—Executive Branch Governance and Senior Management

SEC. 101. INTERNAL REVENUE SERVICE OVERSIGHT BOARD.

(a) IN GENERAL.—Section 7802 (relating to the Commissioner of Internal Revenue) is amended to read as follows:

"SEC. 7802. INTERNAL REVENUE SERVICE OVERSIGHT BOARD.

"(a) ESTABLISHMENT.—There is established within the Department of the Treasury the Internal Revenue Service Oversight Board (hereafter in this subchapter referred to as the 'Oversight Board').

"(b) MEMBERSHIP.—

"(1) COMPOSITION.—The Oversight Board shall be composed of 11 members, as follows:

"(A) 8 members shall be individuals who are not Federal officers or employees and who are appointed by the President, by and with the advice and consent of the Senate.

"(B) 1 member shall be the Secretary of the Treasury or, if the Secretary so designates, the Deputy Secretary of the Treasury.

"(C) 1 member shall be the Commissioner of Internal Revenue.

"(D) 1 member shall be an individual who is a representative of an organization that represents a substantial number of Internal Revenue Service employees and who is appointed by the President, by and with the advice and consent of the Senate.

"(2) QUALIFICATIONS AND TERMS.—

"(A) QUALIFICATIONS.—Members of the Oversight Board described in paragraph (1)(A) shall be appointed solely on the basis of their professional experience and expertise in 1 or more of the following areas:

"(i) Management of large service organizations.

"(ii) Customer service.

"(iii) Federal tax laws, including tax administration and compliance.

"(iv) Information technology.

"(v) Organization development.

"(vi) The needs and concerns of taxpayers.

In the aggregate, the members of the Oversight Board described in paragraph (1)(A) should collectively bring to bear expertise in all of the areas described in the preceding sentence.

"(B) TERMS.—Each member who is described in paragraph (1)(A) or (D) shall be appointed for a term of 5 years, except that of the members first appointed under paragraph (1)(A)—

"(i) 1 member shall be appointed for a term of 1 year,

"(ii) 1 member shall be appointed for a term of 2 years,

"(iii) 2 members shall be appointed for a term of 3 years, and

"(iv) 2 members shall be appointed for a term of 4 years.

Such terms shall begin on the date of appointment.

"(C) REAPPOINTMENT.—An individual who is described in paragraph (1)(A) may be appointed to no more than two 5-year terms on the Oversight Board.

"(D) VACANCY.—Any vacancy on the Oversight Board shall be filled in the same manner as the original appointment. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of that term.

"(E) SPECIAL GOVERNMENT EMPLOYEES.—During the entire period that an individual appointed under paragraph (1)(A) is a member of the Oversight Board, such individual shall be treated as—

"(i) serving as a special government employee (as defined in section 202 of title 18, United States Code) and as described in section 207(c)(2) of such title 18, and

"(ii) serving as an officer or employee referred to in section 101(f) of the Ethics in Government Act of 1978 for purposes of title I of such Act.

"(3) QUORUM.—6 members of the Oversight Board shall constitute a quorum. A majority of members present and voting shall be required for the Oversight Board to take action.

"(4) REMOVAL.—

"(A) IN GENERAL.—Any member of the Oversight Board may be removed at the will of the President.

"(B) SECRETARY AND COMMISSIONER.—An individual described in subparagraph (B) or (C) of paragraph (1) shall be removed upon termination of employment.

"(C) REPRESENTATIVE OF INTERNAL REVENUE SERVICE EMPLOYEES.—The member described in paragraph (1)(D) shall be removed upon termination of employment, membership, or other affiliation with the organization described in such paragraph.

"(5) CLAIMS.—

"(A) IN GENERAL.—Members of the Oversight Board who are described in paragraph (1)(A) or (D) shall have no personal liability under Federal law with respect to any claim arising out of or resulting from an act or omission by such member within the scope of service as a member. The preceding sentence shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious conduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of such member on the Oversight Board.

"(B) EFFECT ON OTHER LAW.—This paragraph shall not be construed—

"(i) to affect any other immunities and protections that may be available to such member under applicable law with respect to such transactions,

"(ii) to affect any other right or remedy against the United States under applicable law, or

"(iii) to limit or alter in any way the immunities that are available under applicable law for Federal officers and employees.

"(c) GENERAL RESPONSIBILITIES.—

"(1) IN GENERAL.—The Oversight Board shall oversee the Internal Revenue Service in its administration, management, conduct, direction, and supervision of the execution and application of the internal revenue laws or related statutes and tax conventions to which the United States is a party.

"(2) EXCEPTIONS.—The Oversight Board shall have no responsibilities or authority with respect to—

"(A) the development and formulation of Federal tax policy relating to existing or proposed internal revenue laws, related statutes, and tax conventions,

"(B) law enforcement activities of the Internal Revenue Service, including compliance activities such as criminal investigations, examinations, and collection activities, or

"(C) specific procurement activities of the Internal Revenue Service.

"(3) RESTRICTION ON DISCLOSURE OF RETURN INFORMATION TO OVERSIGHT BOARD MEMBERS.—No return, return information, or taxpayer return information (as defined in section 6103(b)) may be disclosed to any member of the Oversight Board described in subsection (b)(1)(A) or (D). Any request for information not permitted to be disclosed under the preceding sentence, and any contact relating to a specific taxpayer, made by a member of the Oversight Board so described to an officer or employee of the Internal Revenue Service shall be reported by such officer or employee to the Secretary and the Joint Committee on Taxation.

"(d) SPECIFIC RESPONSIBILITIES.—The Oversight Board shall have the following specific responsibilities:

"(1) STRATEGIC PLANS.—To review and approve strategic plans of the Internal Revenue Service, including the establishment of—

"(A) mission and objectives, and standards of performance relative to either, and

"(B) annual and long-range strategic plans.

"(2) OPERATIONAL PLANS.—To review the operational functions of the Internal Revenue Service, including—

"(A) plans for modernization of the tax system,

"(B) plans for outsourcing or managed competition, and

"(C) plans for training and education.

"(3) MANAGEMENT.—To—

"(A) recommend to the President candidates for appointment as the Commissioner of Internal Revenue and recommend to the President the removal of the Commissioner,

"(B) review the Commissioner's selection, evaluation, and compensation of senior managers, and

"(C) review and approve the Commissioner's plans for any major reorganization of the Internal Revenue Service.

"(4) BUDGET.—To—

"(A) review and approve the budget request of the Internal Revenue Service prepared by the Commissioner,

"(B) submit such budget request to the Secretary of the Treasury, and

"(C) ensure that the budget request supports the annual and long-range strategic plans.

The Secretary shall submit the budget request referred to in paragraph (4)(B) for any fiscal year to the President who shall submit such request, without revision, to Congress together with the President's annual budget request for the Internal Revenue Service for such fiscal year.

"(e) BOARD PERSONNEL MATTERS.—

"(1) COMPENSATION OF MEMBERS.—

"(A) IN GENERAL.—Each member of the Oversight Board who is described in subsection (b)(1)(A) shall be compensated at a rate not to exceed $30,000 per year. All other members of the Oversight Board shall serve without compensation for such service.

"(B) CHAIRPERSON.—In lieu of the amount specified in subparagraph (A), the Chairperson of the Oversight Board shall be compensated at a rate not to exceed $50,000.

"(2) TRAVEL EXPENSES.—The members of the Oversight Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business for purposes of attending meetings of the Oversight Board.

"(3) STAFF.—At the request of the Chairperson of the Oversight Board, the Commissioner shall detail to the Oversight Board such personnel as may be necessary to enable the Oversight Board to perform its duties. Such detail shall be without interruption or loss of civil service status or privilege.

"(4) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Oversight Board may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

"(f) ADMINISTRATIVE MATTERS.—

"(1) CHAIR.—The members of the Oversight Board shall elect for a 2-year term a chairperson from among the members appointed under subsection (b)(1)(A).

"(2) COMMITTEES.—The Oversight Board may establish such committees as the Oversight Board determines appropriate.

"(3) MEETINGS.—The Oversight Board shall meet at least once each month and at such other times as the Oversight Board determines appropriate.

"(4) REPORTS.—The Oversight Board shall each year report to the President and the Congress with respect to the conduct of its responsibilities under this title.".

(b) CONFORMING AMENDMENTS.—

(1) Section 4946(c) (relating to definitions and special rules for chapter 42) is amended—

(A) by striking "or" at the end of paragraph (5),

(B) by striking the period at the end of paragraph (6) and inserting ", or", and

(C) by adding at the end the following new paragraph:

"(7) a member of the Internal Revenue Service Oversight Board.".

(2) The table of sections for subchapter A of chapter 80 is amended by striking the item relating to section 7802 and inserting the following new item:

"Sec. 7802. Internal Revenue Service Oversight Board."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) NOMINATIONS TO INTERNAL REVENUE SERVICE OVERSIGHT BOARD.—The President shall submit nominations under section 7802 of the Internal Revenue Code of 1986, as added by this section, to the Senate not later than 6 months after the date of the enactment of this Act.

SEC. 102. COMMISSIONER OF INTERNAL REVENUE; OTHER OFFICIALS.

(a) IN GENERAL.—Section 7803 (relating to other personnel) is amended to read as follows:

"SEC. 7803. COMMISSIONER OF INTERNAL REVENUE; OTHER OFFICIALS.

"(a) COMMISSIONER OF INTERNAL REVENUE.—

"(1) APPOINTMENT.—

"(A) IN GENERAL.—There shall be in the Department of the Treasury a Commissioner of Internal Revenue who shall be appointed by the President, by and with the advice and consent of the Senate, to a 5-year term. The appointment shall be made without regard to political affiliation or activity.

"(B) VACANCY.—Any individual appointed to fill a vacancy in the position of Commissioner occurring before the expiration of the term for which such individual's predecessor was appointed shall be appointed only for the remainder of that term.

"(C) REMOVAL.—The Commissioner may be removed at the will of the President.

"(2) DUTIES.—The Commissioner shall have such duties and powers as the Secretary may prescribe, including the power to—

"(A) administer, manage, conduct, direct, and supervise the execution and application of the internal revenue laws or related statutes and tax conventions to which the United States is a party; and

"(B) recommend to the President a candidate for appointment as Chief Counsel for the Internal Revenue Service when a vacancy occurs, and recommend to the President the removal of such Chief Counsel.

If the Secretary determines not to delegate a power specified in subparagraph (A) or (B), such determination may not take effect until 30 days after the Secretary notifies the Committees on Ways and Means, Government Reform and Oversight, and Appropriations of the House of Representatives, the Committees on Finance, Government Operations, and Appropriations of the Senate, and the Joint Committee on Taxation.

"(3) CONSULTATION WITH BOARD.—The Commissioner shall consult with the Oversight Board on all matters set forth in paragraphs (2) and (3) (other than paragraph (3)(A)) of section 7802(d).

"(b) ASSISTANT COMMISSIONER FOR EMPLOYEE PLANS AND EXEMPT ORGANIZATIONS.—There is established within the Internal Revenue Service an office to be known as the 'Office of Employee Plans and Exempt Organizations' to be under the supervision and direction of an Assistant Commissioner of Internal Revenue. As head of the Office, the Assistant Commissioner shall be responsible for carrying out such functions as the Secretary may prescribe with respect to organizations exempt from tax under section 501(a) and with respect to plans to which part I of subchapter D of chapter 1 applies (and with respect to organizations designed to be exempt under such section and plans designed to be plans to which such part applies) and other

nonqualified deferred compensation arrangements. The Assistant Commissioner shall report annually to the Commissioner with respect to the Assistant Commissioner's responsibilities under this section.

"(c) OFFICE OF TAXPAYER ADVOCATE.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—There is established in the Internal Revenue Service an office to be known as the 'Office of the Taxpayer Advocate'. Such office shall be under the supervision and direction of an official to be known as the 'Taxpayer Advocate' who shall be appointed with the approval of the Oversight Board by the Commissioner of Internal Revenue and shall report directly to the Commissioner. The Taxpayer Advocate shall be entitled to compensation at the same rate as the highest level official reporting directly to the Commissioner of Internal Revenue.

"(B) RESTRICTION ON SUBSEQUENT EMPLOYMENT.—An individual who is an officer or employee of the Internal Revenue Service may be appointed as Taxpayer Advocate only if such individual agrees not to accept any employment with the Internal Revenue Service for at least 5 years after ceasing to be the Taxpayer Advocate.

"(2) FUNCTIONS OF OFFICE.—

"(A) IN GENERAL.—It shall be the function of the Office of Taxpayer Advocate to—

"(i) assist taxpayers in resolving problems with the Internal Revenue Service,

"(ii) identify areas in which taxpayers have problems in dealings with the Internal Revenue Service,

"(iii) to the extent possible, propose changes in the administrative practices of the Internal Revenue Service to mitigate problems identified under clause (ii), and

"(iv) identify potential legislative changes which may be appropriate to mitigate such problems.

"(B) ANNUAL REPORTS.—

"(i) OBJECTIVES.—Not later than June 30 of each calendar year, the Taxpayer Advocate shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the objectives of the Taxpayer Advocate for the fiscal year beginning in such calendar year. Any such report shall contain full and substantive analysis, in addition to statistical information.

"(ii) ACTIVITIES.—Not later than December 31 of each calendar year, the Taxpayer Advocate shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the activities of the Taxpayer Advocate during the fiscal year ending during such calendar year. Any such report shall contain full and substantive analysis, in addition to statistical information, and shall—

"(I) identify the initiatives the Taxpayer Advocate has taken on improving taxpayer services and Internal Revenue Service responsiveness,

"(II) contain recommendations received from individuals with the authority to issue Taxpayer Assistance Orders under section 7811,

"(III) contain a summary of at least 20 of the most serious problems encountered by taxpayers, including a description of the nature of such problems,

"(IV) contain an inventory of the items described in subclauses (I), (II), and (III) for which action has been taken and the result of such action,

"(V) contain an inventory of the items described in subclauses (I), (II), and (III) for which action remains to be completed and the period during which each item has remained on such inventory,

"(VI) contain an inventory of the items described in subclauses (I), (II), and (III) for which no action has been taken, the period during which each item has remained on such inventory, the reasons for the inaction, and identify any Internal Revenue Service official who is responsible for such inaction,

"(VII) identify any Taxpayer Assistance Order which was not honored by the Internal Revenue Service in a timely manner, as specified under section 7811(b),

"(VIII) contain recommendations for such administrative and legislative action as may be appropriate to resolve problems encountered by taxpayers,

"(IX) identify areas of the tax law that impose significant compliance burdens on taxpayers or the Internal Revenue Service, including specific recommendations for remedying these problems,

"(X) in conjunction with the National Director of Appeals, identify the 10 most litigated issues for each category of taxpayers, including recommendations for mitigating such disputes, and

"(XI) include such other information as the Taxpayer Advocate may deem advisable.

"(iii) REPORT TO BE SUBMITTED DIRECTLY.—Each report required under this subparagraph shall be provided directly to the committees described in clauses (i) and (ii) without any prior review or comment from the Oversight Board, the Secretary of the Treasury, any other officer or employee of the Department of the Treasury, or the Office of Management and Budget.

"(C) OTHER RESPONSIBILITIES.—The Taxpayer Advocate shall—

"(i) monitor the coverage and geographic allocation of problem resolution officers, and

"(ii) develop guidance to be distributed to all Internal Revenue Service officers and employees outlining the criteria for referral of taxpayer inquiries to problem resolution officers.

"(3) RESPONSIBILITIES OF COMMISSIONER.—The Commissioner shall establish procedures requiring a formal response to all recommendations submitted to the Commissioner by the Taxpayer Advocate within 3 months after submission to the Commissioner.".

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for subchapter A of chapter 80 is amended by striking the item relating to section 7803 and inserting the following new item:

"Sec. 7803. Commissioner of Internal Revenue; other officials."

(2) Subsection (b) of section 5109 of title 5, United States Code, is amended by striking "7802(b)" and inserting "7803(b)".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) CURRENT OFFICERS.—

(A) In the case of an individual serving as Commissioner of Internal Revenue on the date of the enactment of this Act who was appointed to such position before such date, the 5-year term required by section 7803(a)(1) of the Internal Revenue Code of 1986, as added by this section, shall begin as of the date of such appointment.

(B) Section 7803(c)(1)(B) of such Code, as added by this section, shall not apply to the individual serving as Taxpayer Advocate on the date of the enactment of this Act.

SEC. 103. OTHER PERSONNEL.

(a) IN GENERAL.—Section 7804 (relating to the effect of reorganization plans) is amended to read as follows:

"SEC. 7804. OTHER PERSONNEL.

"(a) APPOINTMENT AND SUPERVISION.—Unless otherwise prescribed by the Secretary, the Commissioner of Internal Revenue is authorized to employ such number of persons as the Commissioner deems proper for the administration and enforcement of the internal revenue laws, and the Commissioner shall issue all necessary directions, instructions, orders, and rules applicable to such persons.

"(b) POSTS OF DUTY OF EMPLOYEES IN FIELD SERVICE OR TRAVELING.—Unless otherwise prescribed by the Secretary—

"(1) DESIGNATION OF POST OF DUTY.—The Commissioner shall determine and designate the posts of duty of all such persons engaged in field work or traveling on official business outside of the District of Columbia.

"(2) DETAIL OF PERSONNEL FROM FIELD SERVICE.—The Commissioner may order any such person engaged in field work to duty in the District of Columbia, for such periods as the Commissioner may prescribe, and to any designated post of duty outside the District of Columbia upon the completion of such duty.

"(c) DELINQUENT INTERNAL REVENUE OFFICERS AND EMPLOYEES.—If any officer or employee of the Treasury Department acting in connection with the internal revenue laws fails to account for and pay over any amount of money or property collected or received by him in connection with the internal revenue laws, the Secretary shall issue notice and demand to such officer or employee for payment of the amount which he failed to account for and pay over, and, upon failure to pay the amount demanded within the time specified in such notice, the amount so demanded shall be deemed imposed upon such officer or employee and assessed upon the date of such notice and demand, and the provisions of chapter 64 and all other provisions of law relating to the collection of assessed taxes shall be applicable in respect of such amount.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (b) of section 6344 is amended by striking "section 7803(d)" and inserting "section 7804(c)".

(2) The table of sections for subchapter A of chapter 80 is amended by striking the item relating to section 7804 and inserting the following new item:

"Sec. 7804. Other personnel."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 104. PROHIBITION ON EXECUTIVE BRANCH INFLUENCE OVER TAXPAYER AUDITS AND OTHER INVESTIGATIONS.

(a) IN GENERAL.—Part I of subchapter A of chapter 75 (relating to crimes, other offenses, and forfeitures) is amended by adding after section 7216 the following new section:

"SEC. 7217. PROHIBITION ON EXECUTIVE BRANCH INFLUENCE OVER TAXPAYER AUDITS AND OTHER INVESTIGATIONS.

"(a) PROHIBITION.—It shall be unlawful for any applicable person to request any officer or employee of the Internal Revenue Service to conduct or terminate an audit or other investigation of any particular taxpayer with respect to the tax liability of such taxpayer.

"(b) REPORTING REQUIREMENT.—Any officer or employee of the Internal Revenue Service receiving any request prohibited by subsection (a) shall report the receipt of such request to the Chief Inspector of the Internal Revenue Service.

"(c) EXCEPTIONS.—Subsection (a) shall not apply to—

"(1) any request made to an applicable person by the taxpayer or a representative of the taxpayer and forwarded by such applicable person to the Internal Revenue Service,

"(2) any request by an applicable person for disclosure of return or return information under section 6103 if such request is made in accordance with the requirements of such section, or

"(3) any request by the Secretary of the Treasury as a consequence of the implementation of a change in tax policy.

"(d) PENALTY.—Any person who willfully violates subsection (a) or fails to report under subsection (b) shall be punished upon conviction by a fine in any amount not exceeding $5,000, or imprisonment of not more than 5 years, or both, together with the costs of prosecution.

"(e) APPLICABLE PERSON.—For purposes of this section, the term 'applicable person' means—

"(1) the President, the Vice President, any employee of the executive office of the President, and any employee of the executive office of the Vice President, and

"(2) any individual (other than the Attorney General of the United States) serving in a position specified in section 5312 of title 5, United States Code."

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 75 is amended by adding after the item relating to section 7216 the following new item:

"Sec. 7217. Prohibition on executive branch influence over taxpayer audits and other investigations."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to requests made after the date of the enactment of this Act.

Subtitle B—Personnel Flexibilities

SEC. 111. PERSONNEL FLEXIBILITIES.

(a) IN GENERAL.—Part III of title 5, United States Code, is amended by adding at the end the following new subpart:

"Subpart I—Miscellaneous

"CHAPTER 93—PERSONNEL FLEXIBILITIES RELATING TO THE INTERNAL REVENUE SERVICE

"Sec.
"9301. General requirements.
"9302. Flexibilities relating to performance management.
"9303. Staffing flexibilities.
"9304. Flexibilities relating to demonstration projects.

"§ 9301. General requirements

"(a) CONFORMANCE WITH MERIT SYSTEM PRINCIPLES, ETC.—Any flexibilities under this chapter shall be exercised in a manner consistent with—

"(1) chapter 23, relating to merit system principles and prohibited personnel practices; and

"(2) provisions of this title (outside of this subpart) relating to preference eligibles.

"(b) REQUIREMENT RELATING TO UNITS REPRESENTED BY LABOR ORGANIZATIONS.—

"(1) WRITTEN AGREEMENT REQUIRED.—Employees within a unit with respect to which a labor organization is accorded exclusive recognition under chapter 71 shall not be subject to the exercise of any flexibility under section 9302, 9303, or 9304, unless there is a written agreement between the Internal Revenue Service and the organization permitting such exercise.

"(2) DEFINITION OF A WRITTEN AGREEMENT.—In order to satisfy paragraph (1), a written agreement—

"(A) need not be a collective bargaining agreement within the meaning of section 7103(8); and

"(B) may not be an agreement imposed by the Federal Service Impasses Panel under section 7119.

"(3) INCLUDIBLE MATTERS.—The written agreement may address any flexibilities under section 9302, 9303, or 9304, including any matter proposed to be included in a demonstration project under section 9304.

"§ 9302. Flexibilities relating to performance management

"(a) IN GENERAL.—The Commissioner of Internal Revenue shall, within a year after the date of the enactment of this chapter, establish a performance management system which—

"(1) subject to section 9301(b), shall cover all employees of the Internal Revenue Service other than—

"(A) the members of the Internal Revenue Service Oversight Board;

"(B) the Commissioner of Internal Revenue; and

"(C) the Chief Counsel for the Internal Revenue Service;

"(2) shall maintain individual accountability by—

"(A) establishing standards of performance which—

"(i) shall permit the accurate evaluation of each employee's performance on the basis of the individual and organizational performance requirements applicable with respect to the evaluation period involved, taking into account individual contributions toward the attainment of any goals or objectives under paragraph (3);

"(ii) shall be communicated to an employee before the start of any period with respect to which the performance of such employee is to be evaluated using such standards; and

"(iii) shall include at least 2 standards of performance, the lowest of which shall denote the retention standard and shall be equivalent to fully successful performance;

"(B) providing for periodic performance evaluations to determine whether employees are meeting all applicable retention standards; and

"(C) using the results of such employee's performance evaluation as a basis for adjustments in pay and other appropriate personnel actions; and

"(3) shall provide for (A) establishing goals or objectives for individual, group, or organizational performance (or any combination thereof), consistent with Internal Revenue Service performance planning procedures, including those established under the Government Performance and Results Act of 1993, the Information Technology Management Reform Act of 1996, Revenue Procedure 64–22 (as in effect on July 30, 1997), and taxpayer service surveys, (B) communicating such goals or objectives to employees, and (C) using such goals or objectives to make performance distinctions among employees or groups of employees.

For purposes of this title, performance of an employee during any period in which such employee is subject to standards of performance under paragraph (2) shall be considered to be 'unacceptable' if the performance of such employee during such period fails to meet any retention standard.

"(b) AWARDS.—

"(1) FOR SUPERIOR ACCOMPLISHMENTS.—In the case of a proposed award based on the efforts of an employee or former employee of the Internal Revenue Service, any approval required under the provisions of section 4502(b) shall be considered to have been granted if the Office of Personnel Management does not disapprove the proposed award within 60 days after receiving the appropriate certification described in such provisions.

"(2) FOR EMPLOYEES WHO REPORT DIRECTLY TO THE COMMISSIONER.—

"(A) IN GENERAL.—In the case of an employee of the Internal Revenue Service who reports directly to the Commissioner of Internal Revenue, a cash award in an amount up to 50 percent of such employee's annual rate of basic pay may be made if the Commissioner finds such an award to be warranted based on such employee's performance.

"(B) NATURE OF AN AWARD.—A cash award under this paragraph shall not be considered to be part of basic pay.

"(C) TAX ENFORCEMENT RESULTS.—A cash award under this paragraph may not be based solely on tax enforcement results.

"(D) ELIGIBLE EMPLOYEES.—Whether or not an employee is an employee who reports directly to the Commissioner of Internal Revenue shall, for purposes of this paragraph, be determined under regulations which the Commissioner shall prescribe, except that in no event shall more than 8 employees be eligible for a cash award under this paragraph in any calendar year.

"(E) LIMITATION ON COMPENSATION.—For purposes of applying section 5307 to an employee in connection with any calendar year to which an award made under this paragraph to such employee is attributable, subsection (a)(1) of such section shall be applied by substituting 'to equal or exceed the annual rate of compensation for the Vice President for such calendar year' for 'to exceed the annual rate of basic pay payable for level I of the Executive Schedule, as of the end of such calendar year'.

"(F) APPROVAL REQUIRED.—An award under this paragraph may not be made unless—

"(i) the Commissioner of Internal Revenue certifies to the Office of Personnel Management that such award is warranted; and

"(ii) the Office approves, or does not disapprove, the proposed award within 60 days after the date on which it is so certified.

"(3) BASED ON SAVINGS.—

"(A) IN GENERAL.—The Commissioner of Internal Revenue may authorize the payment of cash awards to employees based on documented financial savings achieved by a group or organization which such employees comprise, if such payments are made pursuant to a plan which—

"(i) specifies minimum levels of service and quality to be maintained while achieving such financial savings; and

"(ii) is in conformance with criteria prescribed by the Office of Personnel Management.

"(B) FUNDING.—A cash award under this paragraph may be paid from the fund or appropriation available to the activity primarily benefiting or the various activities benefiting.

"(C) TAX ENFORCEMENT RESULTS.—A cash award under this paragraph may not be based solely on tax enforcement results.

"(c) OTHER PROVISIONS.—

"(1) NOTICE PROVISIONS.—In applying sections 4303(b)(1)(A) and 7513(b)(1) to employees of the Internal Revenue Service, '15 days' shall be substituted for '30 days'.

"(2) APPEALS.—Notwithstanding the second sentence of section 5335(c), an employee of the Internal Revenue Service shall not have a right to appeal the denial of a periodic step increase under section 5335 to the Merit Systems Protection Board.

"§ 9303. Staffing flexibilities

"(a) ELIGIBILITY TO COMPETE FOR A PERMANENT APPOINTMENT IN THE COMPETITIVE SERVICE.—

"(1) ELIGIBILITY OF QUALIFIED VETERANS.—

"(A) IN GENERAL.—No veteran described in subparagraph (B) shall be denied the opportunity to compete for an announced vacant competitive service position within the Internal Revenue Service by reason of—

"(i) not having acquired competitive status; or

"(ii) not being an employee of that agency.

"(B) DESCRIPTION.—An individual shall, for purposes of a position for which such individual is applying, be considered a veteran described in this subparagraph if such individual—

"(i) is either a preference eligible, or an individual (other than a preference eligible) who has been separated from the armed forces under honorable conditions after at least 3 years of active service; and

"(ii) meets the minimum qualification requirements for the position sought.

"(2) ELIGIBILITY OF CERTAIN TEMPORARY EMPLOYEES.—

"(A) IN GENERAL.—No temporary employee described in subparagraph (B) shall be denied the opportunity to compete for an announced vacant competitive service position within the Internal Revenue Service by reason of not having acquired competitive status.

"(B) DESCRIPTION.—An individual shall, for purposes of a position for which such individual is applying, be considered a temporary employee described in this subparagraph if—

"(i) such individual is then currently serving as a temporary employee in the Internal Revenue Service;

"(ii) such individual has completed at least 2 years of current continuous service in the competitive service under 1 or more term appointments, each of which was made under competitive procedures prescribed for permanent appointments;

"(iii) such individual's performance under each term appointment referred to in clause (ii) met all applicable retention standards; and

"(iv) such individual meets the minimum qualification requirements for the position sought.

"(b) RATING SYSTEMS.—

"(1) IN GENERAL.—Notwithstanding subchapter I of chapter 33, the Commissioner of Internal Revenue may establish category rating systems for evaluating job applicants for positions in the competitive service, under which qualified candidates are divided into 2 or more quality categories on the basis of relative degrees of merit, rather than assigned individual numerical ratings. Each applicant who meets the minimum qualification requirements for the position to be filled shall be assigned to an appropriate category based on an evaluation of the applicant's knowledge, skills, and abilities relative to those needed for successful performance in the job to be filled.

"(2) TREATMENT OF PREFERENCE ELIGIBLES.—Within each quality category established under paragraph (1), preference eligibles shall be listed ahead of individuals who are not preference eligibles. For other than scientific and professional positions at or higher than GS–9 (or equivalent), preference eligibles who have a compensable service-connected disability of 10 percent or more, and who meet the minimum qualification standards, shall be listed in the highest quality category.

"(3) SELECTION PROCESS.—An appointing authority may select any applicant from the highest quality category or, if fewer than 3 candidates have been assigned to the highest quality category, from a merged category consisting of the highest and second highest quality categories. Notwithstanding the preceding sentence, the appointing authority may not pass over a preference eligible in the same or a higher category from which selection is made, unless the requirements of section 3317(b) or 3318(b), as applicable, are satisfied, except that in no event may certification of a preference eligible under this subsection be discontinued by the Internal Revenue Service under section 3317(b) before the end of the 6-month period beginning on the date of such employee's first certification.

"(c) INVOLUNTARY REASSIGNMENTS AND REMOVALS OF CAREER APPOINTEES IN THE SENIOR EXECUTIVE SERVICE.—Neither section 3395(e)(1) nor section 3592(b)(1) shall apply with respect to the Internal Revenue Service.

"(d) PROBATIONARY PERIODS.—Notwithstanding any other provision of law or regulation, the Commissioner of Internal Revenue may establish a period of probation under section 3321 of up to 3 years for any position if, as determined by the Commissioner, a shorter period would be insufficient for the incumbent to demonstrate complete proficiency in such position.

"(e) PROVISIONS THAT REMAIN APPLICABLE.—No provision of this section exempts the Internal Revenue Service from—

"(1) any employment priorities established under direction of the President for the placement of surplus or displaced employees; or

"(2) its obligations under any court order or decree relating to the employment practices of the Internal Revenue Service.

"§ 9304. Flexibilities relating to demonstration projects

"(a) AUTHORITY TO CONDUCT.—The Commissioner of Internal Revenue may, in accordance with this section, conduct 1 or more demonstration projects to improve personnel management; provide increased individual accountability; eliminate obstacles to the removal of or imposing any disciplinary action with respect to poor performers, subject to the requirements of due process; expedite appeals from adverse actions or performance-based actions; and promote pay based on performance.

"(b) GENERAL REQUIREMENTS.—Except as provided in subsection (c), each demonstration project under this section shall comply with the provisions of section 4703.

"(c) SPECIAL RULES.—For purposes of any demonstration project under this section—

"(1) AUTHORITY OF COMMISSIONER.—The Commissioner of Internal Revenue shall exercise the authority provided to the Office of Personnel Management under section 4703.

"(2) PROVISIONS NOT APPLICABLE.—The following provisions of section 4703 shall not apply:

"(A) Paragraphs (3) through (6) of subsection (b).

"(B) Paragraphs (1), (2)(B)(ii), and (4) of subsection (c).

"(C) Subsections (d) through (g).

"(d) NOTIFICATION REQUIRED TO BE GIVEN.—

"(1) TO EMPLOYEES.—The Commissioner of Internal Revenue shall notify employees likely to be affected by a project proposed under this section at least 90 days in advance of the date such project is to take effect.

"(2) TO CONGRESS AND OPM.—The Commissioner of Internal Revenue shall, with respect to each demonstration project under this section, provide each House of Congress and the Office of Personnel Management with a report, at least 30 days in advance of the date such project is to take effect, setting forth the final version of the plan for such project. Such report shall, with respect to the project to which it relates, include the information specified in section 4703(b)(1).

"(e) LIMITATIONS.—No demonstration project under this section may—

"(1) provide for a waiver of any regulation prescribed under any provision of law referred to in paragraph (2)(B)(i) or (3) of section 4703(c);

"(2) provide for a waiver of subchapter V of chapter 63 or subpart G of part III (or any regulations prescribed under such subchapter or subpart);

"(3) provide for a waiver of any law or regulation relating to preference eligibles as defined in section 2108 or subchapter II or III of chapter 73 (or any regulations prescribed thereunder);

"(4) permit collective bargaining over pay or benefits, or require collective bargaining over any matter which would not be required under section 7106; or

"(5) include a system for measuring performance that provides for only 1 level of performance at or above the level of fully successful or better.

"(f) PERMISSIBLE PROJECTS.—Notwithstanding any other provision of law, a demonstration project under this section—

"(1) may establish alternative means of resolving any dispute within the jurisdiction of the Equal Employment Opportunity Commission, the Merit Systems Protection Board, the Federal Labor Relations Authority, or the Federal Service Impasses Panel; and

"(2) may permit the Internal Revenue Service to adopt any alternative dispute resolution procedure that a private entity may lawfully adopt.

"(g) CONSULTATION AND COORDINATION.—The Commissioner of Internal Revenue shall consult with the Director of the Office of Personnel Management in the development and implementation of each demonstration project under this section and shall submit such reports to the Director as the Director may require. The Director or the Commissioner of Internal Revenue may terminate a demonstration project under this section if either of them determines that the project creates a substantial hardship on, or is not in the best interests of, the public, the Federal Government, employees, or qualified applicants for employment with the Internal Revenue Service.

"(h) TERMINATION.—Each demonstration project under this section shall terminate before the end of the 5-year period beginning on the date on which the project takes effect, except that any such project may continue beyond the end of such period, for not to exceed 2 years, if the Commissioner of Internal Revenue, with the concurrence of the Director, determines such extension is necessary to validate the results of the project. Not later than 6 months before the end of the 5-year period and any extension under the preceding sentence, the Commissioner of Internal Revenue shall, with respect to the demonstration project involved, submit a legislative proposal to the Congress if the Commissioner determines that such project should be made permanent, in whole or in part."

(b) CLERICAL AMENDMENT.—The analysis for part III of title 5, United States Code, is amended by adding at the end the following:

"Subpart I—Miscellaneous

"93. Personnel Flexibilities Relating to the Internal Revenue Service ..... 9301".

(c) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.

TITLE II—ELECTRONIC FILING

SEC. 201. ELECTRONIC FILING OF TAX AND INFORMATION RETURNS.

(a) IN GENERAL.—It is the policy of the Congress that paperless filing should be the preferred and most convenient means of filing tax and information returns, and that by the year 2007, no more than 20 percent of all such returns should be filed on paper.

(b) STRATEGIC PLAN.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury or the Secretary's delegate (hereafter in this section referred to as the "Secretary") shall establish a plan to eliminate barriers, provide incentives, and use competitive market forces to increase electronic filing gradually over the next 10 years while maintaining processing times for paper returns at 40 days. To the extent practicable, such plan shall provide that all returns prepared electronically for taxable years beginning after 2001 shall be filed electronically.

(2) ELECTRONIC COMMERCE ADVISORY GROUP.—To ensure that the Secretary receives input from the private sector in the development and implementation of the plan required by paragraph (1), the Secretary shall convene an electronic commerce advisory group to include representatives from the small business community and from the tax practitioner, preparer, and computerized tax processor communities and other representatives from the electronic filing industry.

(c) PROMOTION OF ELECTRONIC FILING AND INCENTIVES.—Section 6011 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) PROMOTION OF ELECTRONIC FILING.—

"(1) IN GENERAL.—The Secretary is authorized to promote the benefits of and encourage the use of electronic tax administration programs, as they become available, through the use of mass communications and other means.

"(2) INCENTIVES.—The Secretary may implement procedures to provide for the payment of

appropriate incentives for electronically filed returns."

(d) ANNUAL REPORTS.—Not later than June 30 of each calendar year after 1997, the Chairperson of the Internal Revenue Service Oversight Board, the Secretary, and the Chairperson of the electronic commerce advisory group established under subsection (b)(2) shall report to the Committees on Ways and Means, Appropriations, and Government Reform and Oversight of the House of Representatives, the Committees on Finance, Appropriations, and Government Affairs of the Senate, and the Joint Committee on Taxation, on—

(1) the progress of the Internal Revenue Service in meeting the goal of receiving electronically 80 percent of tax and information returns by 2007;

(2) the status of the plan required by subsection (b); and

(3) the legislative changes necessary to assist the Internal Revenue Service in meeting such goal.

SEC. 202. DUE DATE FOR CERTAIN INFORMATION RETURNS FILED ELECTRONICALLY.

(a) IN GENERAL.—Section 6071 (relating to time for filing returns and other documents) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) ELECTRONICALLY FILED INFORMATION RETURNS.—Returns made under subparts B and C of part III of this subchapter which are filed electronically shall be filed on or before March 31 of the year following the calendar year to which such returns relate."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to returns required to be filed after December 31, 1999.

SEC. 203. PAPERLESS ELECTRONIC FILING.

(a) IN GENERAL.—Section 6061 (relating to signing of returns and other documents) is amended—

(1) by striking "Except as otherwise provided by" and inserting the following:

"(a) GENERAL RULE.—Except as otherwise provided by subsection (b) and", and

(2) by adding at the end the following new subsection:

"(b) ELECTRONIC SIGNATURES.—

"(1) IN GENERAL.—The Secretary shall develop procedures for the acceptance of signatures in digital or other electronic form. Until such time as such procedures are in place, the Secretary may waive the requirement of a signature for all returns or classes of returns, or may provide for alternative methods of subscribing all returns, declarations, statements, or other documents required or permitted to be made or written under internal revenue laws and regulations.

"(2) TREATMENT OF ALTERNATIVE METHODS.—Notwithstanding any other provision of law, any return, declaration, statement or other document filed without signature under the authority of this subsection or verified, signed or subscribed under any method adopted under paragraph (1) shall be treated for all purposes (both civil and criminal, including penalties for perjury) in the same manner as though signed and subscribed. Any such return, declaration, statement or other document shall be presumed to have been actually submitted and subscribed by the person on whose behalf it was submitted.

"(3) PUBLISHED GUIDANCE.—The Secretary shall publish guidance as appropriate to define and implement any waiver of the signature requirements."

(b) ACKNOWLEDGMENT OF ELECTRONIC FILING.—Section 7502(c) is amended to read as follows:

"(c) REGISTERED AND CERTIFIED MAILING; ELECTRONIC FILING.—

"(1) REGISTERED MAIL.—For purposes of this section, if any return, claim, statement, or other document, or payment, is sent by United States registered mail—

"(A) such registration shall be prima facie evidence that the return, claim, statement, or other document was delivered to the agency, officer, or office to which addressed, and

"(B) the date of registration shall be deemed the postmark date.

"(2) CERTIFIED MAIL; ELECTRONIC FILING.—The Secretary is authorized to provide by regulations the extent to which the provisions of paragraph (1) with respect to prima facie evidence of delivery and the postmark date shall apply to certified mail and electronic filing.".

(c) ESTABLISHMENT OF PROCEDURES FOR OTHER INFORMATION.—In the case of taxable periods beginning after December 31, 1998, the Secretary of the Treasury or the Secretary's delegate shall, to the extent practicable, establish procedures to accept, in electronic form, any other information, statements, elections, or schedules, from taxpayers filing returns electronically, so that such taxpayers will not be required to file any paper.

(d) PROCEDURES FOR COMMUNICATIONS BETWEEN IRS AND PREPARER OF ELECTRONICALLY FILED RETURNS.—The Secretary shall establish procedures for taxpayers to authorize, on electronically filed returns, the preparer of such returns to communicate with the Internal Revenue Service on matters included on such returns.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 204. RETURN-FREE TAX SYSTEM.

(a) IN GENERAL.—The Secretary of the Treasury or the Secretary's delegate shall develop procedures for the implementation of a return-free tax system under which appropriate individuals would be permitted to comply with the Internal Revenue Code of 1986 without making the return required under section 6012 of such Code for taxable years beginning after 2007.

(b) REPORT.—Not later than June 30 of each calendar year after 1999, such Secretary shall report to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation on—

(1) what additional resources the Internal Revenue Service would need to implement such a system,

(2) the changes to the Internal Revenue Code of 1986 that could enhance the use of such a system,

(3) the procedures developed pursuant to subsection (a), and

(4) the number and classes of taxpayers that would be permitted to use the procedures developed pursuant to subsection (a).

SEC. 205. ACCESS TO ACCOUNT INFORMATION.

Not later than December 31, 2006, the Secretary of the Treasury or the Secretary's delegate shall develop procedures under which a taxpayer filing returns electronically would be able to review the taxpayer's account electronically, but only if all necessary safeguards to ensure the privacy of such account information are in place.

TITLE III—TAXPAYER PROTECTION AND RIGHTS

SEC. 300. SHORT TITLE.

This title may be cited as the "Taxpayer Bill of Rights 3".

Subtitle A—Burden of Proof

SEC. 301. BURDEN OF PROOF.

(a) IN GENERAL.—Chapter 76 (relating to judicial proceedings) is amended by adding at the end the following new subchapter:

"Subchapter E—Burden of Proof

"Sec. 7491. Burden of proof.

"SEC. 7491. BURDEN OF PROOF.

"(a) GENERAL RULE.—The Secretary shall have the burden of proof in any court proceeding with respect to any factual issue relevant to ascertaining the income tax liability of a taxpayer.

"(b) LIMITATIONS.—Subsection (a) shall only apply with respect to an issue if—

"(1) the taxpayer asserts a reasonable dispute with respect to such issue,

"(2) the taxpayer has fully cooperated with the Secretary with respect to such issue, including providing, within a reasonable period of time, access to and inspection of all witnesses, information, and documents within the control of the taxpayer, as reasonably requested by the Secretary, and

"(3) in the case of a partnership, corporation, or trust, the taxpayer is described in section 7430(c)(4)(A)(ii).

"(c) SUBSTANTIATION.—Nothing in this section shall be construed to override any requirement of this title to substantiate any item."

(b) CONFORMING AMENDMENTS.—

(1) Section 6201 is amended by striking subsection (d) and redesignating subsection (e) as subsection (d).

(2) The table of subchapters for chapter 76 is amended by adding at the end the following new item:

"Subchapter E. Burden of proof."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to court proceedings arising in connection with examinations commencing after the date of the enactment of this Act.

Subtitle B—Proceedings by Taxpayers

SEC. 311. EXPANSION OF AUTHORITY TO AWARD COSTS AND CERTAIN FEES.

(a) AWARD OF HIGHER ATTORNEY'S FEES BASED ON COMPLEXITY OF ISSUES.—Clause (iii) of section 7430(c)(1)(B) (relating to the award of costs and certain fees) is amended by inserting "the difficulty of the issues presented in the case, or the local availability of tax expertise," before "justifies a higher rate".

(b) AWARD OF ADMINISTRATIVE COSTS INCURRED AFTER 30-DAY LETTER.—Paragraph (2) of section 7430(c) is amended by striking the last sentence and inserting the following:

"Such term shall only include costs incurred on or after whichever of the following is the earliest: (i) the date of the receipt by the taxpayer of the notice of the decision of the Internal Revenue Service Office of Appeals, (ii) the date of the notice of deficiency, or (iii) the date on which the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals is sent.".

(c) AWARD OF FEES FOR CERTAIN ADDITIONAL SERVICES.—Paragraph (3) of section 7430(c) is amended to read as follows:

"(3) ATTORNEY'S FEES.—

"(A) IN GENERAL.—For purposes of paragraphs (1) and (2), fees for the services of an individual (whether or not an attorney) who is authorized to practice before the Tax Court or before the Internal Revenue Service shall be treated as fees for the services of an attorney.

"(B) PRO BONO SERVICES.—In any case in which the court could have awarded attorney's fees under subsection (a) but for the fact that an individual is representing the prevailing party for no fee or for a fee which (taking into account all the facts and circumstances) is no more than a nominal fee, the court may also award a judgment or settlement for such amounts as the court determines to be appropriate (based on hours worked and costs expended) for services of such individual but only if such award is paid to such individual or such individual's employer."

(d) DETERMINATION OF WHETHER POSITION OF UNITED STATES IS SUBSTANTIALLY JUSTIFIED.—Subparagraph (B) of section 7430(c)(4) is amended by redesignating clause (iii) as clause (iv)

and by inserting after clause (ii) the following new clause:

"(iii) EFFECT OF LOSING ON SUBSTANTIALLY SIMILAR ISSUES.—In determining for purposes of clause (i) whether the position of the United States was substantially justified, the court shall take into account whether the United States has lost in courts of appeal for other circuits on substantially similar issues."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to costs incurred (and, in the case of the amendment made by subsection (c), services performed) more than 180 days after the date of the enactment of this Act.

SEC. 312. CIVIL DAMAGES FOR NEGLIGENCE IN COLLECTION ACTIONS.

(a) IN GENERAL.—Section 7433 (relating to civil damages for certain unauthorized collection actions) is amended—

(1) in subsection (a), by inserting ", or by reason of negligence," after "recklessly or intentionally", and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting "($100,000, in the case of negligence)" after "$1,000,000", and

(B) in paragraph (1), by inserting "or negligent" after "reckless or intentional".

(b) REQUIREMENT THAT ADMINISTRATIVE REMEDIES BE EXHAUSTED.—Paragraph (1) of section 7433(d) is amended to read as follows:

"(1) REQUIREMENT THAT ADMINISTRATIVE REMEDIES BE EXHAUSTED.—A judgment for damages shall not be awarded under subsection (b) unless the court determines that the plaintiff has exhausted the administrative remedies available to such plaintiff within the Internal Revenue Service."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to actions of officers or employees of the Internal Revenue Service after the date of the enactment of this Act.

SEC. 313. INCREASE IN SIZE OF CASES PERMITTED ON SMALL CASE CALENDAR.

(a) IN GENERAL.—Subsection (a) of section 7463 (relating to disputes involving $10,000 or less) is amended by striking "$10,000" each place it appears and inserting "$25,000".

(b) CONFORMING AMENDMENTS.—

*(1) The section heading for section 7463 is amended by striking "**$10,000**" and inserting "**$25,000**".*

(2) The item relating to section 7463 in the table of sections for part II of subchapter C of chapter 76 is amended by striking "$10,000" and inserting "$25,000".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to proceedings commencing after the date of the enactment of this Act.

Subtitle C—Relief for Innocent Spouses and for Taxpayers Unable To Manage Their Financial Affairs Due to Disabilities

SEC. 321. SPOUSE RELIEVED IN WHOLE OR IN PART OF LIABILITY IN CERTAIN CASES.

(a) IN GENERAL.—Subpart B of part II of subchapter A of chapter 61 is amended by inserting after section 6014 the following new section:

"SEC. 6015. INNOCENT SPOUSE RELIEF; PETITION TO TAX COURT.

"(a) SPOUSE RELIEVED OF LIABILITY IN CERTAIN CASES.—

"(1) IN GENERAL.—Under procedures prescribed by the Secretary, if—

"(A) a joint return has been made under section 6013 for a taxable year,

"(B) on such return there is an understatement of tax attributable to erroneous items of 1 spouse,

"(C) the other spouse establishes that in signing the return he or she did not know, and had no reason to know, that there was such understatement,

"(D) taking into account all the facts and circumstances, it is inequitable to hold the other spouse liable for the deficiency in tax for such taxable year attributable to such understatement, and

"(E) the other spouse claims (in such form as the Secretary may prescribe) the benefits of this subsection not later than the date which is 2 years after the date of the assessment of such deficiency,

then the other spouse shall be relieved of liability for tax (including interest, penalties, and other amounts) for such taxable year to the extent such liability is attributable to such understatement.

"(2) APPORTIONMENT OF RELIEF.—If a spouse who, but for paragraph (1)(C), would be relieved of liability under paragraph (1), establishes that in signing the return such spouse did not know, and had no reason to know, the extent of such understatement, then such spouse shall be relieved of liability for tax (including interest, penalties, and other amounts) for such taxable year to the extent that such liability is attributable to the portion of such understatement of which such spouse did not know and had no reason to know.

"(3) UNDERSTATEMENT.—For purposes of this subsection, the term 'understatement' has the meaning given to such term by section 6662(d)(2)(A).

"(4) SPECIAL RULE FOR COMMUNITY PROPERTY INCOME.—For purposes of this subsection, the determination of the spouse to whom items of gross income (other than gross income from property) are attributable shall be made without regard to community property laws.

"(b) PETITION FOR REVIEW BY TAX COURT.—In the case of an individual who has filed a claim under subsection (a) within the period specified in subsection (a)(1)(E)—

"(1) IN GENERAL.—Such individual may petition the Tax Court (and the Tax Court shall have jurisdiction) to determine such claim if such petition is filed during the 90-day period beginning on the earlier of—

"(A) the date which is 6 months after the date such claim is filed with the Secretary, or

"(B) the date on which the Secretary mails by certified or registered mail a notice to such individual denying such claim.

Such 90-day period shall be determined by not counting Saturday, Sunday, or a legal holiday in the District of Columbia as the last day of such period.

"(2) RESTRICTIONS APPLICABLE TO COLLECTION OF ASSESSMENT.—

"(A) IN GENERAL.—Except as otherwise provided in section 6851 or 6861, no levy or proceeding in court for collection of any assessment to which such claim relates shall be made, begun, or prosecuted, until the expiration of the 90-day period described in paragraph (1), nor, if a petition has been filed with the Tax Court, until the decision of the Tax Court has become final. Rules similar to the rules of section 7485 shall apply with respect to the collection of such assessment.

"(B) AUTHORITY TO ENJOIN COLLECTION ACTIONS.—Notwithstanding the provisions of section 7421(a), the beginning of such proceeding or levy during the time the prohibition under subparagraph (A) is in force may be enjoined by a proceeding in the proper court, including the Tax Court. The Tax Court shall have no jurisdiction under this paragraph to enjoin any action or proceeding unless a timely petition for a determination of such claim has been filed and then only in respect of the amount of the assessment to which such claim relates.

"(C) JEOPARDY COLLECTION.—If the Secretary makes a finding that the collection of the tax is in jeopardy, nothing in this subsection shall prevent the immediate collection of such tax.

"(c) SUSPENSION OF RUNNING OF PERIOD OF LIMITATIONS.—The running of the period of limitations in section 6502 on the collection of the assessment to which the petition under subsection (b) relates shall be suspended for the period during which the Secretary is prohibited by subsection (b) from collecting by levy or a proceeding in court and for 60 days thereafter.

"(d) APPLICABLE RULES.—

"(1) ALLOWANCE OF APPLICATION.—Except as provided in paragraph (2), notwithstanding any other law or rule of law (other than section 6512(b), 7121, or 7122), credit or refund shall be allowed or made to the extent attributable to the application of this section.

"(2) RES JUDICATA.—In the case of any claim under subsection (a), the determination of the Tax Court in any prior proceeding for the same taxable periods in which the decision has become final, shall be conclusive except with respect to the qualification of the spouse for relief which was not an issue in such proceeding. The preceding sentence shall not apply if the Tax Court determines that the spouse participated meaningfully in such prior proceeding.

"(3) LIMITATION ON TAX COURT JURISDICTION.—If a suit for refund is begun by either spouse pursuant to section 6532, the Tax Court shall lose jurisdiction of the spouse's action under this section to whatever extent jurisdiction is acquired by the district court or the United States Court of Federal Claims over the taxable years that are the subject of the suit for refund."

(b) SEPARATE FORM FOR APPLYING FOR SPOUSAL RELIEF.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall develop a separate form with instructions for use by taxpayers in applying for relief under section 6015(a) of the Internal Revenue Code of 1986, as added by this section.

(c) CONFORMING AMENDMENTS.—

(1) Section 6013 is amended by striking subsection (e).

(2) Subparagraph (A) of section 6230(c)(5) is amended by striking "section 6013(e)" and inserting "section 6015".

(d) CLERICAL AMENDMENT.—The table of sections for subpart B of part II of subchapter A of chapter 61 is amended by inserting after the item relating to section 6014 the following new item:

"Sec. 6015. Innocent spouse relief; petition to Tax Court."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to understatements for taxable years beginning after the date of the enactment of this Act.

SEC. 322. SUSPENSION OF STATUTE OF LIMITATIONS ON FILING REFUND CLAIMS DURING PERIODS OF DISABILITY.

(a) IN GENERAL.—Section 6511 (relating to limitations on credit or refund) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) RUNNING OF PERIODS OF LIMITATION SUSPENDED WHILE TAXPAYER IS UNABLE TO MANAGE FINANCIAL AFFAIRS DUE TO DISABILITY.—

"(1) IN GENERAL.—In the case of an individual, the running of the periods specified in subsections (a), (b), and (c) shall be suspended during any period of such individual's life that such individual is financially disabled.

"(2) FINANCIALLY DISABLED.—

"(A) IN GENERAL.—For purposes of paragraph (1), an individual is financially disabled if such individual is unable to manage his financial affairs by reason of his medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. An individual shall not be considered to have such an impairment

unless proof of the existence thereof is furnished in such form and manner as the Secretary may require.

"(B) EXCEPTION WHERE INDIVIDUAL HAS GUARDIAN, ETC.—An individual shall not be treated as financially disabled during any period that such individual's spouse or any other person is authorized to act on behalf of such individual in financial matters."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to periods of disability before, on, or after the date of the enactment of this Act but shall not apply to any claim for credit or refund which (without regard to such amendment) is barred by the operation of any law or rule of law (including res judicata) as of January 1, 1998.

Subtitle D—Provisions Relating to Interest

SEC. 331. ELIMINATION OF INTEREST RATE DIFFERENTIAL ON OVERLAPPING PERIODS OF INTEREST ON INCOME TAX OVERPAYMENTS AND UNDERPAYMENTS.

(a) IN GENERAL.—Section 6621 (relating to determination of rate of interest) is amended by adding at the end the following new subsection:

"(d) ELIMINATION OF INTEREST ON OVERLAPPING PERIODS OF INCOME TAX OVERPAYMENTS AND UNDERPAYMENTS.—To the extent that, for any period, interest is payable under subchapter A and allowable under subchapter B on equivalent underpayments and overpayments by the same taxpayer of tax imposed by chapters 1 and 2, the net rate of interest under this section on such amounts shall be zero for such period."

(b) CONFORMING AMENDMENT.—Subsection (f) of section 6601 (relating to satisfaction by credits) is amended by adding at the end the following new sentence: "The preceding sentence shall not apply to the extent that section 6621(d) applies."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest for calendar quarters beginning after the date of the enactment of this Act.

SEC. 332. INCREASE IN OVERPAYMENT RATE PAYABLE TO TAXPAYERS OTHER THAN CORPORATIONS.

(a) IN GENERAL.—Subparagraph (B) of section 6621(a)(1) (defining overpayment rate) is amended to read as follows:

"(B) 3 percentage points (2 percentage points in the case of a corporation)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to interest for calendar quarters beginning after the date of the enactment of this Act.

Subtitle E—Protections for Taxpayers Subject to Audit or Collection Activities

SEC. 341. PRIVILEGE OF CONFIDENTIALITY EXTENDED TO TAXPAYER'S DEALINGS WITH NON-ATTORNEYS AUTHORIZED TO PRACTICE BEFORE INTERNAL REVENUE SERVICE.

Section 7602 (relating to examination of books and witnesses) is amended by adding at the end the following new subsection:

"(d) PRIVILEGE OF CONFIDENTIALITY EXTENDED TO TAXPAYER'S DEALINGS WITH NON-ATTORNEYS AUTHORIZED TO PRACTICE BEFORE INTERNAL REVENUE SERVICE.—

"(1) IN GENERAL.—In any noncriminal proceeding before the Internal Revenue Service, the taxpayer shall be entitled to the same common law protections of confidentiality with respect to tax advice furnished by any qualified individual (in a manner consistent with State law for such individual's profession) as the taxpayer would have if such individual were an attorney.

"(2) QUALIFIED INDIVIDUAL.—For purposes of paragraph (1), the term 'qualified individual' means any individual (other than an attorney) who is authorized to practice before the Internal Revenue Service."

SEC. 342. EXPANSION OF AUTHORITY TO ISSUE TAXPAYER ASSISTANCE ORDERS.

Section 7811(a) (relating to taxpayer assistance orders) is amended—

(1) by striking "Upon application" and inserting the following:

"(1) IN GENERAL.—Upon application",

(2) by moving the text 2 ems to the right, and

(3) by adding at the end the following new paragraphs:

"(2) ISSUANCE OF TAXPAYER ASSISTANCE ORDERS.—For purposes of determining whether to issue a taxpayer assistance order, the Taxpayer Advocate shall consider the following factors, among others:

"(A) Whether there is an immediate threat of adverse action.

"(B) Whether there has been an unreasonable delay in resolving taxpayer account problems.

"(C) Whether the taxpayer will have to pay significant costs (including fees for professional representation) if relief is not granted.

"(D) Whether the taxpayer will suffer irreparable injury, or a long-term adverse impact, if relief is not granted.

"(3) STANDARD WHERE ADMINISTRATIVE GUIDANCE NOT FOLLOWED.—In cases where any Internal Revenue Service employee is not following applicable published administrative guidance (including the Internal Revenue Manual), the Taxpayer Advocate shall construe the factors taken into account in determining whether to issue a taxpayer assistance order in the manner most favorable to the taxpayer."

SEC. 343. LIMITATION ON FINANCIAL STATUS AUDIT TECHNIQUES.

Section 7602 is amended by adding at the end the following new subsection:

"(e) LIMITATION ON EXAMINATION ON UNREPORTED INCOME.—The Secretary shall not use financial status or economic reality examination techniques to determine the existence of unreported income of any taxpayer unless the Secretary has a reasonable indication that there is a likelihood of such unreported income."

SEC. 344. LIMITATION ON AUTHORITY TO REQUIRE PRODUCTION OF COMPUTER SOURCE CODE.

(a) IN GENERAL.—Section 7602 is amended by adding at the end the following new subsection:

"(f) LIMITATION ON AUTHORITY TO REQUIRE PRODUCTION OF COMPUTER SOURCE CODE.—

"(1) IN GENERAL.—No summons may be issued under this title, and the Secretary may not begin any action under section 7604 to enforce any summons, to produce or examine any tax-related computer source code.

"(2) EXCEPTION WHERE INFORMATION NOT OTHERWISE AVAILABLE TO VERIFY CORRECTNESS OF ITEM ON RETURN.—Paragraph (1) shall not apply to any portion of a tax-related computer source code if—

"(A) the Secretary is unable to otherwise reasonably ascertain the correctness of any item on a return from—

"(i) the taxpayer's books, papers, records, or other data, or

"(ii) the computer software program and the associated data which, when executed, produces the output to prepare the return for the period involved, and

"(B) the Secretary identifies with reasonable specificity such portion as to be used to verify the correctness of such item.

The Secretary shall be treated as meeting the requirements of subparagraphs (A) and (B) after the 90th day after the Secretary makes a formal request to the taxpayer and the owner or developer of the computer software program for the material described in subparagraph (A)(ii) if such material is not provided before the close of such 90th day.

"(3) OTHER EXCEPTIONS.—Paragraph (1) shall not apply to—

"(A) any inquiry into any offense connected with the administration or enforcement of the internal revenue laws, and

"(B) any tax-related computer source code developed by (or primarily for the benefit of) the taxpayer or a related person (within the meaning of section 267 or 707(b)) for internal use by the taxpayer or such person and not for commercial distribution.

"(4) TAX-RELATED COMPUTER SOURCE CODE.—For purposes of this subsection, the term 'tax-related computer source code' means—

"(A) the computer source code for any computer software program for accounting, tax return preparation or compliance, or tax planning, or

"(B) design and development materials related to such a software program (including program notes and memoranda).

"(5) RIGHT TO CONTEST SUMMONS.—The determination of whether the requirements of subparagraphs (A) and (B) of paragraph (2) are met or whether any exception under paragraph (3) applies may be contested in any proceeding under section 7604.

"(6) PROTECTION OF TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION.—In any court proceeding to enforce a summons for any portion of a tax-related computer source code, the court may issue any order necessary to prevent the disclosure of trade secrets or other confidential information with respect to such source code, including providing that any information be placed under seal to be opened only as directed by the court."

(b) APPLICATION OF SPECIAL PROCEDURES FOR THIRD-PARTY SUMMONSES.—Paragraph (3) of section 7609(a) (defining third-party recordkeeper) is amended by striking "and" at the end of subparagraph (H), by striking a period at the end of subparagraph (I) and inserting ", and", and by adding at the end the following:

"(J) any owner or developer of a tax-related computer source code (as defined in section 7602(f)(4)).

Subparagraph (J) shall apply only with respect to a summons requiring the production of the source code referred to in subparagraph (J) or the program and data described in section 7602(f)(2)(A)(ii) to which such source code relates."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to summonses issued more than 90 days after the date of the enactment of this Act.

SEC. 345. PROCEDURES RELATING TO EXTENSIONS OF STATUTE OF LIMITATIONS BY AGREEMENT.

(a) IN GENERAL.—Paragraph (4) of section 6501(c) (relating to the period for limitations on assessment and collection) is amended—

(1) by striking "Where" and inserting the following:

"(A) IN GENERAL.—Where",

(2) by moving the text 2 ems to the right, and

(3) by adding at the end the following new subparagraph:

"(B) NOTICE TO TAXPAYER OF RIGHT TO REFUSE OR LIMIT EXTENSION.—The Secretary shall notify the taxpayer of the taxpayer's right to refuse to extend the period of limitations, or to limit such extension to particular issues, on each occasion when the taxpayer is requested to provide such consent."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to requests to extend the period of limitations made after the date of the enactment of this Act.

SEC. 346. OFFERS-IN-COMPROMISE.

(a) ALLOWANCES FOR BASIC LIVING EXPENSES.—Section 7122 (relating to offers-in-compromise) is amended by adding at the end the following new subsection:

"(c) ALLOWANCES FOR BASIC LIVING EXPENSES.—The Secretary shall develop and publish schedules of national and local allowances

designed to provide that taxpayers entering into a compromise have an adequate means to provide for basic living expenses."

(b) PREPARATION OF STATEMENT RELATING TO OFFERS-IN-COMPROMISE.—The Secretary of the Treasury shall prepare a statement which sets forth in simple, nontechnical terms the rights of a taxpayer and the obligations of the Internal Revenue Service relating to offers-in-compromise. Such statement shall—

(1) advise taxpayers who have entered into a compromise agreement of the advantages of promptly notifying the Internal Revenue Service of any change of address or marital status, and

(2) provide notice to taxpayers that in the case of a compromise agreement terminated due to the actions of 1 spouse or former spouse, the Internal Revenue Service will, upon application, reinstate such agreement with the spouse or former spouse who remains in compliance with such agreement.

SEC. 347. NOTICE OF DEFICIENCY TO SPECIFY DEADLINES FOR FILING TAX COURT PETITION.

(a) IN GENERAL.—The Secretary of the Treasury or the Secretary's delegate shall include on each notice of deficiency under section 6212 of the Internal Revenue Code of 1986 the date determined by such Secretary (or delegate) as the last day on which the taxpayer may file a petition with the Tax Court.

(b) LATER FILING DEADLINES SPECIFIED ON NOTICE OF DEFICIENCY TO BE BINDING.—Subsection (a) of section 6213 (relating to restrictions applicable to deficiencies; petition to Tax Court) is amended by adding at the end the following new sentence: "Any petition filed with the Tax Court on or before the last date specified for filing such petition by the Secretary in the notice of deficiency shall be treated as timely filed."

(c) EFFECTIVE DATE.—Subsection (a) and the amendment made by subsection (b) shall apply to notices mailed after December 31, 1998.

SEC. 348. REFUND OR CREDIT OF OVERPAYMENTS BEFORE FINAL DETERMINATION.

(a) TAX COURT PROCEEDINGS.—Subsection (a) of section 6213 is amended—

(1) by striking ", including the Tax Court." and inserting ", including the Tax Court, and a refund may be ordered by such court of any amount collected within the period during which the Secretary is prohibited from collecting by levy or through a proceeding in court under the provisions of this subsection.", and

(2) by striking "to enjoin any action or proceeding" and inserting "to enjoin any action or proceeding or order any refund".

(b) OTHER PROCEEDINGS.—Subsection (a) of section 6512 is amended by striking the period at the end of paragraph (4) and inserting ", and", and by inserting after paragraph (4) the following new paragraphs:

"(5) As to any amount collected within the period during which the Secretary is prohibited from making the assessment or from collecting by levy or through a proceeding in court under the provisions of section 6213(a), and

"(6) As to overpayments the Secretary is authorized to refund or credit pending appeal as provided in subsection (b)."

(c) REFUND OR CREDIT PENDING APPEAL.—Paragraph (1) of section 6512(b) is amended by adding at the end the following new sentence: "If a notice of appeal in respect of the decision of the Tax Court is filed under section 7483, the Secretary is authorized to refund or credit the overpayment determined by the Tax Court to the extent the overpayment is not contested on appeal."

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 349. THREAT OF AUDIT PROHIBITED TO COERCE TIP REPORTING ALTERNATIVE COMMITMENT AGREEMENTS.

The Secretary of the Treasury or the Secretary's delegate shall instruct employees of the Internal Revenue Service that they may not threaten to audit any taxpayer in an attempt to coerce the taxpayer into entering into a Tip Reporting Alternative Commitment Agreement.

Subtitle F—Disclosures to Taxpayers

SEC. 351. EXPLANATION OF JOINT AND SEVERAL LIABILITY.

The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, establish procedures to clearly alert married taxpayers of their joint and several liabilities on all appropriate publications and instructions.

SEC. 352. EXPLANATION OF TAXPAYERS' RIGHTS IN INTERVIEWS WITH THE INTERNAL REVENUE SERVICE.

The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, revise the statement required by section 6227 of the Omnibus Taxpayer Bill of Rights (Internal Revenue Service Publication No. 1) to more clearly inform taxpayers of their rights—

(1) to be represented at interviews with the Internal Revenue Service by any person authorized to practice before the Internal Revenue Service, and

(2) to suspend an interview pursuant to section 7521(b)(2) of the Internal Revenue Code of 1986.

SEC. 353. DISCLOSURE OF CRITERIA FOR EXAMINATION SELECTION.

(a) IN GENERAL.—The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, incorporate into the statement required by section 6227 of the Omnibus Taxpayer Bill of Rights (Internal Revenue Service Publication No. 1) a statement which sets forth in simple and nontechnical terms the criteria and procedures for selecting taxpayers for examination. Such statement shall not include any information the disclosure of which would be detrimental to law enforcement, but shall specify the general procedures used by the Internal Revenue Service, including whether taxpayers are selected for examination on the basis of information available in the media or on the basis of information provided to the Internal Revenue Service by informants.

(b) TRANSMISSION TO COMMITTEES OF CONGRESS.—The Secretary shall transmit drafts of the statement required under subsection (a) (or proposed revisions to any such statement) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation on the same day.

SEC. 354. EXPLANATIONS OF APPEALS AND COLLECTION PROCESS.

The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable but not later than 180 days after the date of the enactment of this Act, include with any 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals an explanation of the appeals process and the collection process with respect to such proposed deficiency.

Subtitle G—Low Income Taxpayer Clinics

SEC. 361. LOW INCOME TAXPAYER CLINICS.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

"SEC. 7525. LOW INCOME TAXPAYER CLINICS.

"(a) IN GENERAL.—The Secretary may, subject to the availability of appropriated funds, make grants to provide matching funds for the development, expansion, or continuation of qualified low income taxpayer clinics.

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

"(1) QUALIFIED LOW INCOME TAXPAYER CLINIC.—

"(A) IN GENERAL.—The term 'qualified low income taxpayer clinic' means a clinic that—

"(i) does not charge more than a nominal fee for its services (except for reimbursement of actual costs incurred), and

"(ii)(I) represents low income taxpayers in controversies with the Internal Revenue Service, or

"(II) operates programs to inform individuals for whom English is a second language about their rights and responsibilities under this title.

"(B) REPRESENTATION OF LOW INCOME TAXPAYERS.—A clinic meets the requirements of subparagraph (A)(ii)(I) if—

"(i) at least 90 percent of the taxpayers represented by the clinic have incomes which do not exceed 250 percent of the poverty level, as determined in accordance with criteria established by the Director of the Office of Management and Budget, and

"(ii) the amount in controversy for any taxable year generally does not exceed the amount specified in section 7463.

"(2) CLINIC.—The term 'clinic' includes—

"(A) a clinical program at an accredited law school in which students represent low income taxpayers in controversies arising under this title, and

"(B) an organization described in section 501(c) and exempt from tax under section 501(a) which satisfies the requirements of paragraph (1) through representation of taxpayers or referral of taxpayers to qualified representatives.

"(3) QUALIFIED REPRESENTATIVE.—The term 'qualified representative' means any individual (whether or not an attorney) who is authorized to practice before the Internal Revenue Service or the applicable court.

"(c) SPECIAL RULES AND LIMITATIONS.—

"(1) AGGREGATE LIMITATION.—Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than $3,000,000 per year (exclusive of costs of administering the program) to grants under this section.

"(2) LIMITATION ON ANNUAL GRANTS TO A CLINIC.—The aggregate amount of grants which may be made under this section to a clinic for a year shall not exceed $100,000.

"(3) MULTI-YEAR GRANTS.—Upon application of a qualified low income taxpayer clinic, the Secretary is authorized to award a multi-year grant not to exceed 3 years.

"(4) CRITERIA FOR AWARDS.—In determining whether to make a grant under this section, the Secretary shall consider—

"(A) the numbers of taxpayers who will be served by the clinic, including the number of taxpayers in the geographical area for whom English is a second language,

"(B) the existence of other low income taxpayer clinics serving the same population,

"(C) the quality of the program offered by the low income taxpayer clinic, including the qualifications of its administrators and qualified representatives, and its record, if any, in providing service to low income taxpayers, and

"(D) alternative funding sources available to the clinic, including amounts received from other grants and contributions, and the endowment and resources of the institution sponsoring the clinic.

"(5) REQUIREMENT OF MATCHING FUNDS.—A low income taxpayer clinic must provide matching funds on a dollar for dollar basis for all grants provided under this section. Matching funds may include—

"(A) the salary (including fringe benefits) of individuals performing services for the clinic, and

"(B) the cost of equipment used in the clinic. Indirect expenses, including general overhead of the institution sponsoring the clinic, shall not be counted as matching funds."

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new section:

"Sec. 7525. Low income taxpayer clinics."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Subtitle H—Other Matters

SEC. 371. ACTIONS FOR REFUND WITH RESPECT TO CERTAIN ESTATES WHICH HAVE ELECTED THE INSTALLMENT METHOD OF PAYMENT.

(a) IN GENERAL.—Section 7422 is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) SPECIAL RULE FOR ACTIONS WITH RESPECT TO ESTATES FOR WHICH AN ELECTION UNDER SECTION 6166 IS MADE.—

"(1) IN GENERAL.—The district courts of the United States and the United States Court of Federal Claims shall have jurisdiction over any action brought by the representative of an estate to which this subsection applies to determine the correct amount of the estate tax liability of such estate (or for any refund with respect thereto) even if the full amount of such liability has not been paid.

"(2) ESTATES TO WHICH SUBSECTION APPLIES.—This subsection shall apply to any estate if, as of the date the action is filed—

"(A) an election under section 6166 is in effect with respect to such estate,

"(B) no portion of the installments payable under such section have been accelerated, and

"(C) all installments the due date for which is on or before the date the action is filed have been paid.

"(3) PROHIBITION ON COLLECTION OF DISALLOWED LIABILITY.—If the court redetermines under paragraph (1) the estate tax liability of an estate, no part of such liability which is disallowed by a decision of such court which has become final may be collected by the Secretary, and amounts paid in excess of the installments determined by the court as currently due and payable shall be refunded."

(b) EXTENSION OF TIME TO FILE REFUND SUIT.—Section 7479 (relating to declaratory judgments relating to eligibility of estate with respect to installment payments under section 6166) is amended by adding at the end the following new subsection:

"(c) EXTENSION OF TIME TO FILE REFUND SUIT.—The 2-year period in section 6532(a)(1) for filing suit for refund after disallowance of a claim shall be suspended during the 90-day period after the mailing of the notice referred to in subsection (b)(3) and, if a pleading has been filed with the Tax Court under this section, until the decision of the Tax Court has become final."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any claim for refund filed after the date of the enactment of this Act.

SEC. 372. CATALOGING COMPLAINTS.

In collecting data for the report required under section 1211 of Taxpayer Bill of Rights 2 (Public Law 104–168), the Secretary of the Treasury or the Secretary's delegate shall maintain records of taxpayer complaints of misconduct by Internal Revenue Service employees on an individual employee basis.

SEC. 373. ARCHIVE OF RECORDS OF INTERNAL REVENUE SERVICE.

(a) IN GENERAL.—Subsection (l) of section 6103 (relating to confidentiality and disclosure of returns and return information) is amended by adding at the end the following new paragraph:

"(17) DISCLOSURE TO NATIONAL ARCHIVES AND RECORDS ADMINISTRATION.—The Secretary shall, upon written request from the Archivist of the United States, disclose or authorize the disclosure of returns and return information to officers and employees of the National Archives and Records Administration for purposes of, and only to the extent necessary in, the appraisal of records for destruction or retention. No such officer or employee shall, except to the extent authorized by subsections (f), (i)(7), or (p), disclose any return or return information disclosed under the preceding sentence to any person other than to the Secretary, or to another officer or employee of the National Archives and Records Administration whose official duties require such disclosure for purposes of such appraisal."

(b) CONFORMING AMENDMENTS.—Section 6103(p) is amended—

(1) in paragraph (3)(A), by striking "or (16)" and inserting "(16), or (17)",

(2) in paragraph (4), by striking "or (14)" and inserting ", (14), or (17)" in the matter preceding subparagraph (A), and

(3) in paragraph (4)(F)(ii), by striking "or (15)" and inserting ", (15), or (17)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to requests made by the Archivist of the United States after the date of the enactment of this Act.

SEC. 374. PAYMENT OF TAXES.

The Secretary of the Treasury or the Secretary's delegate shall establish such rules, regulations, and procedures as are necessary to allow payment of taxes by check or money order made payable to the United States Treasury.

SEC. 375. CLARIFICATION OF AUTHORITY OF SECRETARY RELATING TO THE MAKING OF ELECTIONS.

Subsection (d) of section 7805 is amended by striking "by regulations or forms".

SEC. 376. LIMITATION ON PENALTY ON INDIVIDUAL'S FAILURE TO PAY FOR MONTHS DURING PERIOD OF INSTALLMENT AGREEMENT.

(a) IN GENERAL.—Section 6651 (relating to failure to file tax return or to pay tax) is amended by adding at the end the following new subsection:

"(h) LIMITATION ON PENALTY ON INDIVIDUAL'S FAILURE TO PAY FOR MONTHS DURING PERIOD OF INSTALLMENT AGREEMENT.—No addition to the tax shall be imposed under paragraph (2) or (3) of subsection (a) with respect to the tax liability of an individual for any month during which an installment agreement under section 6159 is in effect for the payment of such tax to the extent that imposing an addition to the tax under such paragraph for such month would result in the aggregate number of percentage points of such addition to the tax exceeding 9.5."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply for purposes of determining additions to the tax for months beginning after the date of the enactment of this Act.

Subtitle I—Studies

SEC. 381. PENALTY ADMINISTRATION.

The Joint Committee on Taxation shall conduct a study—

(1) reviewing the administration and implementation by the Internal Revenue Service of the penalty reform provisions of the Omnibus Budget Reconciliation Act of 1989, and

(2) making any legislative and administrative recommendations it deems appropriate to simplify penalty administration and reduce taxpayer burden.

Such study shall be submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than 9 months after the date of enactment of this Act.

SEC. 382. CONFIDENTIALITY OF TAX RETURN INFORMATION.

The Joint Committee on Taxation shall conduct a study of the scope and use of provisions regarding taxpayer confidentiality, and shall report the findings of such study, together with such recommendations as it deems appropriate, to the Congress not later than one year after the date of the enactment of this Act. Such study shall examine the present protections for taxpayer privacy, the need for third parties to use tax return information, and the ability to achieve greater levels of voluntary compliance by allowing the public to know who is legally required to file tax returns, but does not file tax returns.

TITLE IV—CONGRESSIONAL ACCOUNTABILITY FOR THE INTERNAL REVENUE SERVICE

Subtitle A—Oversight

SEC. 401. EXPANSION OF DUTIES OF THE JOINT COMMITTEE ON TAXATION.

(a) IN GENERAL.—Section 8021 (relating to the powers of the Joint Committee on Taxation) is amended by adding at the end the following new subsections:

"(e) INVESTIGATIONS.—The Joint Committee shall review all requests (other than requests by the chairman or ranking member of a Committee or Subcommittee) for investigations of the Internal Revenue Service by the General Accounting Office, and approve such requests when appropriate, with a view towards eliminating overlapping investigations, ensuring that the General Accounting Office has the capacity to handle the investigation, and ensuring that investigations focus on areas of primary importance to tax administration.

"(f) RELATING TO JOINT HEARINGS.—

"(1) IN GENERAL.—The Chief of Staff, and such other staff as are appointed pursuant to section 8004, shall provide such assistance as is required for joint hearings described in paragraph (2).

"(2) JOINT HEARINGS.—On or before April 1 of each calendar year after 1997, there shall be a joint hearing of two members of the majority and one member of the minority from each of the Committees on Finance, Appropriations, and Government Affairs of the Senate, and the Committees on Ways and Means, Appropriations, and Government Reform and Oversight of the House of Representatives, to review the strategic plans and budget for the Internal Revenue Service. After the conclusion of the annual filing season, there shall be a second annual joint hearing to review the other matters outlined in section 8022(3)(C)."

(b) EFFECTIVE DATES.—

(1) Subsection (e) of section 8021 of the Internal Revenue Code of 1986, as added by subsection (a) of this section, shall apply to requests made after the date of enactment of this Act.

(2) Subsection (f) of section 8021 of the Internal Revenue Code of 1986, as added by subsection (a) of this section, shall take effect on the date of the enactment of this Act.

SEC. 402. COORDINATED OVERSIGHT REPORTS.

(a) IN GENERAL.—Paragraph (3) of section 8022 (relating to the duties of the Joint Committee on Taxation) is amended to read as follows:

"(3) REPORTS.—

"(A) To report, from time to time, to the Committee on Finance and the Committee on Ways and Means, and, in its discretion, to the Senate or House of Representatives, or both, the results of its investigations, together with such recommendations as it may deem advisable.

"(B) To report, annually, to the Committee on Finance and the Committee on Ways and Means on the overall state of the Federal tax system, together with recommendations with respect to

possible simplification proposals and other matters relating to the administration of the Federal tax system as it may deem advisable.

"(C) To report, annually, to the Committees on Finance, Appropriations, and Government Affairs of the Senate, and to the Committees on Ways and Means, Appropriations, and Government Reform and Oversight of the House of Representatives, with respect to—

"(i) strategic and business plans for the Internal Revenue Service;

"(ii) progress of the Internal Revenue Service in meeting its objectives;

"(iii) the budget for the Internal Revenue Service and whether it supports its objectives;

"(iv) progress of the Internal Revenue Service in improving taxpayer service and compliance;

"(v) progress of the Internal Revenue Service on technology modernization; and

"(vi) the annual filing season."

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

Subtitle B—Budget

SEC. 411. FUNDING FOR CENTURY DATE CHANGE.

It is the sense of Congress that the Internal Revenue Service efforts to resolve the century date change computing problems should be funded fully to provide for certain resolution of such problems.

SEC. 412. FINANCIAL MANAGEMENT ADVISORY GROUP.

The Commissioner shall convene a financial management advisory group consisting of individuals with expertise in governmental accounting and auditing from both the private sector and the Government to advise the Commissioner on financial management issues, including—

(1) the continued partnership between the Internal Revenue Service and the General Accounting Office;

(2) the financial accounting aspects of the Internal Revenue Service's system modernization;

(3) the necessity and utility of year-round auditing; and

(4) the Commissioner's plans for improving its financial management system.

Subtitle C—Tax Law Complexity

SEC. 421. ROLE OF THE INTERNAL REVENUE SERVICE.

It is the sense of Congress that the Internal Revenue Service should provide the Congress with an independent view of tax administration, and that during the legislative process, the tax writing committees of the Congress should hear from front-line technical experts at the Internal Revenue Service with respect to the administrability of pending amendments to the Internal Revenue Code of 1986.

SEC. 422. TAX COMPLEXITY ANALYSIS.

(a) REQUIRING ANALYSIS TO ACCOMPANY CERTAIN LEGISLATION.—

(1) IN GENERAL.—Chapter 92 (relating to powers and duties of the Joint Committee on Taxation) is amended by adding at the end the following new section:

"SEC. 8024. TAX COMPLEXITY ANALYSIS.

"(a) IN GENERAL.—If—

"(1) a bill or joint resolution is reported by the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, or any committee of conference, and

"(2) such legislation includes any provision amending the Internal Revenue Code of 1986,

the report for such legislation shall contain a Tax Complexity Analysis unless the committee involved causes to have the Tax Complexity Analysis printed in the Congressional Record prior to the consideration of the legislation in the House of Representatives or the Senate (as the case may be).

"(b) LEGISLATION SUBJECT TO POINT OF ORDER.—It shall not be in order in the Senate to consider any bill or joint resolution described in subsection (a) required to be accompanied by a Tax Complexity Analysis that does not contain a Tax Complexity Analysis.

"(c) RESPONSIBILITIES OF THE COMMISSIONER.—The Commissioner shall provide the Joint Committee on Taxation with such information as is necessary to prepare Tax Complexity Analyses.

"(d) TAX COMPLEXITY ANALYSIS DEFINED.—For purposes of this section, the term 'Tax Complexity Analysis' means, with respect to a bill or joint resolution, a report which is prepared by the Joint Committee on Taxation and which identifies the provisions of the legislation adding significant complexity or providing significant simplification (as determined by the Joint Committee) and includes the basis for such determination."

(2) CLERICAL AMENDMENT.—The table of sections for chapter 92 is amended by adding at the end the following new item:

"Sec. 8024. Tax complexity analysis."

(b) LEGISLATION SUBJECT TO POINT OF ORDER IN HOUSE OF REPRESENTATIVES.—

(1) LEGISLATION REPORTED BY COMMITTEE ON WAYS AND MEANS.—Clause 2(l) of rule XI of the Rules of the House of Representatives is amended by adding at the end the following new subparagraph:

"(8) The report of the Committee on Ways and Means on any bill or joint resolution containing any provision amending the Internal Revenue Code of 1986 shall include a Tax Complexity Analysis prepared by the Joint Committee on Taxation in accordance with section 8024 of the Internal Revenue Code of 1986 unless the Committee on Ways and Means causes to have such Analysis printed in the Congressional Record prior to the consideration of the bill or joint resolution.".

(2) CONFERENCE REPORTS.—Rule XXVIII of the Rules of the House of Representatives is amended by adding at the end the following new clause:

"7. It shall not be in order to consider the report of a committee of conference which contains any provision amending the Internal Revenue Code of 1986 unless—

"(a) the accompanying joint explanatory statement contains a Tax Complexity Analysis prepared by the Joint Committee on Taxation in accordance with section 8024 of the Internal Revenue Code of 1986, or

"(b) such Analysis is printed in the Congressional Record prior to the consideration of the report.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to legislation considered on or after January 1, 1998.

TITLE V—CLARIFICATION OF DEDUCTION FOR DEFERRED COMPENSATION

SEC. 501. CLARIFICATION OF DEDUCTION FOR DEFERRED COMPENSATION.

(a) IN GENERAL.—Subsection (a) of section 404 is amended by adding at the end the following new paragraph:

"(11) DETERMINATIONS RELATING TO DEFERRED COMPENSATION.—

"(A) IN GENERAL.—For purposes of determining under this section—

"(i) whether compensation of an employee is deferred compensation, and

"(ii) when deferred compensation is paid,

no amount shall be treated as received by the employee, or paid, until it is actually received by the employee.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to severance pay."

(b) SICK LEAVE PAY TREATED LIKE VACATION PAY.—Paragraph (5) of section 404(a) is amended by inserting "or sick leave pay" after "vacation pay".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after October 8, 1997.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for its first taxable year ending after October 8, 1997—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account in such first taxable year.

TITLE VI—TAX TECHNICAL CORRECTIONS ACT OF 1997

SEC. 601. SHORT TITLE.

This title may be cited as the "Tax Technical Corrections Act of 1997".

SEC. 602. DEFINITIONS.

For purposes of this title—

(1) 1986 CODE.—The term "1986 Code" means the Internal Revenue Code of 1986.

(2) 1997 ACT.—The term "1997 Act" means the Taxpayer Relief Act of 1997.

SEC. 603. AMENDMENTS RELATED TO TITLE I OF 1997 ACT.

(a) AMENDMENTS RELATED TO SECTION 101(a) OF 1997 ACT.—

(1) Subsection (d) of section 24 of the 1986 Code is amended—

(A) by striking paragraphs (3) and (4),

(B) by redesignating paragraph (5) as paragraph (3), and

(C) by striking paragraphs (1) and (2) and inserting the following new paragraphs:

"(1) IN GENERAL.—In the case of a taxpayer with 3 or more qualifying children for any taxable year, the aggregate credits allowed under subpart C shall be increased by the lesser of—

"(A) the credit which would be allowed under this section without regard to this subsection and the limitation under section 26(a), or

"(B) the amount by which the aggregate amount of credits allowed by this subpart (without regard to this subsection) would increase if the limitation imposed by section 26(a) were increased by the excess (if any) of—

"(i) the taxpayer's social security taxes for the taxable year, over

"(ii) the credit allowed under section 32 (determined without regard to subsection (n)) for the taxable year.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under this subpart and shall reduce the amount of credit otherwise allowable under subsection (a) without regard to section 26(a).

"(2) REDUCTION OF CREDIT TO TAXPAYER SUBJECT TO ALTERNATIVE MINIMUM TAX.—The credit determined under this subsection for the taxable year shall be reduced by the excess (if any) of—

"(A) the amount of tax imposed by section 55 (relating to alternative minimum tax) with respect to such taxpayer for such taxable year, over

"(B) the amount of the reduction under section 32(h) with respect to such taxpayer for such taxable year."

(2) Paragraph (3) of section 24(d) of the 1986 Code (as redesignated by paragraph (1)) is amended by striking "paragraph (3)" and inserting "paragraph (1)".

(b) AMENDMENTS RELATED TO SECTION 101(b) OF 1997 ACT.—

(1) The subsection (m) of section 32 of the 1986 Code added by section 101(b) of the 1997 Act is amended to read as follows:

"(n) SUPPLEMENTAL CHILD CREDIT.—

"(1) IN GENERAL.—In the case of a taxpayer with respect to whom a credit is allowed under section 24 for the taxable year, the credit otherwise allowable under this section shall be increased by the lesser of—

"(A) the credit which would be allowed under section 24 without regard to this subsection and the limitation under section 26(a), or

"(B) the amount by which the aggregate amount of credits allowed by subpart A (without regard to this subsection) would be reduced if the limitation imposed by section 26(a) were reduced by the excess (if any) of—

"(i) the credit allowed by this section (without regard to this subsection) for the taxable year, over

"(ii) the taxpayer's social security taxes (as defined in section 24(d)) for the taxable year.

The credit determined under this subsection shall be allowed without regard to any other provision of this section, including subsection (d).

"(2) COORDINATION WITH OTHER CREDITS.—

"(A) IN GENERAL.—The amount of the credit under this subsection shall reduce the amount of the credit otherwise allowable under section 24, but the amount of the credit under this subsection (and such reduction) shall not otherwise be taken into account in determining the amount of any other credit allowable under this part.

"(B) TREATMENT OF CREDIT UNDER SECTION 24(d).—For purposes of this subsection, the credit determined under section 24(d) shall be treated as not allowed under section 24."

SEC. 604. AMENDMENTS RELATED TO TITLE II OF 1997 ACT.

(a) AMENDMENTS RELATED TO SECTION 201 OF 1997 ACT.—

(1) The item relating to section 25A in the table of sections for subpart A of part IV of subchapter A of chapter 1 of the 1986 Code is amended to read as follows:

"Sec. 25A. Hope and Lifetime Learning credits."

(2) Subsection (a) of section 6050S of the 1986 Code is amended to read as follows:

"(a) IN GENERAL.—Any person—

"(1) which is an eligible educational institution—

"(A) which receives payments for qualified tuition and related expenses with respect to any individual for any calendar year, or

"(B) which makes reimbursements or refunds (or similar amounts) to any individual of qualified tuition and related expenses,

"(2) which is engaged in a trade or business of making payments to any individual under an insurance arrangement as reimbursements or refunds (or similar amounts) of qualified tuition and related expenses, or

"(3) except as provided in regulations, any person which is engaged in a trade or business and, in the course of which, receives from any individual interest aggregating $600 or more for any calendar year on 1 or more qualified education loans,

shall make the return described in subsection (b) with respect to the individual at such time as the Secretary may by regulations prescribe."

(3) Subparagraph (A) of section 201(c)(2) of the 1997 Act is amended to read as follows:

"(A) Subparagraph (B) of section 6724(d)(1) (relating to definitions) is amended by redesignating clauses (x) through (xv) as clauses (xi) through (xvi), respectively, and by inserting after clause (ix) the following new clause:

"'(x) section 6050S (relating to returns relating to payments for qualified tuition and related expenses),'".

(b) AMENDMENTS RELATED TO SECTION 211 OF 1997 ACT.—

(1) Paragraph (3) of section 135(c) of the 1986 Code is amended to read as follows:

"(3) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' has the meaning given such term by section 529(e)(5).".

(2) Subparagraph (A) of section 529(c)(3) of the 1986 Code is amended by striking "section 72(b)" and inserting "section 72".

(c) AMENDMENTS RELATED TO SECTION 213 OF 1997 ACT.—

(1)(A) Section 530(b)(1)(E) of the 1986 Code (defining education individual retirement account) is amended to read as follows:

"(E) Any balance to the credit of the designated beneficiary on the date on which the beneficiary attains age 30 shall be distributed within 30 days after such date to the beneficiary or, if the beneficiary dies before attaining age 30, shall be distributed within 30 days after the date of death to the estate of such beneficiary."

(B) Subsection (d) of section 530 of the 1986 Code is amended by adding at the end the following new paragraph:

"(8) DEEMED DISTRIBUTION ON REQUIRED DISTRIBUTION DATE.—In any case in which a distribution is required under subsection (b)(1)(E), any balance to the credit of a designated beneficiary as of the close of the 30-day period referred to in such subsection for making such distribution shall be deemed distributed at the close of such period."

(2)(A) Paragraph (1) of section 530(d) of the 1986 Code is amended by striking "section 72(b)" and inserting "section 72".

(B) Subsection (e) of section 72 of the 1986 Code is amended by inserting after paragraph (8) the following new paragraph:

"(9) EXTENSION OF PARAGRAPH (2)(B) TO QUALIFIED STATE TUITION PROGRAMS AND EDUCATIONAL INDIVIDUAL RETIREMENT ACCOUNTS.—Notwithstanding any other provision of this subsection, paragraph (2)(B) shall apply to amounts received under a qualified State tuition program (as defined in section 529(b)) or under an education individual retirement account (as defined in section 530(b)). The rule of paragraph (8)(B) shall apply for purposes of this paragraph."

(3) So much of section 530(d)(4)(C) of the 1986 Code as precedes clause (ii) thereof is amended to read as follows:

"(C) CONTRIBUTIONS RETURNED BEFORE DUE DATE OF RETURN.—Subparagraph (A) shall not apply to the distribution of any contribution made during a taxable year on behalf of the designated beneficiary if—

"(i) such distribution is made on or before the day prescribed by law (including extensions of time) for filing the beneficiary's return of tax for the taxable year or, if the beneficiary is not required to file such a return, the 15th day of the 4th month of the taxable year following the taxable year, and".

(4) Subparagraph (C) of section 135(c)(2) of the 1986 Code is amended—

(A) by inserting "AND EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS" in the heading after "PROGRAM", and

(B) by striking "section 529(c)(3)(A)" and inserting "section 72".

(5) Subparagraph (A) of section 4973(e)(1) of the 1986 Code is amended by inserting before the comma "(or, if less, the sum of the maximum amounts permitted to be contributed under section 530(c) by the contributors to such accounts for such year)".

(d) AMENDMENT RELATED TO SECTION 224 OF 1997 ACT.—Section 170(e)(6)(F) of the 1986 Code (relating to termination) is amended by striking "1999" and inserting "2000".

(e) AMENDMENTS RELATED TO SECTION 225 OF 1997 ACT.—

(1) The last sentence of section 108(f)(2) of the 1986 Code is amended to read as follows:

"The term 'student loan' includes any loan made by an educational organization described in section 170(b)(1)(A)(ii) or by an organization exempt from tax under section 501(a) to refinance a loan to an individual to assist the individual in attending any such educational organization but only if the refinancing loan is pursuant to a program of the refinancing organization which is designed as described in subparagraph (D)(ii)."

(2) Section 108(f)(3) of the 1986 Code is amended by striking "(or by an organization described in paragraph (2)(E) from funds provided by an organization described in paragraph (2)(D))".

(f) AMENDMENTS RELATED TO SECTION 226 OF 1997 ACT.—

(1) Section 226(a) of the 1997 Act is amended by striking "section 1397E" and inserting "section 1397D".

(2) Section 1397E(d)(4)(B) of the 1986 Code is amended by striking "local education agency as defined" and inserting "local educational agency as defined".

SEC. 605. AMENDMENTS RELATED TO TITLE III OF 1997 ACT.

(a) AMENDMENTS RELATED TO SECTION 301 OF 1997 ACT.—Section 219(g) of the 1986 Code is amended—

(1) by inserting "or the individual's spouse" after "individual" in paragraph (1), and

(2) by striking paragraph (7) and inserting:

"(7) SPECIAL RULE FOR SPOUSES WHO ARE NOT ACTIVE PARTICIPANTS.—If this subsection applies to an individual for any taxable year solely because their spouse is an active participant, then, in applying this subsection to the individual (but not their spouse)—

"(A) the applicable dollar amount under paragraph (3)(B)(i) shall be $150,000, and

"(B) the amount applicable under paragraph (2)(A)(ii) shall be $10,000."

(b) AMENDMENTS RELATED TO SECTION 302 OF 1997 ACT.—

(1) Section 408A(c)(3)(A) of the 1986 Code is amended by striking "shall be reduced" and inserting "shall not exceed an amount equal to the amount determined under paragraph (2)(A) for such taxable year, reduced".

(2) Section 408A(c)(3) of the 1986 Code (relating to limits based on modified adjusted gross income) is amended—

(A) by inserting "or a married individual filing a separate return" after "joint return" in subparagraph (A)(ii), and

(B) by striking "and the deduction under section 219 shall be taken into account" in subparagraph (C)(i).

(3) Section 408A(d)(2) of the 1986 Code (defining qualified distribution) is amended by striking subparagraph (B) and inserting the following:

"(B) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a Roth IRA shall not be treated as a qualified distribution under subparagraph (A) if such payment or distribution is made before the exclusion date for the Roth IRA.

"(C) EXCLUSION DATE.—For purposes of this section, the exclusion date for any Roth IRA is the first day of the taxable year immediately following the 5-taxable year period beginning with—

"(i) the first taxable year for which a contribution to any Roth IRA maintained for the benefit of the individual was made, or

"(ii) in the case of a Roth IRA to which 1 or more qualified rollover contributions were made—

"(I) from an individual retirement plan other than a Roth IRA, or

"(II) from another Roth IRA to the extent such contributions are properly allocable to contributions described in subclause (I),

the most recent taxable year for which any such qualified rollover contribution was made."

(4) Section 408A(d)(3) of the 1986 Code (relating to rollovers from IRAs other than Roth

IRAs) is amended by adding at the end the following:

"(F) SPECIAL RULE FOR APPLYING SECTION 72.—

"(i) IN GENERAL.—If—

"(I) any distribution from a Roth IRA is made before the exclusion date, and

"(II) any portion of such distribution is properly allocable to a qualified rollover contribution described in paragraph (2)(C)(ii),

then section 72(t) shall be applied as if such portion were includible in gross income.

"(ii) LIMITATION.—Clause (i) shall apply only to the extent of the amount includible in gross income under subparagraph (A)(i) by reason of the qualified rollover contribution.

"(G) SPECIAL RULES FOR CONTRIBUTIONS TO WHICH 4-YEAR AVERAGING APPLIES.—In the case of a qualified rollover contribution to a Roth IRA of a distribution to which subparagraph (A)(iii) applied, the following rules shall apply:

"(i) DEATH OF DISTRIBUTEE.—

"(I) IN GENERAL.—If the individual required to include amounts in gross income under such subparagraph dies before all of such amounts are included, all remaining amounts shall be included in gross income for the taxable year which includes the date of death.

"(II) SPECIAL RULE FOR SURVIVING SPOUSE.—If the spouse of the individual described in subclause (I) acquires the Roth IRA to which such qualified rollover contribution is properly allocable, the spouse may elect to include the remaining amounts described in subclause (I) in the spouse's gross income in the taxable years of the spouse ending with or within the taxable years of such individual in which such amounts would otherwise have been includible.

"(ii) ADDITIONAL TAX FOR EARLY DISTRIBUTION.—

"(I) IN GENERAL.—If any distribution from a Roth IRA is made before the exclusion date, and any portion of such distribution is properly allocable to such qualified rollover contribution, the distributee's tax under this chapter for the taxable year in which the amount is received shall be increased by 10 percent of the amount of such portion not in excess of the amount includible in gross income under subparagraph (A)(i) by reason of such qualified rollover contribution.

"(II) TREATMENT OF TAX.—For purposes of this title, any tax imposed by subclause (I) shall be treated as a tax imposed by section 72(t) and shall be in addition to any other tax imposed by such section."

(5)(A) Section 408A(d)(4) of the 1986 Code is amended to read as follows:

"(4) AGGREGATION AND ORDERING RULES.—

"(A) AGGREGATION RULES.—Section 408(d)(2) shall be applied separately with respect to—

"(i) Roth IRAs and other individual retirement plans,

"(ii) Roth IRAs described in paragraph (2)(C)(ii) and Roth IRAs not so described, and

"(iii) Roth IRAs described in paragraph (2)(C)(ii) with different exclusion dates.

"(B) ORDERING RULES.—For purposes of applying section 72 to any distribution from a Roth IRA which is not a qualified distribution, such distribution shall be treated as made—

"(i) from contributions to the extent that the amount of such distribution, when added to all previous distributions from the Roth IRA, does not exceed the aggregate contributions to the Roth IRA, and

"(ii) from such contributions in the following order:

"(I) Qualified rollover contributions to the extent includible in gross income in the manner described in paragraph (3)(A)(iii).

"(II) Qualified rollover contributions not described in subclause (I) to the extent includible in gross income under paragraph (3)(A).

"(III) Contributions not described in subclause (I) or (II).

Such rules shall also apply in determining the character of qualified rollover contributions from one Roth IRA to another Roth IRA."

(B) Section 408A(d)(1) of the 1986 Code is amended to read as follows:

"(1) EXCLUSION.—Any qualified distribution from a Roth IRA shall not be includible in gross income."

(6)(A) Section 408A(d) of the 1986 Code (relating to distribution rules) is amended by adding at the end the following:

"(6) TAXPAYER MAY MAKE ADJUSTMENTS BEFORE DUE DATE.—

"(A) IN GENERAL.—Except as provided by the Secretary, if, on or before the due date for any taxable year, a taxpayer transfers in a trustee-to-trustee transfer any contribution to an individual retirement plan made during such taxable year from such plan to any other individual retirement plan, then, for purposes of this chapter, such contribution shall be treated as having been made to the transferee plan (and not the transferor plan).

"(B) SPECIAL RULES.—

"(i) TRANSFER OF EARNINGS.—Subparagraph (A) shall not apply to the transfer of any contribution unless such transfer is accompanied by any net income allocable to such contribution.

"(ii) NO DEDUCTION.—Subparagraph (A) shall apply to the transfer of any contribution only to the extent no deduction was allowed with respect to the contribution to the transferor plan.

"(C) DUE DATE.—For purposes of this paragraph, the due date for any taxable year is the last date for filing the return of tax for such taxable year (including extensions)."

(B) Section 408A(d)(3) of the 1986 Code, as amended by this subsection, is amended by striking subparagraph (D) and by redesignating subparagraphs (E), (F), and (G) as subparagraphs (D), (E), and (F), respectively.

(7) Section 302(b) of the 1997 Act is amended by striking "Section 4973(b)" and inserting "Section 4973".

(8) Section 408A of the 1986 Code is amended by adding at the end the following new subsection:

"(f) INDIVIDUAL RETIREMENT PLAN.—For purposes of this section, except as provided by the Secretary, the term 'individual retirement plan' shall not include a simplified employee pension or a simple retirement account."

(c) AMENDMENTS RELATED TO SECTION 303 OF 1997 ACT.—

(1) Section 72(t)(8)(E) of the 1986 Code is amended—

(A) by striking "120 days" and inserting "120th day", and

(B) by striking "60 days" and inserting "60th day".

(2)(A) Section 402(c) of the 1986 Code is amended by adding at the end the following:

"(11) DENIAL OF ROLLOVER TREATMENT FOR TRANSFERS OF HARDSHIP DISTRIBUTIONS TO INDIVIDUAL RETIREMENT PLANS.—This subsection shall not apply to the transfer of any hardship distribution described in section 401(k)(2)(B)(i)(IV) from a qualified cash or deferred arrangement to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B)."

(B) The amendment made by this paragraph shall apply to distributions made after December 31, 1997.

(d) AMENDMENTS RELATED TO SECTION 311 OF 1997 ACT.—

(1) Subsection (h) of section 1 of the 1986 Code (relating to maximum capital gains rate) is amended to read as follows:

"(h) MAXIMUM CAPITAL GAINS RATE.—

"(1) IN GENERAL.—If a taxpayer has a net capital gain for any taxable year, the tax imposed by this section for such taxable year shall not exceed the sum of—

"(A) a tax computed at the rates and in the same manner as if this subsection had not been enacted on the greater of—

"(i) taxable income reduced by the net capital gain, or

"(ii) the lesser of—

"(I) the amount of taxable income taxed at a rate below 28 percent, or

"(II) taxable income reduced by the adjusted net capital gain,

"(B) 10 percent of so much of the adjusted net capital gain (or, if less, taxable income) as does not exceed the excess (if any) of—

"(i) the amount of taxable income which would (without regard to this paragraph) be taxed at a rate below 28 percent, over

"(ii) the taxable income reduced by the adjusted net capital gain,

"(C) 20 percent of the adjusted net capital gain (or, if less, taxable income) in excess of the amount on which a tax is determined under subparagraph (B),

"(D) 25 percent of the excess (if any) of—

"(i) the unrecaptured section 1250 gain (or, if less, the net capital gain), over

"(ii) the excess (if any) of—

"(I) the sum of the amount on which tax is determined under subparagraph (A) plus the net capital gain, over

"(II) taxable income, and

"(E) 28 percent of the amount of taxable income in excess of the sum of the amounts on which tax is determined under the preceding subparagraphs of this paragraph.

"(2) REDUCED CAPITAL GAIN RATES FOR QUALIFIED 5-YEAR GAIN.—

"(A) REDUCTION IN 10-PERCENT RATE.—In the case of any taxable year beginning after December 31, 2000, the rate under paragraph (1)(B) shall be 8 percent with respect to so much of the amount to which the 10-percent rate would otherwise apply as does not exceed qualified 5-year gain, and 10 percent with respect to the remainder of such amount.

"(B) REDUCTION IN 20-PERCENT RATE.—The rate under paragraph (1)(C) shall be 18 percent with respect to so much of the amount to which the 20-percent rate would otherwise apply as does not exceed the lesser of—

"(i) the excess of qualified 5-year gain over the amount of such gain taken into account under subparagraph (A) of this paragraph, or

"(ii) the amount of qualified 5-year gain (determined by taking into account only property the holding period for which begins after December 31, 2000),

and 20 percent with respect to the remainder of such amount. For purposes of determining under the preceding sentence whether the holding period of property begins after December 31, 2000, the holding period of property acquired pursuant to the exercise of an option (or other right or obligation to acquire property) shall include the period such option (or other right or obligation) was held.

"(3) NET CAPITAL GAIN TAKEN INTO ACCOUNT AS INVESTMENT INCOME.—For purposes of this subsection, the net capital gain for any taxable year shall be reduced (but not below zero) by the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B)(iii).

"(4) ADJUSTED NET CAPITAL GAIN.—For purposes of this subsection, the term 'adjusted net capital gain' means net capital gain reduced (but not below zero) by the sum of—

"(A) unrecaptured section 1250 gain, and

"(B) 28 percent rate gain.

"(5) 28 PERCENT RATE GAIN.—For purposes of this subsection—

"(A) IN GENERAL.—The term '28 percent rate gain' means the excess (if any) of—

"(i) the sum of—

"(I) the aggregate long-term capital gain from property held for more than 1 year but not more than 18 months,

"(II) collectibles gain, and

"(III) section 1202 gain, over

"(ii) the sum of—

"(I) the aggregate long-term capital loss (not described in subclause (IV)) from property referred to in clause (i)(I),

"(II) collectibles loss,

"(III) the net short-term capital loss, and

"(IV) the amount of long-term capital loss carried under section 1212(b)(1)(B) to the taxable year.

"(B) SPECIAL RULES.—

"(i) SHORT SALES AND OPTIONS.—Rules similar to the rules of subsections (b) and (d) of section 1233 shall apply to substantially identical property, and section 1092(f) with respect to stock, held for more than 1 year but not more than 18 months.

"(ii) SECTION 1256 CONTRACTS.—Amounts treated as long-term capital gain or loss under section 1256(a)(3) shall be treated as attributable to property held for more than 18 months.

"(6) COLLECTIBLES GAIN AND LOSS.—For purposes of this subsection—

"(A) IN GENERAL.—The terms 'collectibles gain' and 'collectibles loss' mean gain or loss (respectively) from the sale or exchange of a collectible (as defined in section 408(m) without regard to paragraph (3) thereof) which is a capital asset held for more than 18 months but only to the extent such gain is taken into account in computing gross income and such loss is taken into account in computing taxable income.

"(B) PARTNERSHIPS, ETC.—For purposes of subparagraph (A), any gain from the sale of an interest in a partnership, S corporation, or trust which is attributable to unrealized appreciation in the value of collectibles shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751 shall apply for purposes of the preceding sentence.

"(7) UNRECAPTURED SECTION 1250 GAIN.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'unrecaptured section 1250 gain' means the excess (if any) of—

"(i) the amount of long-term capital gain (not otherwise treated as ordinary income) which would be treated as ordinary income if—

"(I) section 1250(b)(1) included all depreciation and the applicable percentage under section 1250(a) were 100 percent, and

"(II) only gain from property held for more than 18 months were taken into account, over

"(ii) the excess (if any) of—

"(I) the amount described in paragraph (5)(A)(ii), over

"(II) the amount described in paragraph (5)(A)(i).

"(B) LIMITATION WITH RESPECT TO SECTION 1231 PROPERTY.—The amount described in subparagraph (A)(i) from sales, exchanges, and conversions described in section 1231(a)(3)(A) for any taxable year shall not exceed the net section 1231 gain (as defined in section 1231(c)(3)) for such year.

"(8) SECTION 1202 GAIN.—For purposes of this subsection, the term 'section 1202 gain' means an amount equal to the gain excluded from gross income under section 1202(a).

"(9) QUALIFIED 5-YEAR GAIN.—For purposes of this subsection, the term 'qualified 5-year gain' means the amount of long-term capital gain which would be computed for the taxable year if only gains from the sale or exchange of property held by the taxpayer for more than 5 years were taken into account. The determination under the preceding sentence shall be made without regard to collectibles gain, gain described in paragraph (7)(A)(i), and section 1202 gain.

"(10) COORDINATION WITH RECAPTURE OF NET ORDINARY LOSSES UNDER SECTION 1231.—If any amount is treated as ordinary income under section 1231(c), such amount shall be allocated among the separate categories of net section 1231 gain (as defined in section 1231(c)(3)) in such manner as the Secretary may by forms or regulations prescribe.

"(11) REGULATIONS.—The Secretary may prescribe such regulations as are appropriate (including regulations requiring reporting) to apply this subsection in the case of sales and exchanges by pass-thru entities and of interests in such entities.

"(12) PASS-THRU ENTITY DEFINED.—For purposes of this subsection, the term 'pass-thru entity' means—

"(A) a regulated investment company,

"(B) a real estate investment trust,

"(C) an S corporation,

"(D) a partnership,

"(E) an estate or trust,

"(F) a common trust fund,

"(G) a foreign investment company which is described in section 1246(b)(1) and for which an election is in effect under section 1247, and

"(H) a qualified electing fund (as defined in section 1295).

"(13) SPECIAL RULES FOR PERIODS DURING 1997.—

"(A) DETERMINATION OF 28 PERCENT RATE GAIN.—In applying paragraph (5)—

"(i) the amount determined under subclause (I) of paragraph (5)(A)(i) shall include long-term capital gain (not otherwise described in paragraph (5)(A)(i)) which is properly taken into account for the portion of the taxable year before May 7, 1997,

"(ii) the amounts determined under subclause (I) of paragraph (5)(A)(ii) shall include long-term capital loss (not otherwise described in paragraph (5)(A)(ii)) which is properly taken into account for the portion of the taxable year before May 7, 1997, and

"(iii) clauses (i)(I) and (ii)(I) of paragraph (5)(A) shall be applied by not taking into account any gain and loss on property held for more than 1 year but not more than 18 months which is properly taken into account for the portion of the taxable year after May 6, 1997, and before July 29, 1997.

"(B) OTHER SPECIAL RULES.—

"(i) DETERMINATION OF UNRECAPTURED SECTION 1250 GAIN NOT TO INCLUDE PRE-MAY 7, 1997 GAIN.—The amount determined under paragraph (7)(A)(i) shall not include gain properly taken into account for the portion of the taxable year before May 7, 1997.

"(ii) OTHER TRANSITIONAL RULES FOR 18-MONTH HOLDING PERIOD.—Paragraphs (6)(A) and (7)(A)(i)(II) shall be applied by substituting '1 year' for '18 months' with respect to gain properly taken into account for the portion of the taxable year after May 6, 1997, and before July 29, 1997.

"(C) SPECIAL RULES FOR PASS-THRU ENTITIES.—In applying this paragraph with respect to any pass-thru entity, the determination of when gains and loss are properly taken into account shall be made at the entity level."

(2) IN GENERAL.—Paragraph (3) of section 55(b) of the 1986 Code is amended to read as follows:

"(3) MAXIMUM RATE OF TAX ON NET CAPITAL GAIN OF NONCORPORATE TAXPAYERS.—The amount determined under the first sentence of paragraph (1)(A)(i) shall not exceed the sum of—

"(A) the amount determined under such first sentence computed at the rates and in the same manner as if this paragraph had not been enacted on the taxable excess reduced by the lesser of—

"(i) the net capital gain, or

"(ii) the sum of—

"(I) the adjusted net capital gain, plus

"(II) the unrecaptured section 1250 gain, plus

"(B) 10 percent of so much of the adjusted net capital gain (or, if less, taxable excess) as does not exceed the amount on which a tax is determined under section 1(h)(1)(B), plus

"(C) 20 percent of the adjusted net capital gain (or, if less, taxable excess) in excess of the amount on which tax is determined under subparagraph (B), plus

"(D) 25 percent of the amount of taxable excess in excess of the sum of the amounts on which tax is determined under the preceding subparagraphs of this paragraph.

In the case of taxable years beginning after December 31, 2000, rules similar to the rules of section 1(h)(2) shall apply for purposes of subparagraphs (B) and (C). Terms used in this paragraph which are also used in section 1(h) shall have the respective meanings given such terms by section 1(h) but computed with the adjustments under this part.".

(3) Section 57(a)(7) of the 1986 Code is amended by adding at the end the following new sentence: "In the case of stock the holding period of which begins after December 31, 2000 (determined with the application of the last sentence of section 1(h)(2)(B)), the preceding sentence shall be applied by substituting '28 percent' for '42 percent'.".

(4) Paragraphs (11) and (12) of section 1223, and section 1235(a), of the 1986 Code are each amended by striking "1 year" each place it appears and inserting "18 months".

(e) AMENDMENTS RELATED TO SECTION 312 OF 1997 ACT.—

(1) Section 121(c)(1) of the 1986 Code is amended to read as follows:

"(1) IN GENERAL.—In the case of a sale or exchange to which this subsection applies, the ownership and use requirements of subsection (a), and subsection (b)(3), shall not apply; but the dollar limitation under paragraph (1) or (2) of subsection (b), whichever is applicable, shall be equal to—

"(A) the amount which bears the same ratio to such limitation (determined without regard to this paragraph) as

"(B)(i) the shorter of—

"(I) the aggregate periods, during the 5-year period ending on the date of such sale or exchange, such property has been owned and used by the taxpayer as the taxpayer's principal residence, or

"(II) the period after the date of the most recent prior sale or exchange by the taxpayer to which subsection (a) applied and before the date of such sale or exchange, bears to

"(ii) 2 years.".

(2) Section 312(d)(2) of the 1997 Act (relating to sales before date of enactment) is amended by inserting "on or" before "before" each place it appears in the text and heading.

(f) AMENDMENT RELATED TO SECTION 313 OF 1997 ACT.—Section 1045 of the 1986 Code is amended by adding at the end the following new subsection:

"(c) LIMITATION ON APPLICATION TO PARTNERSHIPS AND S CORPORATIONS.—Subsection (a) shall apply to a partnership or S corporation for a taxable year only if at all times during such taxable year all of the partners in the partnership, or all of the shareholders of the S corporation, are natural persons or estates."

SEC. 606. AMENDMENTS RELATED TO TITLE V OF 1997 ACT.

(a) AMENDMENTS RELATED TO SECTION 501 OF 1997 ACT.—

(1) Subsection (c) of section 2631 of the 1986 Code is amended by striking "an individual who dies" and inserting "a generation-skipping transfer".

(2) Subsection (f) of section 501 of the 1997 Act is amended by inserting "(other than the amendment made by subsection (d))" after "this section".

(b) AMENDMENTS RELATED TO SECTION 502 OF 1997 ACT.—

(1) Subsection (a) of section 2033A of the 1986 Code is amended to read as follows:

"(a) EXCLUSION.—

"(1) IN GENERAL.—In the case of an estate of a decedent to which this section applies, the value of the gross estate shall not include the lesser of—

"(A) the adjusted value of the qualified family-owned business interests of the decedent otherwise includible in the estate, or

"(B) the exclusion limitation with respect to such estate.

"(2) EXCLUSION LIMITATION.—

"(A) IN GENERAL.—The exclusion limitation with respect to any estate is the amount of reduction in the tentative tax base with respect to such estate which would be required in order to reduce the tax imposed by section 2001(b) (determined without regard to this section) by an amount equal to the maximum credit equivalent benefit.

"(B) MAXIMUM CREDIT EQUIVALENT BENEFIT.—For purposes of subparagraph (A), the term 'maximum credit equivalent benefit' means the excess of—

"(i) the amount by which the tentative tax imposed by section 2001(b) (determined without regard to this section) would be reduced if the tentative tax base were reduced by $675,000, over

"(ii) the amount by which the applicable credit amount under section 2010(c) with respect to such estate exceeds such applicable credit amount in effect for 1998.

"(C) TENTATIVE TAX BASE.—For purposes of this paragraph, the term 'tentative tax base' means the amount with respect to which the tax imposed by section 2001(b) would be computed without regard to this section."

(2) Section 2033A(b)(3) of the 1986 Code is amended to read as follows:

"(3) INCLUDIBLE GIFTS OF INTERESTS.—The amount of the gifts of qualified family-owned business interests determined under this paragraph is the sum of—

"(A) the amount of such gifts from the decedent to members of the decedent's family taken into account under section 2001(b)(1)(B), plus

"(B) the amount of such gifts otherwise excluded under section 2503(b),

to the extent such interests are continuously held by members of such family (other than the decedent's spouse) between the date of the gift and the date of the decedent's death."

(c) AMENDMENTS RELATED TO SECTION 503 OF THE 1997 ACT.—

(1) Clause (iii) of section 6166(b)(7)(A) of the 1986 Code is amended to read as follows:

"(iii) for purposes of applying section 6601(j), the 2-percent portion (as defined in such section) shall be treated as being zero."

(2) Clause (iii) of section 6166(b)(8)(A) of the 1986 Code is amended to read as follows:

"(iii) 2-PERCENT INTEREST RATE NOT TO APPLY.—For purposes of applying section 6601(j), the 2-percent portion (as defined in such section) shall be treated as being zero."

(d) AMENDMENT RELATED TO SECTION 505 OF THE 1997 ACT.—Paragraphs (1) and (2) of section 7479(a) of the 1986 Code are each amended by striking "an estate," and inserting "an estate (or with respect to any property included therein),".

(e) AMENDMENTS RELATED TO SECTION 506 OF THE 1997 ACT.—

(1) Subsection (c) of section 2504 of the 1986 Code is amended by striking "was assessed or paid" and inserting "was finally determined for purposes of this chapter".

(2) Paragraph (1) of section 506(e) of the 1997 Act is amended by striking "and (c)" and inserting ", (c), and (d)".

SEC. 607. AMENDMENTS RELATED TO TITLE VII OF 1997 ACT.

(a) AMENDMENT RELATED TO SECTION 1400 OF 1986 CODE.—Section 1400(b)(2)(B) of the 1986 Code is amended by inserting "as determined on the basis of the 1990 census" after "percent".

(b) AMENDMENTS RELATED TO SECTION 1400B OF 1986 CODE.—

(1) Section 1400B(d)(2) of the 1986 Code is amended by inserting "as determined on the basis of the 1990 census" after "percent".

(2) Section 1400B(b) of the 1986 Code is amended by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(c) AMENDMENTS RELATED TO SECTION 1400C OF 1986 CODE.—

(1) Paragraph (1) of section 1400C(c) of the 1986 Code is amended to read as follows:

"(1) IN GENERAL.—The term 'first-time homebuyer' means any individual if such individual (and if married, such individual's spouse) had no present ownership interest in a principal residence in the District of Columbia during the 1-year period ending on the date of the purchase of the principal residence to which this section applies."

(2) Subparagraph (B) of section 1400C(e)(2) of the 1986 Code is amended by inserting before the period "on the date the taxpayer first occupies such residence".

(3) Paragraph (3) of section 1400C(e) of the 1986 Code is amended by striking all that follows "principal residence" and inserting "on the date such residence is purchased."

(4) Subsection (i) of section 1400C of the 1986 Code is amended to read as follows:

"(i) APPLICATION OF SECTION.—This section shall apply to property purchased after August 4, 1997, and before January 1, 2001."

(5) Subsection (c) of section 23 of the 1986 Code is amended by inserting "and section 1400C" after "other than this section".

(6) Subparagraph (C) of section 25(e)(1) of the 1986 Code is amended by striking "section 23" and inserting "sections 23 and 1400C".

SEC. 608. AMENDMENTS RELATED TO TITLE IX OF 1997 ACT.

(a) AMENDMENT RELATED TO SECTION 901 OF 1997 ACT.—Section 9503(c)(7) of the 1986 Code is amended—

(1) by striking "resulting from the amendments made by" and inserting "(and transfers to the Mass Transit Account) resulting from the amendments made by subsections (a) and (b) of section 901 of", and

(2) by inserting before the period "and deposits in the Highway Trust Fund (and transfers to the Mass Transit Account) shall be treated as made when they would have been required to be made without regard to section 901(e) of the Taxpayer Relief Act of 1997".

(b) AMENDMENT RELATED TO SECTION 907 OF 1997 ACT.—Paragraph (2) of section 9503(e) of the 1986 Code is amended by striking the last sentence and inserting the following new sentence: "For purposes of the preceding sentence, the term 'mass transit portion' means, for any fuel with respect to which tax was imposed under section 4041 or 4081 and otherwise deposited into the Highway Trust Fund, the amount determined at the rate of—

"(A) except as otherwise provided in this sentence, 2.86 cents per gallon,

"(B) 1.77 cents per gallon in the case of any partially exempt methanol or ethanol fuel (as defined in section 4041(m)) none of the alcohol in which consists of ethanol,

"(C) 1.86 cents per gallon in the case of liquefied natural gas,

"(D) 2.13 cents per gallon in the case of liquefied petroleum gas, and

"(E) 9.71 cents per MCF (determined at standard temperature and pressure) in the case of compressed natural gas."

(c) AMENDMENT RELATED TO SECTION 976 OF 1997 ACT.—Section 6103(d)(5) of the 1986 Code is amended by striking "section 967 of the Taxpayer Relief Act of 1997." and inserting "section 976 of the Taxpayer Relief Act of 1997. Subsections (a)(2) and (p)(4) and sections 7213 and 7213A shall not apply with respect to disclosures or inspections made pursuant to this paragraph."

SEC. 609. AMENDMENTS RELATED TO TITLE X OF 1997 ACT.

(a) AMENDMENTS RELATED TO SECTION 1001 OF 1997 ACT.—

(1) Paragraph (2) of section 1259(b) of the 1986 Code is amended—

(A) by striking "debt" each place it appears in clauses (i) and (ii) of subparagraph (A) and inserting "position",

(B) by striking "and" at the end of subparagraph (A), and

(C) by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) any hedge with respect to a position described in subparagraph (A), and".

(2) Section 1259(d)(1) of the 1986 Code is amended by inserting "(including cash)" after "property".

(3) Subparagraph (D) of section 475(f)(1) of the 1986 Code is amended by adding at the end the following new sentence: "Subsection (d)(3) shall not apply under the preceding sentence for purposes of applying sections 1402 and 7704."

(4) Subparagraph (C) of section 1001(d)(3) of the 1997 Act is amended by striking "within the 30-day period beginning on" and inserting "before the close of the 30th day after".

(b) AMENDMENTS RELATED TO SECTION 1012 OF 1997 Act.—

(1) Paragraph (1) of section 1012(d) of the 1997 Act is amended by striking "1997, pursuant" and inserting "1997; except that the amendment made by subsection (a) shall apply to such distributions only if pursuant".

(2) Subparagraph (A) of section 355(e)(3) of the 1986 Code is amended—

(A) by striking "shall not be treated as described in" and inserting "shall not be taken into account in applying", and

(B) by striking clause (iv) and inserting the following new clause:

"(iv) The acquisition of stock in the distributing corporation or any controlled corporation to the extent that the percentage of stock owned directly or indirectly in such corporation by each person owning stock in such corporation immediately before the acquisition does not decrease."

(c) AMENDMENTS RELATED TO SECTION 1014 OF 1997 ACT.—

(1) Paragraph (1) of section 351(g) of the 1986 Code is amended by adding "and" at the end of subparagraph (A) and by striking subparagraphs (B) and (C) and inserting the following new subparagraph:

"(B) if (and only if) the transferor receives stock other than nonqualified preferred stock—

"(i) subsection (b) shall apply to such transferor, and

"(ii) such nonqualified preferred stock shall be treated as other property for purposes of applying subsection (b)."

(2) Clause (ii) of section 354(a)(2)(C) of 1986 Code is amended by adding at the end the following new subclause:

"(III) EXTENSION OF STATUTE OF LIMITATIONS.—The statutory period for the assessment of any deficiency attributable to a corporation failing to be a family-owned corporation shall not expire before the expiration of 3 years after the date the Secretary is notified by the corporation (in such manner as the Secretary may prescribe) of such failure, and such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment."

(d) AMENDMENT RELATED TO SECTION 1024 OF 1997 ACT.—Section 6331(h)(1) of the 1986 Code is

amended by striking "The effect of a levy" and inserting "If the Secretary approves a levy under this subsection, the effect of such levy".

(e) AMENDMENTS RELATED TO SECTION 1031 OF 1997 ACT.—

(1) Subsection (l) of section 4041 of the 1986 Code is amended by striking "subsection (e) or (f)" and inserting "subsection (f) or (g)".

(2) Subsection (b) of section 9502 of the 1986 Code is amended by moving the sentence added at the end of paragraph (1) to the end of such subsection.

(3) Subsection (c) of section 6421 of the 1986 Code is amended—

(A) by striking "(2)(A)" and inserting "(2)", and

(B) by adding at the end the following sentence: "Subsection (a) shall not apply to gasoline to which this subsection applies."

(f) AMENDMENTS RELATED TO SECTION 1032 OF 1997 ACT.—

(1) Section 1032(a) of the 1997 Act is amended by striking "Subsection (a) of section 4083" and inserting "Paragraph (1) of section 4083(a)".

(2) Section 1032(e)(12)(A) of the 1997 Act shall be applied as if "gasoline, diesel fuel," were the material proposed to be stricken.

(3) Paragraph (1) of section 4101(e) of the 1986 Code is amended by striking "dyed diesel fuel and kerosene" and inserting "such fuel in a dyed form".

(g) AMENDMENT RELATED TO SECTION 1055 OF 1997 ACT.—Section 6611(g)(1) of the 1986 Code is amended by striking "(e), and (h)" and inserting "and (e)".

(h) AMENDMENT RELATED TO SECTION 1083 OF 1997 ACT.—Section 1083(a)(2) of the 1997 Act is amended—

(1) by striking "21" and inserting "20", and

(2) by striking "22" and inserting "21".

(i) AMENDMENT RELATED TO SECTION 1084 OF 1997 ACT.—

(1) Paragraph (3) of section 264(a) of the 1986 Code is amended by striking "subsection (c)" and inserting "subsection (d)".

(2) Paragraph (4) of section 264(a) of the 1986 Code is amended by striking "subsection (d)" and inserting "subsection (e)".

(3) Paragraph (4) of section 264(f) of the 1986 Code is amended by adding at the end the following new subparagraph:

"(E) MASTER CONTRACTS.—If coverage for each insured under a master contract is treated as a separate contract for purposes of sections 817(h), 7702, and 7702A, coverage for each such insured shall be treated as a separate contract for purposes of subparagraph (A). For purposes of the preceding sentence, the term 'master contract' shall not include any group life insurance contract (as defined in section 848(e)(2)).".

(4)(A) Clause (iv) of section 264(f)(5)(A) of the 1986 Code is amended by striking the second sentence.

(B) Subparagraph (B) of section 6724(d)(1) of the 1986 Code is amended by striking "or" at the end of clause (xv), by striking the period at the end of clause (xvi) and inserting ", or", and by adding at the end the following new clause:

"(xvii) section 264(f)(5)(A)(iv) (relating to reporting with respect to certain life insurance and annuity contracts)."

(C) Paragraph (2) of section 6724(d) of the 1986 Code is amended by striking "or" at the end of subparagraph (Y), by striking the period at the end of subparagraph (Z) and inserting "or", and by adding at the end the following new subparagraph:

"(AA) section 264(f)(5)(A)(iv) (relating to reporting with respect to certain life insurance and annuity contracts)."

(j) AMENDMENT RELATED TO SECTION 1085 OF 1997 ACT.—Paragraph (5) of section 32(c) of the 1986 Code is amended—

(1) by inserting before the period at the end of subparagraph (A) "and increased by the amounts described in subparagraph (C)",

(2) by adding "or" at the end of clause (iii) of subparagraph (B), and

(3) by striking all that follows subclause (II) of subparagraph (B)(iv) and inserting the following:

"(III) other trades or businesses.

For purposes of clause (iv), there shall not be taken into account items which are attributable to a trade or business which consists of the performance of services by the taxpayer as an employee.

"(C) CERTAIN AMOUNTS INCLUDED.—An amount is described in this subparagraph if it is—

"(i) interest received or accrued during the taxable year which is exempt from tax imposed by this chapter, or

"(ii) amounts received as a pension or annuity, and any distributions or payments received from an individual retirement plan, by the taxpayer during the taxable year to the extent not included in gross income.

Clause (ii) shall not include any amount which is not includible in gross income by reason of section 402(c), 403(a)(4), 403(b), 408(d) (3), (4), or (5), or 457(e)(10)."

(k) AMENDMENT RELATED TO SECTION 1088 OF 1997 ACT.—Section 1088(b)(2)(C) of the 1997 Act is amended by inserting "more than 1 year" before "after".

(l) AMENDMENT RELATED TO SECTION 1089 OF 1997 ACT.—Paragraphs (1)(C) and (2)(C) of section 664(d) of the 1986 Code are each amended by adding ", and" at the end.

SEC. 610. AMENDMENTS RELATED TO TITLE XI OF 1997 ACT.

(a) AMENDMENT RELATED TO SECTION 1103 OF 1997 ACT.—The paragraph (3) of section 59(a) added by section 1103 of the 1997 Act is redesignated as paragraph (4).

(b) AMENDMENT RELATED TO SECTION 1121 OF 1997 ACT.—Section 1298(a)(2)(B) of the 1986 Code is amended by adding at the end the following new sentence: "Section 1297(e) shall not apply in determining whether a corporation is a passive foreign investment company for purposes of this subparagraph."

(c) AMENDMENT RELATED TO SECTION 1122 OF 1997 ACT.—Section 672(f)(3)(B) of the 1986 Code is amended by striking "section 1296" and inserting "section 1297".

(d) AMENDMENT RELATED TO SECTION 1123 OF 1997 ACT.—The subsection (e) of section 1297 of the 1986 Code added by section 1123 of the 1997 Act is redesignated as subsection (f).

(e) AMENDMENT RELATED TO SECTION 1144 OF 1997 ACT.—Paragraphs (1) and (2) of section 1144(c) of the 1997 Act are each amended by striking "6038B(b)" and inserting "6038B(c) (as redesignated by subsection (b))".

SEC. 611. AMENDMENTS RELATED TO TITLE XII OF 1997 ACT.

(a) AMENDMENT RELATED TO SECTION 1204 OF 1997 ACT.—The last sentence of section 162(a) of the 1986 Code is amended by striking "investigate" and all that follows and inserting "investigate or prosecute, or provide support services for the investigation or prosecution of, a Federal crime."

(b) AMENDMENTS RELATED TO SECTION 1205 OF 1997 ACT.—

(1) Section 6311(e)(1) of the 1986 Code is amended by striking "section 6103(k)(8)" and inserting "section 6103(k)(9)".

(2) Paragraph (8) of section 6103(k) of the 1986 Code (as added by section 1205(c)(1) of the 1997 Act) is redesignated as paragraph (9).

(3) The heading for section 7431(g) of the 1986 Code is amended by striking "(8)" and inserting "(9)".

(4) Section 1205(c)(3) of the 1997 Act shall be applied as if it read as follows:

"(3) Section 6103(p)(3)(A), as amended by section 1026(b)(1)(A), is amended by striking "or (8)" and inserting "(8), or (9)".

(5) Section 1213(b) of the 1997 Act is amended by striking "section 6724(d)(1)(A)" and inserting "section 6724(d)(1)".

(c) AMENDMENT RELATED TO SECTION 1226 OF 1997 ACT.—Section 1226 of the 1997 Act is amended by striking "ending on or" and inserting "beginning".

(d) AMENDMENT RELATED TO SECTION 1285 OF 1997 ACT.—Section 7430(b) of the 1986 Code is amended by redesignating paragraph (5) as paragraph (4).

SEC. 612. AMENDMENTS RELATED TO TITLE XIII OF 1997 ACT.

(a) Section 646 of the 1986 Code is redesignated as section 645.

(b) The item relating to section 646 in the table of sections for subpart A of part I of subchapter J of chapter 1 of the 1986 Code is amended by striking "Sec. 646" and inserting "Sec. 645".

(c) Paragraph (1) of section 2652(b) of the 1986 Code is amended by striking "section 646" and inserting "section 645".

(d) Paragraph (3) of section 1(g) of the 1986 Code is amended by striking subparagraph (C) and by redesignating subparagraph (D) as subparagraph (C).

(e) Section 641 of the 1986 Code is amended by striking subsection (c) and by redesignating subsection (d) as subsection (c).

(f) Paragraph (4) of section 1361(e) of the 1986 Code is amended by striking "section 641(d)" and inserting "section 641(c)".

(g) Subparagraph (A) of section 6103(e)(1) of the 1986 Code is amended by striking clause (ii) and by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

SEC. 613. AMENDMENTS RELATED TO TITLE XIV OF 1997 ACT.

(a) AMENDMENT RELATED TO SECTION 1434 OF 1997 ACT.—Paragraph (2) of section 4052(f) of the 1986 Code is amended by striking "this section" and inserting "such section".

(b) AMENDMENT RELATED TO SECTION 1436 OF 1997 ACT.—Paragraph (2) of section 4091(a) of the 1986 Code is amended by inserting "or on which tax has been credited or refunded" after "such paragraph".

SEC. 614. AMENDMENTS RELATED TO TITLE XV OF 1997 ACT.

(a) AMENDMENT RELATED TO SECTION 1501 OF 1997 ACT.—The paragraph (8) of section 408(p) of the 1986 Code added by section 1501(b) of the 1997 Act is redesignated as paragraph (9).

(b) AMENDMENT RELATED TO SECTION 1505 OF 1997 ACT.—Section 1505(d)(2) of the 1997 Act is amended by striking "(b)(12)" and inserting "(b)(12)(A)(i)".

(c) AMENDMENT RELATED TO SECTION 1531 OF 1997 ACT.—Subsection (f) of section 9811 of the 1986 Code (as added by section 1531 of the 1997 Act) is redesignated as subsection (e).

SEC. 615. AMENDMENTS RELATED TO TITLE XVI.

(a) AMENDMENTS RELATED TO SECTION 1601(d) OF 1997 ACT.—

(1) AMENDMENTS RELATED TO SECTION 1601(d)(1)—

(A) Section 408(p)(2)(D)(i) of the 1986 Code is amended by striking "or (B)" in the last sentence.

(B) Section 408(p) of the 1986 Code is amended by adding at the end the following:

"(10) SPECIAL RULES FOR ACQUISITIONS, DISPOSITIONS, AND SIMILAR TRANSACTIONS.—

"(A) IN GENERAL.—An employer which fails to meet any applicable requirement by reason of an acquisition, disposition, or similar transaction shall not be treated as failing to meet such requirement during the transition period if—

"(i) the employer satisfies requirements similar to the requirements of section 410(b)(6)(C)(i)(II), and

"(ii) the qualified salary reduction arrangement maintained by the employer would satisfy the requirements of this subsection after the

transaction if the employer which maintained the arrangement before the transaction had remained a separate employer.

"(B) APPLICABLE REQUIREMENT.—For purposes of this paragraph, the term 'applicable requirement' means—

"(i) the requirement under paragraph (2)(A)(i) that an employer be an eligible employer,

"(ii) the requirement under paragraph (2)(D) that an arrangement be the only plan of an employer, and

"(iii) the participation requirements under paragraph (4).

"(C) TRANSITION PERIOD.—For purposes of this paragraph, the term 'transition period' means the period beginning on the date of any transaction described in subparagraph (A) and ending on the last day of the second calendar year following the calendar year in which such transaction occurs."

(C) Section 408(p)(2) of the 1986 Code is amended—

(i) by striking "the preceding sentence shall apply only in accordance with rules similar to the rules of section 410(b)(6)(C)(i)" in the last sentence of subparagraph (C)(i)(II) and inserting "the preceding sentence shall not apply", and

(ii) by striking clause (iii) of subparagraph (D).

(2) AMENDMENT TO SECTION 1601(d)(4).—Section 1601(d)(4)(A) of the 1997 Act is amended—

(A) by striking "Section 403(b)(11)" and inserting "Paragraphs (7)(A)(ii) and (11) of section 403(b)", and

(B) by striking "403(b)(1)" in clause (ii) and inserting "403(b)(10)".

(b) AMENDMENT RELATED TO SECTION 1601(f)(4) OF 1997 ACT.—Subsection (d) of section 6427 of the 1986 Code is amended—

(1) by striking "HELICOPTERS" in the heading and inserting "OTHER AIRCRAFT USES", and

(2) by inserting "or a fixed-wing aircraft" after "helicopter".

SEC. 616. AMENDMENT RELATED TO OMNIBUS BUDGET RECONCILIATION ACT OF 1993.

(a) IN GENERAL.—Section 196(c) of the 1986 Code is amended by striking "and" at the end of paragraph (6), by striking the period at the end of paragraph (7), and insert ", and", and by adding at the end the following new paragraph:

"(8) the employer social security credit determined under section 45B(a)."

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 13443 of the Revenue Reconciliation Act of 1993.

SEC. 617. AMENDMENT RELATED TO TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Paragraph (3) of section 136(c) of the Tax Reform Act of 1984 is amended by adding at the end the following flush sentence:

"The treatment under the preceding sentence shall apply to each period after June 30, 1983, during which such members are stapled entities, whether or not such members are stapled entities for all periods after June 30, 1983."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the Tax Reform Act of 1984 as of the date of the enactment of such Act.

SEC. 618. AMENDMENT RELATED TO TAX REFORM ACT OF 1986.

(a) IN GENERAL.—Section 6401(b)(1) of the 1986 Code is amended by striking "and D" and inserting "D, and G".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the amendments made by section 701(b) of the Tax Reform Act of 1986.

SEC. 619. MISCELLANEOUS CLERICAL AND DEADWOOD CHANGES.

(a)(1) Section 6421 of the 1986 Code is amended by redesignating subsections (j) and (k) as subsections (i) and (j), respectively.

(2) Subsection (b) of section 34 of the 1986 Code is amended by striking "section 6421(j)" and inserting "section 6421(i)".

(3) Subsections (a) and (b) of section 6421 of the 1986 Code are each amended by striking "subsection (j)" and inserting "subsection (i)".

(b) Sections 4092(b) and 6427(q)(2) of the 1986 Code are each amended by striking "section 4041(c)(4)" and inserting "section 4041(c)(2)".

(c) Sections 4221(c) and 4222(d) of the 1986 Code are each amended by striking "4053(a)(6)" and inserting "4053(6)".

(d) Paragraph (5) of section 6416(b) of the 1986 Code is amended by striking "section 4216(e)(1)" each place it appears and inserting "section 4216(d)(1)".

(e) Paragraph (3) of section 6427(f) of the 1986 Code is amended by striking ", (e),".

(f)(1) Section 6427 of the 1986 Code, as amended by paragraph (2), is amended by redesignating subsections (n), (p), (q), and (r) as subsections (m), (n), (o), and (p), respectively.

(2) Paragraphs (1) and (2)(A) of section 6427(i) of the 1986 Code are each amended by striking "(q)" and inserting "(o)".

(g) Subsection (e) of section 9502 of the 1986 Code is amended to read as follows:

"(e) CERTAIN TAXES ON ALCOHOL MIXTURES TO REMAIN IN GENERAL FUND.—For purposes of this section, the amounts which would (but for this subsection) be required to be appropriated under subparagraphs (A), (C), and (D) of subsection (b)(1) shall be reduced by—

"(1) 0.6 cent per gallon in the case of taxes imposed on any mixture at least 10 percent of which is alcohol (as defined in section 4081(c)(3)) if any portion of such alcohol is ethanol, and

"(2) 0.67 cent per gallon in the case of fuel used in producing a mixture described in paragraph (1)."

(h)(1) Clause (i) of section 9503(c)(2)(A) of the 1986 Code is amended by adding "and" at the end of subclause (II), by striking subclause (III), and by redesignating subclause (IV) as subclause (III).

(2) Clause (ii) of such section is amended by striking "gasoline, special fuels, and lubricating oil" each place it appears and inserting "fuel".

(i) The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 620. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate.

The SPEAKER pro tempore. The gentleman from Kentucky [Mr. BUNNING] and the gentleman from New York [Mr. RANGEL] each will control 1 hour.

The Chair recognizes the gentleman from Kentucky [Mr. BUNNING].

GENERAL LEAVE

Mr. BUNNING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2676.

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

There was no objection.

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

Mr. Speaker, I rise in support of the IRS reform bill. It is no secret the IRS is out of control. When agents testified before Congress in hoods out of fear of reprisal, and when honest taxpayers are hounded into bankruptcy, it is time for the Congress to step in and say, enough is enough.

The bill before us today puts some commonsense boundaries around the IRS. By setting up an oversight board of private sector experts, we force this service to move forward into the 21st century. Considering how the IRS has wasted billions on modernizing its computers, and that the year 2000 computer disaster creeps closer every day, the oversight board is incredibly important.

By forcing the IRS, and not the taxpayer, to carry the burden of proof in disputes, we protect legal, law-abiding citizens and end harassing and frivolous claims by maverick agents. By strengthening the confidentiality rules, we make it easier for taxpayers to get professional advice about their returns without having to worry about being tripped up by legal tricks.

Mr. Speaker, I think many people have forgotten that the "S" in IRS stands for "service," government servicing the taxpayers, not the other way around. By passing this bill today, we remind the IRS of its proper role, and about just who is in charge in America: The taxpayer.

Mr. Speaker, I urge support of the bill, and I reserve the balance of my time.

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

Mr. Speaker, I rise in support of H.R. 2676. I rise in strong support because of the bipartisan nature of the solution of a very serious problem that our Nation faces with the Internal Revenue Service. I do not think anyone can deny that we are basically dealing with a group of dedicated people that do a very difficult job, but a very complex Tax Code that we have given to them. Yet, out of all of this, for whatever reasons, we were able to see vividly during the Senate hearings how certain people in that Service, probably because of lack of direction and governance, were abusing American taxpayers.

Prior to this time there is no question that people in the tax-writing committee, which has the responsibility for oversight, was moving towards reform. But it was the restructuring commission that the gentleman from California [Mr. MATSUI] and the gentleman from Maryland [Mr. CARDIN] and the gentleman from Ohio [Mr. PORTMAN] sat on that actually wrestled with it, took testimony, and came up with ways in which we could enjoy the expertise of the private sector and bring some balance, not only in terms of technology, but in terms of better protecting the taxpayer.

Mr. Speaker, the gentleman from California [Mr. MATSUI] was replaced

by Congressman Cohen, and they were able to work together with the administration and come up with a bill. There are some that have said that the administration came to this reform position screaming and scratching and crying, but the truth of the matter is there were many objections in the bill, and these corrections were made by Republicans and Democrats. We come forth with a bill that is not only workable, but desired today.

Let me say on this House floor, which I have said about the chairman, the gentleman from Texas [Mr. ARCHER] before, that Chairman ARCHER had the opportunity to bring that same type of a show to the House of Representatives, to bring a response to an emotional situation, which indeed Members of Congress and the whole country saw.

Instead of doing that, he allowed Members working on this bill to work their will in a bipartisan way and made contributions to perfect the bill, and worked to bring together Democrats and Republicans, not with a workable bill, but with a desired bill. I think it is not only a credit to him, but a credit to the full committee, that we send notice to the Internal Revenue Service that we expect better performance, we expect to provide the oversight, but we do not expect to do it at the expense of the individual workers who are dedicated.

So I support this, and I particularly want to pay tribute to the gentleman from Maryland [Mr. CARDIN] and the gentleman from Ohio [Mr. PORTMAN], who worked with the administration and the leadership in the House, as well as the Committee on Ways and Means, to bring a bill to the floor that hardly has controversy.

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

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

Mr. Speaker, the bill we vote on today will give David, the taxpayer, a bigger slingshot to use against the IRS Goliath. But as proud as I am of this bill, it is just the beginning. Reforming the IRS is a very important first step, but the real culprit behind the scenes is the complexities of the current Internal Revenue Code.

What America needs is a new tax system, one that is fairer, simpler, less intrusive, less costly, and one that creates more economic growth for the American people, because that is what determines the size of the paychecks that families receive in this country. That is the American dream.

Actually, I should say, not just less intrusive. We should have a Tax Code that gets the IRS completely and totally out of the lives of every individual American. I believe we must rip the income tax out by its roots and throw it away, so it can never grow back.

As helpful as this legislation will be to taxpayers struggling with the IRS, I personally will not be satisfied until the tax system itself is repealed. But until that great day comes, this bill will be a valuable helping hand to millions of taxpayers who need and deserve a stronger slingshot.

This bill does three things to protect taxpayers in their dealings with the IRS: No. 1, in America, criminals are innocent until proven guilty, but taxpayers do not receive the same benefit of the doubt. This legislation shifts the burden of proof in court proceedings from the taxpayer to the IRS. No longer will taxpayers have to prove beyond the burden of credible evidence that they are innocent. As a result, taxpayers will benefit from more favorable settlements, even before they ever get to court.

The gentleman from Ohio [Mr. TRAFICANT], like Paul Revere riding in the night, he was the one to first sound the alarm about the burden of proof. Now change is coming, and the gentleman from Ohio [Mr. TRAFICANT] deserves our thanks.

No. 2, we create 28 new taxpayer rights, including the right to sue the IRS for damages caused by negligence of the IRS employees in the collection process. We make it easier for a taxpayer to recover legal fees and costs when the IRS is wrong. We pay 4 million taxpayers higher refunds when the IRS holds up their check, plus we protect thousands of innocent spouses, often divorced women, so they are less likely to be punished by the IRS for mistakes made on their joint returns by their former spouses.

We, for the first time, make the IRS responsible for any rules that they give in writing to taxpayers. Taxpayers now will be able to rely on anything in writing that they receive from the IRS.

We remove any suspicion that politics will be allowed to enter audit decisions, because we make it a felony for any Cabinet-level official, including the President and the Vice President, to direct the IRS to audit or terminate an audit for any particular taxpayer.

No. 3, if the Department of the Treasury could have fixed the IRS, they would have done so a long time ago. So our bill creates an independent oversight board that includes nongovernmental experts who can bring new thinking and a more taxpayer-oriented culture to the IRS. Like a breath of fresh air, this board will have real power and authority to change the direction of the IRS. No more will we be told, you appropriated $4 billion for a new computer system, but it does not work. That is intolerable.

Mr. Speaker, the protections provided in this bill go a long way to helping solve peoples' worst problems with the IRS, but as long as our Nation taxes its citizens on the basis of income, it will be impossible to completely fix the IRS. This bill is a strong helping hand, and it is long overdue, but the mission will not be complete until the taxpayers are protected and the IRS becomes nonexistent in the individual lives of all Americans. I look forward to that day.

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

Mr. RANGEL. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I rise in strong support of H.R. 2676, the Internal Revenue Service Restructuring Act of 1997. This bipartisan legislation to reform the IRS builds on work of the National Commission on Restructuring the IRS, which was chaired by our colleague, the gentleman from Ohio, Mr. ROB PORTMAN, and Senator KERREY.

I particularly want to congratulate the gentleman from Ohio, Mr. ROB PORTMAN, for the leadership he has shown throughout this period in keeping us focused on our objective to bring about a bill that could not only pass, but be signed into law. He did a great job, and I congratulate him on that effort. I am very proud to have joined the gentleman from Ohio in cosponsoring H.R. 2292, which has a strong bipartisan support in this House.

Chairman Archer and the Committee on Ways and Means took a very good bill and made it better. With the strong support in this House and from the President, this bill should be quickly enacted.

I also want to acknowledge the work the gentleman from New York [Mr. RANGEL] and the gentleman from Pennsylvania [Mr. COYNE] did on our side of the aisle, keeping us focused on getting a bill that could enjoy bipartisan support.

I thank the gentlewoman from Connecticut [Mrs. JOHNSON], the chairman of the Oversight Committee, for the role that she played. I appreciate the role Mr. Kies in the staff did in keeping us focused on getting our job done. There is a lot of credit that should be shared in this legislation.

The legislation before us marks the first fundamental reform in the IRS in nearly a half a century. The problems of the IRS are familiar: billions of dollars squandered on a bungled computer modernization effort, telephones unanswered, taxpayers too often treated with disrespect or suspicion.

These problems have not emerged recently. They are not the legacy of one administration, but of decades. These are not the problems of individual employees. In fact, the employees of the IRS have come forward to help us understand the problem, and they have helped us craft a solution today.

This administration, and particularly Secretary Rubin, have been more attentive to the problems of the IRS and more dedicated to seeking solutions than any in recent years. Secretary

Rubin has made important changes in the management of the IRS, and those efforts have begun to show results. But much more remains to be done.

Congressional action is needed in order to ensure that the reforms of the IRS do not depend on any particular individual or administration. The solution proposed in this bill is the creation of an oversight board that will bring private sector expertise in the areas where the IRS needs it the most. The creation of this board, with a real role in the planning and oversight of the strategic plans for major reorganizations in the budget of the IRS, is the most important element in bringing reform to this troubled agency. The board is a permanent entity that will provide continuing oversight for the IRS.

□ 1200

IRS reform requires not just a new management structure involving a partnership between the board, the Secretary, and the Commissioner, it will also require improved performance by those of us in Congress. Over the long run, we cannot build an IRS that serves the American people unless we write a Tax Code that the IRS can explain and the people can understand.

This bill takes the first step toward tax reform. The bill does not reform our Tax Code but reforms the way we collect revenues. Reform of the practices of the IRS will make it easier for us to concentrate on the underlying problems in the Tax Code itself.

Our tax system is based on voluntary compliance. More than 80 percent of Americans pay their taxes without dispute. An IRS that can answer taxpayer phone calls and provide accurate, reliable information will help us increase voluntary compliance. For the overwhelming majority of Americans who abide by the law and pay their taxes, the IRS should stand for information, respect, and service. Abuse of collection practices must become a thing of the past. At the same time, the IRS must become a more efficient agency in enforcing laws against those who seek to escape their legal obligations.

Mr. Speaker, the IRS is charged with the vital task of collecting revenues needed to fund the basic and essential operations of Government. When the IRS is mismanaged in the way that it creates fear and anxiety among taxpayers, the result is to undermine the confidence of the American people in their Government. The purpose of this legislation is to reform the IRS so that we can begin to restore that badly damaged confidence.

Today, this body will act in time for the next tax season. The legislation has the support of the administration. I hope the other body will follow the leadership of this House and enact meaningful IRS reform in order to help the taxpayers of this Nation.

Mr. Speaker, I rise in strong support of H.R. 2676, the Internal Revenue Service Restructuring Act of 1997. This bipartisan legislation to reform the Internal Revenue Service builds on the recommendations of the National Commission on Restructuring the IRS, which was chaired by our colleague, Representative PORTMAN and Senator KERREY.

I am very proud to have joined Representative PORTMAN in cosponsoring H.R. 2292, which has had strong bipartisan support in this House. Chairman ARCHER and the Ways and Means Committee took that very good bill and made it better. With strong support in this House and from the President, this bill should move quickly to enactment.

The legislation before us marks the first fundamental reform of the IRS in nearly half a century. It will bring a new structure to the IRS, a structure that is designed to change the way the IRS treats its customers, the American taxpayers.

The problems at the IRS are familiar—billions of dollars squandered on a bungled computer modernization effort, telephones unanswered, taxpayers too often treated with disrespect or suspicion. These problems have not emerged recently—they are not the legacy of one administration, but of decades. These are not the problems of individual employees. In fact, the employees of the IRS have come forward to help us understand the problem, and they have helped us craft the solution today.

This administration, and particularly Secretary Rubin, has been more attentive to the problems of the IRS and more dedicated in seeking solutions than any in recent years. Secretary Rubin has made important changes in the management of the IRS, and those efforts have begun to show results.

But much more remains to be done. Congressional action is needed in order to ensure that reform at the IRS does not depend on any particular individual or administration.

The solution proposed in this bill is the creation of an oversight board that will bring private sector expertise in the areas where the IRS needs it most. The creation of this board, with a real role in the planning and oversight of the strategic plans, major reorganizations, and the budgets of the IRS, is a most important element in bringing reform to this troubled agency. The board is a permanent entity that will provide continuing oversight of the IRS.

IRS reform requires not just a new management structure, involving a partnership between the board, the Secretary, and the Commissioner. It will also require improved performance by those of us in Congress.

Legislative oversight of the IRS is too unfocused, with too many masters and not enough coordination among committees. The bill attempts to bring some order and structure to the current system. Over the long run, we can't build an IRS that serves the American people unless we write a Tax Code that the IRS can explain and the people can understand.

This bill takes the first step toward tax reform. The bill does not reform our Tax Code, but it reforms the way we collect revenues. Reform of the practices of the IRS will make it easier for us to concentrate on the underlying problems in the Tax Code itself.

A big part of the problem with the IRS is the agency's inability to provide taxpayers with accurate information regarding their tax status. This simply has to stop, and this bill will help.

Our tax system is based on voluntary compliance. More than 80 percent of Americans pay their taxes without dispute. An IRS that can answer taxpayer's phone calls, and provide accurate, reliable information, will help increase voluntary compliance.

For the overwhelming majority of Americans, who abide by the law and pay their taxes, the IRS should stand for "Information, Respect, and Service." Abusive collection practices must become a thing of the past. At the same time, the IRS must become a more effective agency at enforcing the law against those who seek to escape their legal obligations.

In addition to the governance and oversight provisions, the bill contains a new set of provisions to be added to the Taxpayer Bill of Rights. The provisions address many problems that taxpayers have encountered in dealing with the IRS, and their enactment will help solve those problems.

I would add, however, that the broader objective of this bill must be to change the culture of the IRS to make it a taxpayer-friendly organization so that future Taxpayer Bills of Rights will not be necessary.

Mr. Speaker, the Internal Revenue Service is charged with the vital task of collecting the revenue needed to fund the basic and essential operations of Government. When the IRS is mismanaged in ways that create fear and anxiety among taxpayers, the result is to undermine the confidence of the American people in their Government. The purpose of this legislation is to reform the IRS so that we can begin to restore that badly damaged confidence.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. PRYCE].

Ms. PRYCE of Ohio. Mr. Speaker, I thank the chairman for yielding me this time.

I rise in strong support of this bill. I congratulate the chairman, and I congratulate also my colleague, the gentleman from Ohio [Mr. PORTMAN], for all the hard work and dedication that he has brought to this issue and, with him, the gentleman from Ohio [Mr. TRAFICANT] who has long championed this cause and kept our feet to the fire.

It should not be difficult to convince any of my colleagues in this body that the IRS needs to be reformed. Each and every one of us provides case work to our constituents, and we have all heard the numerous, tragic horror stories about how the IRS has unfairly treated honest, hard-working taxpayers. I could go on and on and enumerate those stories, but I do not have to; we have all heard the same ones.

Mr. Speaker, no one here is claiming that H.R. 2676 is a panacea for our ailing tax system. It does not abolish the IRS or scrap the Tax Code, as many of our constituents would like. But until we do that, and we will do that, this bill takes a step toward installing a

modicum of fairness into a system for those who are simply forced to comply with the Tax Code's painful provisions.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. CAMP].

Mr. CAMP. Mr. Speaker, I rise in strong support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1997. Our bill boils down to one simple fact—the taxpayer should be treated like a customer, not a criminal. Shouldn't a customer be able to expect an answer from a telephone hotline? Well, the General Accounting Office found that in 1996, only 21 percent of calls to the IRS were even answered. One-half of the 22 percent error rate on paper 1040 forms is due to IRS employee error—IRS employees inputting the wrong numbers and data. If the IRS were a private company, it would have gone bankrupt years ago. H.R. 2676 is an important first step in reforming our tax system. It focuses on three things: first, we shift the burden of proof to the IRS. In the United States, you're considered innocent until proven guilty. But not with the IRS—the taxpayer bears the burden of proving himself innocent. Our bill changes that.

Second, we give taxpayers the right to sue the IRS for damages caused by negligence, and other important rights like protections for an innocent spouse whose ex-husband or ex-wife engaged in tax abuse. Finally, we bring new thinking and a more customer-oriented culture to the IRS, with a private board to give direction and leadership to the IRS.

The bill we are debating today is the first step. The bigger problem is a tax code gone wild, full of complexity and ambiguity. That tax code, with over 17,000 pages of IRS laws and regulations, leads to many of the problems the IRS faces today. With 480 tax forms and 280 forms to explain the forms, its no wonder the taxpayer is often confused. Businesses spend on average each year 3.6 billion manhours filling out and complying with tax forms. American individuals spend 1.8 billion hours filling out tax forms. That is simply unacceptable. I look forward to continuing our work of reforming our tax system.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas [Ms. GRANGER].

Ms. GRANGER. Mr. Speaker, I rise today in strong support of the IRS Restructuring and Reform Act of 1997. This simple proposal will help make the IRS more efficient in its operations and more accountable to its boss, the people.

Recent hearings in the Senate have only confirmed what millions of Americans have always known, the IRS is outdated, out of touch, and out of control. Today we can bring to a vote two simple changes to the way the IRS does business. These are not radical changes. They are reasonable steps toward accountability and fairness.

First, this bill will put an oversight board of citizens in charge of reviewing the IRS. In our system of checks and balances, this is a much needed and long overdue check on the IRS.

Second, this bill will bring the IRS into the American way of dealing with the American people. We all know that our criminal justice system tries to ensure fairness by represuming that the accused are innocent until proven guilty, so why is it the IRS files charges against you or your company, you are considered guilty until proven innocent? In other words, a common criminal is presumed innocent until proven guilty when he has his day in court but the rest of us are guilty until proven innocent in Tax Court. Today we can change this, Mr. Speaker. Let us give the taxpayers the benefit of the doubt and the tax collectors the burden of proof.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. ENGLISH], a respected member of the Committee on Ways and Means.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I thank the chairman for yielding me the time.

It is stunning, but the IRS is the only place in the American system of law where a citizen is guilty until proven innocent. Traditionally, the taxpayer, when notified by the IRS that his tax payments failed, in their view, to satisfy his tax obligation, carried the burden of proof in demonstrating that his tax payment is accurate. The presumption is for the IRS and against the taxpayer. In my view, this is just plain wrong.

This legislation addresses that issue. This legislation, which is based on the recommendations of the Committee on Ways and Means, Subcommittee on Oversight, creates 28 new taxpayer rights essential to restoring to the individuals a sense of fairness in their dealings with the IRS. In my view, the most important of these is a shift in the burden of proof from the taxpayer to the IRS in any court proceedings where factual information is disputed.

Let me be clear about this. The taxpayer is still required to cooperate. The taxpayer is still required to provide the information which is in the taxpayer's control. But those taxpayers who do cooperate and who provide all the necessary information see a shift back in an appropriate way in the burden of proof. From my standpoint, this will dramatically restore fairness in this situation.

Also, H.R. 2676 creates an independent citizen board to hold the IRS accountable for change. The IRS sees a variety of new taxpayer rights, including a right to sue the IRS for negligence, a right to know when you are being audited and why, and expanded rights for citizen spouses.

This legislation is so important to move us forward to change the system, to change the IRS in a way that I think is very fundamental. I support this legislation. I am excited about it. I appreciate the chance, Mr. Speaker, to rise in support of it.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. GREEN].

Mr. GREEN. Mr. Speaker, I thank my ranking member of the Committee on Ways and Means, not only for the time this morning but also for the effort on this piece of legislation. I know it is a very bipartisan piece of legislation because about 2 weeks ago the President agreed to sign onto it. Even before that, there were a lot of Democrats who were interested in the issue, particularly shifting of the burden of proof, cosponsors of a bill by a Democratic Member, our colleague, the gentleman from Ohio [Mr. TRAFICANT].

The bill is a good effort because, one, it transfers the burden of proof to the IRS and again makes it fair for the taxpayer that they would know, going into the Tax Court, that the IRS has to show that someone is actually violating the law on taxes.

Also, I think it is important because the President will continue the appointment of the commissioner. Even though we have an advisory board with some authority, we need to have an elected official. With the President being the one that does it with authority over the IRS, we do not need to delegate that to an appointed board because so often in any level of government, whether it be Federal, State, or even local government, the elected official needs to have the final version, the buck stops at the office of the President. And I think this is good because it leaves that authority in appointing the IRS commissioner with the White House and with the person, whoever the President may be. That is important.

I think because of the hearings in the Senate last week or over the last 2 weeks, again, it is not something new. I know the gentleman from Texas [Mr. ARCHER] knows it, a long time member of the Committee on Ways and Means, knows that this issue will, if we address it today, 2 years from now we may have to do it again. That is the way Government works. We try and correct problems now, and we will fix them again if we have to, whether it be next year or the year after.

That is why Congress is in session, to correct problems for the people that we represent. That is why I think this bill is a good bill. I hope we can pass it both through the House and Senate and get it signed by the President.

Mr. PORTMAN. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota [Mr. THUNE].

Mr. THUNE. Mr. Speaker, I want to thank the chairman of the full committee and the gentleman from Ohio [Mr. PORTMAN] for the hard work that they have done on this important issue.

When this first started being debated, a lot of the liberal cynics out there said that it is just one of those things

that the Republican leadership is doing to drum up support among their base. Then they started hearing the stories, and as more and more of the stories unfolded, people started believing we have a problem in this country with respect to the IRS.

This is a first bold, dramatic step, I think, in what I hope will be a long journey that will end up with reforming the Tax Code, which is at the crux of what our problem is in this country. But this proposal today makes important reforms that, for the first time in 45 years, we are doing something to reform the IRS and giving citizens, the people who have to pay the taxes, more input into this process.

I think it is an important, as I said, first step which allows for more input at the grass roots level for the people who have to abide by the tax laws that we make in this country. I hope it will be the first step in what will be a long journey toward reforming the Tax Code in this country. I am delighted to see the bipartisan support for this. I think that we will pass it with a huge vote and hopefully get on with the business of reforming the Tax Code.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Rhode Island [Mr. WEYGAND].

Mr. WEYGAND. Mr. Speaker, I want to thank our ranking member, the gentleman from New York [Mr. RANGEL], and the gentleman from Ohio [Mr. PORTMAN], and the chairman of the Committee on Ways and Means for bringing this before us.

As a Democrat and as a former small business owner, I can tell my colleagues, the people that are out there for this kind of reform are begging for this reform. This is a wonderful, very prospective, very proactive kind of legislation that will help many people.

I remember many of my colleagues in the small business community talking about the problems they had with the IRS. These are people that are solid citizens, people that are paying their taxes and that, when an IRS agent walks into their office, all of a sudden they become guilty without ever having a chance to prove their innocence. They have to go out there and actually reverse what we have considered for many years the basics of the United States justice system, and that is, you are innocent until proven guilty.

One small business owner came to me and said, an agent came into my office one day unannounced, requested of me to write out a check for $2,000, wanted a copy of the form that I filed with the IRS. And I grabbed all my papers, I put them all together, and I felt awkward in front of all my employees, he said, I had to go down to the IRS office.

When I got down there, I showed them a copy of the form that I had filed on time, I showed them a copy of the check that I had paid with their stamp on the back side, yet they went through that entire record. I felt like a criminal when I was simply just trying to do business the proper way and pay my taxes on time.

This bill will change that. This will make sure that the honest citizen, the citizen that is out there, is going to have a fair chance. It will not give up any of the rights that they presently have under the present jurist system, and it will give them the kind of reform that we need, not because we are Democrats or Republicans but because we are honest people that believe in paying our taxes, but we also believe we should have a fair shake.

I applaud the ranking member. I applaud the chairman. This is long overdue. This is something we all should support. I encourage the support of all my colleagues.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. COLLINS], a colleague of mine on the Committee on Ways and Means.

□ 1215

Mr. COLLINS. Mr. Speaker, I thank my colleague the gentleman from Ohio [Mr. PORTMAN] for yielding me this time and for his hard work in this area of restructuring the IRS.

Since being in Congress for the last 5 years, I have had a lot of inquiries from constituencies about problems they have had and told me about experiences they have had with IRS. Just recently, I held a townhall meeting in Columbus, GA, where we invited in some of the constituency to talk about some of their personal experiences and also to have some input and ideas as to how they felt like the IRS could better handle their situation.

It was a very enlightening townhall meeting, one of the best we ever held. But it was also one that did not come to bash the IRS, it just came with ideas and experiences and some suggestions. We even had an accountant in that talked about the IRS, and not in a bad way, but in a way that he felt would be constructive as we put together this bill to restructure the IRS.

Also, he mentioned the complexity of tax codes and how the complexity of the tax codes also is causing a lot of problems, not only for our constituency, but also for the Service itself that has to administer the collection of funds that we use to operate this Government.

We are taking this from the top down, looking at the management of the IRS and how the management is structured. Hopefully, that will have a change in attitude all the way through the Service, all the way down to those who answer the telephone, oftentimes after going through long steps of different types of answering services to get to a real live person to talk to.

But we have hopes that that attitude will change and that our constituency will be better handled and better served through our representatives at the IRS. Also, as mentioned by several people who were not at the meeting but have spoken to me personally about the IRS and about the employee and the attitude and structure comes the suggestion that we also need to look at how we hire, the hiring practices at the IRS, as well as other areas of the Government, and that we hire people who are competent, who are dedicated to serving the individuals in the constituency and not just hiring people to fill slots.

I fully support restructuring the IRS.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. COYNE], who served on the IRS restructuring committee. He has made such a great contribution to getting this bill to the floor.

Mr. COYNE. Mr. Speaker, I rise today in support of this legislation, which will make important reforms in the operation and management of the Internal Revenue Service.

There is broad consensus on the need for significant changes in the IRS operation and management. The vast majority of the provisions of the McCrery-Portman-Cardin bill are noncontroversial. There has been disagreement, however, about one provision in an earlier version of this bill, and that is whether an oversight board composed primarily of private sector appointees should be given substantial control over the agency and the IRS Commissioner, himself or herself.

Negotiations between the administration and Congress over the past few months produced a compromise in which the President retained the authority to appoint and fire the IRS Commissioner and in which the oversight board and the administration would each submit an IRS budget to Congress.

As a result of these changes, H.R. 2676 was reported out of the Committee on Ways and Means with broad bipartisan support. I want to commend Secretary Rubin and the members of the Committee on Ways and Means for all of their hard work on legislation over the past few months.

I believe that this bill, if enacted, taxpayers will experience a fairer, more efficient and more responsive IRS in the coming years. I urge support for H.R. 2676.

Mr. Speaker, I rise today in support of this legislation, which will make important reforms in the operation and management of the Internal Revenue Service.

When I was appointed to the National Commission on Restructuring the IRS, I was well aware of the problems at this agency. As a member of the House and Ways and Means Committee, I had sat through many hearings on IRS reform over the years. There was, in fact, a very broad consensus among Ways and Means Committee members and members of the IRS Restructuring Commission on the need for significant changes in IRS operations and management.

We all agreed on the need for greater flexibility linked with greater accountability, as well as greater reliance on outside sources of expertise and technological know-how. The vast majority of the Commission's recommendations reflected this broad consensus.

There was disagreement among Commission members, however, about one recommendation in particular—whether an oversight board composed primarily of private sector appointees should be given substantial control over the agency and the IRS Commissioner. The majority of Commission members supported creating a board of directors that would have the authority to hire and fire the IRS Commissioner, and which would approve the agency's budget and strategic plans. A number of Commission members, myself included, thought that such a change would have the unintended effect of actually reducing the accountability of the IRS. We also believed that investing the authority over the IRS budget and strategic planning in a board dominated by private sector individuals could raise serious questions about conflicts of interest between board members public responsibilities and their private sector employers' interests.

As the legislation introduced by Senator KERREY and Representative PORTMAN, which reflected the Commission's recommendations, was considered by the Ways and Means Committee, public discussion of this bill focused on this one controversial provision in the bill—the issue of what authority the oversight board should have. The vast majority of the provisions in the Kerrey-Portman bill were noncontroversial.

Negotiations between the administration and Congress on the powers of the oversight board continued almost until the Ways and Means Committee markup of this bill began, but these negotiations eventually produced a compromise in which the President retained the authority to appoint and fire the IRS Commissioner, and in which the oversight board and the administration would each submit an IRS budget to Congress. As a result of these changes, H.R. 2676 was reported out of the Ways and Means Committee with broad bipartisan support.

I believe that enactment of this legislation will improve IRS operations and management significantly. The bill contains a number of important provisions, including language expanding congressional oversight and measures intended to promote electronic filing of tax returns over the next 10 years. The bill also includes a taxpayers' bill of rights section which contains a number of provisions to prevent or discourage abusive behavior by IRS employees, to clarify and codify the protections available to taxpayers in proceedings with the IRS, and to provide relief for innocent spouses of tax cheats.

In closing I want to make one additional point. In the course of debate over this legislation, many Members have succumbed to the temptation to bash the IRS. I think that such attacks are unfair, inappropriate, and irresponsible. Clearly, there have been problems at this agency, but it is important to point out that the IRS Restructuring Commission found no evidence suggesting that those abusive practices were widespread—or even very common.

The IRS is responsible for enforcing the compliance of more than 100 million taxpayers with a complex Tax Code. The agency processes over 200 million forms a year and administers gross receipts of roughly $1½ trillion. The congressional hearings on IRS abuses produced 2,000 claims of IRS excesses nationwide. While no abuse is acceptable, I think that we need to look at these cases in the context of the agency's overall performance, which is impressive. Our income tax system relies on voluntary compliance. Our compliance rate is over 80 percent. We have the lowest effective tax rate of any of the major industrialized nations. I think that those facts should be considered as well.

Finally, to the extent that the IRS went too far in certain cases in seeking to maximize revenue, we should not place all of the blame on the IRS. Congress has, in no small way, pressured the IRS to maximize revenues—and Congress has insisted that IRS adopt the types of performance measures that apparently drove IRS field offices to excess in certain circumstances. In the end, Congress must tell the IRS how it should balance the often competing concerns of productivity and fairness.

I want to commend Secretary Rubin and Representatives PORTMAN, JOHNSON, and RANGEL for all of their hard work on this legislation over the last few months. I believe that if this bill is enacted, taxpayers will experience a fairer, more efficient, and more responsive IRS in the coming years.

I urge my colleagues to support H.R. 2676.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. MCCRERY], a member of the Committee on Ways and Means.

Mr. MCCRERY. Mr. Speaker, I rise today to do two things. No. 1, praise the IRS Reform Act that we will pass today; and No. 2, tell my colleagues and the country that, while this is certainly a good bill, it will offer only slight relief from the burden that the real culprit, our Tax Code, places on our people and their work.

First the praise. This is indeed an excellent piece of legislation constructed by two of the most able members of the Committee on Ways and Means, the gentleman from Ohio [Mr. PORTMAN] and the gentleman from Maryland [Mr. CARDIN], and the gentleman from Texas [Mr. ARCHER], our excellent chairman.

This legislation will make the IRS more accountable by creating an independent oversight board. It would also establish several important taxpayer rights, such as the ability to sue for legal fees when the IRS is wrong and shift the burden of proof in tax court from the taxpayer to the IRS. Finally, this legislation includes measures to ease the transition to electronic filing of taxes, thus relieving some of the burden on small businesses.

Mr. Speaker, the admonition is that this is not enough. As long as we have the complex Tax Code that we have, no amount of IRS reform will be sufficient to relieve the costly burden of compliance. Let me share with my colleagues a few numbers.

Thirty-six. That is the number of times the paperwork received each year by the IRS would circle the Earth. Five and a half million. That is the number of words in our Tax Code and the regulations. It is nearly seven times longer than the Bible. Five billion, 400 million. The number of hours Americans spent complying with Federal tax forms. One hundred fifty-seven billion. That is the number of dollars spent by the private sector to comply with income tax laws.

Mr. Speaker, I am glad we are going to pass this badly needed IRS reform bill. It is a great piece of legislation. But, Mr. Speaker, we ought not to leave here today thinking that we have done all that needs to be done to relieve our citizens of the crushing burden our current tax system places on them. That burden will not be lifted until we throw the Tax Code in the trash can and start all over, until we create a fairer, simpler tax system for everyone.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds to respond to the previous speaker.

I want to agree with him that this Tax Code that we have is very complicated, and I think that not only taxpayers, but people on both sides of the aisle would like to do something with it. But he should be reminded that, for the last 3 years, his party really has been in charge of the Tax Code. So I hope he is proud of what they have produced during these 3 years. And every Democrat would like to join with him in trying to reform it.

Mr. Speaker, I yield to the gentleman from Tennessee [Mr. TANNER].

Mr. TANNER. Mr. Speaker, I want to thank the gentleman from Texas [Mr. ARCHER] and the gentleman from New York [Mr. RANGEL] and the gentleman from Ohio [Mr. PORTMAN] and the gentleman from Maryland [Mr. CARDIN] and others who worked so long, and I want to thank the gentlewoman from Washington [Ms. DUNN] in a few minutes.

But let me just say at the outset that the tax man has been and will continue to be an easy target since Biblical times. The fact is that the function of the IRS is necessary. Its sole purpose is to collect taxes. No one likes to pay taxes, so their anger is projected upon those who do the collecting.

We have to have taxes to fund the vital and necessary functions of the Government, defense, interstate highways, food inspection, public health, FAA, and other missions that only the Government can and must do for all of us. We cannot change the function or the nature of the work the IRS performs, but we can change the approach.

The IRS has not been reformed in over 40 years. Currently, it seems to many of us, that the emphasis of the IRS is on collection at all costs by any means necessary. As a result, the IRS

is antiquated, less responsive, more aggressive with a persona akin to private-sector collection agencies. The IRS needs a makeover to reshape their image, and they need fresh, new, innovative ideas and new vision. We seek to do that today.

We need to transform the IRS from a collection agency to a taxpayer customer-oriented agency which values individual taxpayers and citizens and treats them with respect and dignity and not just as a number.

To accomplish this, many of us believe we need to look to the private sector for vision and direction. This bill accomplishes that objective. Also, included in the measures are an expanded taxpayers bill of rights, which the gentlewoman from Washington [Ms. DUNN] and I introduced to end fishing expeditions, curb IRS summons authority to provide greater protection for taxpayer information, and to require the IRS to demonstrate just cause to pursue an audit.

Mr. Speaker, I urge support for H.R. 2676.

Mr. PORTMAN. Mr. Speaker, I yield 30 seconds to my friend, the gentleman from Louisiana [Mr. MCCRERY].

Mr. MCCRERY. Mr. Speaker, I just want to use 30 seconds to respond to my friend the gentleman from New York [Mr. RANGEL], who pointed out that Republicans have been in control for the last 3 years.

That is true. Democrats were in control for 40 years prior to that, and most of the complexity was built under their tenure. However, I do hope that the gentleman from New York [Mr. RANGEL] will join with me and others who agree that the Tax Code is too complex and promote overall tax reform for this country. It is in all of our interests to do that.

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

We are trying desperately hard to keep partisanship out of this. But if it is going to take my colleagues 37 more years to simplify the tax system, then I do not think the taxpayers are going to get much relief.

It just seems to me that it should not take 3 years to get what we would want done and it would be more like 3 months. So let us say next year we are going to do it, we are going to come up with something and in a bipartisan way work together with the way the gentleman from Ohio [Mr. PORTMAN] has found so easy to work with we Democrats on this bill.

Mr. Speaker, I yield 1½ minutes to the gentleman from North Carolina [Mr. ETHERIDGE].

Mr. ETHERIDGE. Mr. Speaker, I thank my friend the gentleman from New York [Mr. RANGEL] for yielding me the time.

I rise today in support of this bill to reform the IRS service. I want to thank my friend the gentleman from New York [Mr. RANGEL], the gentleman from Maryland [Mr. CARDIN] and the gentleman from Texas [Mr. ARCHER] for their leadership in this important issue.

When the people of the Second District of North Carolina sent me to this body, they wanted an advocate, someone who would stand up for them in the people's House. And I am pleased to support this piece of legislation on behalf of the people of my district. Working families in North Carolina and across this country face enough challenges in their lives without the added burden of the things we have heard about in recent months of certain members of the IRS who are out of control. If a criminal has a right to be presumed innocent before the courts, so should the American taxpayers.

The Congress has taken a strong bipartisan step forward in working for American families and can do it by enacting the first comprehensive reform of the IRS since 1952. The IRS reform bill, H.R. 2676, is based on an aggressive 3-point plan, which shifts the burden of proof from the taxpayer to the IRS, creates 28 new taxpayer rights, and overhauls the management of the agency through the creation of an independent board.

Mr. Speaker, I would urge Members on both sides of the aisle to move forward for the hard-working families of America.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN], who added some valuable provisions in the taxpayer rights section of this legislation.

Ms. DUNN. Mr. Speaker, I must say we are delighted that in only 3 years of holding the majority, we have been able to put together a bipartisan piece of legislation that shows real listening to our constituents and results in upgrading and making much more positive the IRS.

Throughout my tenure in Congress, I have heard from thousands of constituents who have talked to me about numerous problems they have had with our system of taxation and particularly with the IRS. The theme has been the intrusive and sometimes abusive interference of the Internal Revenue System when taxpayers were only trying to be honest.

One of my constituents, Mr. Speaker, was told by the IRS that his wife was dead even though he produced his wife and her doctor before a local IRS agent. Another constituent, a local businessman, was forced to undergo a costly, long-lasting audit by the IRS because of a supposed discrepancy of 65 cents, only to find out that the IRS was wrong.

This agency operates too often, Mr. Speaker, under the belief that taxpayers are trying to cheat the Government. The bill that we propose today is the first step in providing citizens greater tax fairness, protections from the abuse of the IRS. Our bill includes provisions proposed by the gentleman from Tennessee [Mr. TANNER] and myself for an increased confidentiality protection for taxpayers and for the tax advice that they receive from their advisers. Currently, the IRS can subpoena even the thought process of a taxpayer unless that taxpayer is represented by an attorney.

Our bill also reins in the lifestyle audits that can currently be initiated by something as simple as a new car in the driveway unless there is reasonable indication of unreported income. So no more fishing expeditions.

Mr. Speaker, while the language in the bill is not as broad as we proposed, and in our particular proposals the gentleman from Tennessee [Mr. TANNER] and I will continue through this bill into the next year to ensure that every taxpayer is afforded confidentiality protections currently enjoyed by only those who can afford attorneys and those who through this new legislation can afford an accountant.

We intend to make it clear to the IRS and the courts that Congress does intend for them to be limited to the scope of their information gathering ability. I encourage support of this bill.

□ 1230

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. STRICKLAND].

Mr. STRICKLAND. Mr. Speaker, I was walking down the sidewalk in a small town in my district recently, and an older woman in a wheelchair called to me. I went over and sat down and talked with her for a while. During the course of that conversation, she said to me, "Congressman, I wish you would just chew up the IRS and spit it out." I asked that sweet, gentle, older woman why she felt as strongly as she did, and she said, "I believe the IRS contributed to my husband's death because they hounded him," and she said, "It didn't bother me as much as him because I'm a tough old bird."

I walked away thinking that it is sad that any American would ever feel that way about an agency of our Government. And so I came to the floor today mostly to say thank you to my Ohio colleague [Mr. PORTMAN] for all the work he has done on this. I know many have worked on this legislation. This may be the most significant piece of legislation directly affecting the lives of American citizens that this Congress deals with.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HERGER], a member of the Committee on Ways and Means.

Mr. HERGER. Mr. Speaker, today I rise in strong support of H.R. 2676, the IRS Restructuring and Reform Act. In town hall meetings throughout my northern California congressional district and wherever I go, I hear from

taxpayers who are fed up with IRS abuses and who are demanding Congress to take steps to reform this agency. Today we move forward with strong bipartisan legislation that will not only reform the way the IRS does business, but will also restructure the agency to help assure that taxpayers are better protected from IRS abuses in the future.

This legislation makes a number of important changes. First, it shifts the burden of proof from the taxpayer to the IRS in disputed tax cases that reach U.S. Tax Court. No longer will taxpayers be considered guilty until they are able to prove themselves innocent.

Second, this bill expands taxpayer rights by providing citizens 28 new legal protections against the IRS. When taken together, these 28 new taxpayer rights will shift the IRS's primary focus from heavy enforcement to customer service.

Finally, this bill will establish a more accountable IRS oversight structure. This new board, which will bring to the IRS outside expertise, will assist in fundamentally changing the culture and management of the IRS.

The gentleman from Texas [Mr. ARCHER], the gentleman from Ohio [Mr. PORTMAN] and the gentleman from Maryland [Mr. CARDIN] are to be commended for their efforts on IRS reform. I would urge my colleagues to support this common-sense yet long overdue legislation.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA], a member of the Committee on Ways and Means.

Mr. KLECZKA. Mr. Speaker, I thank the gentleman from New York for yielding me this time to speak on the IRS Restructuring and Reform Act of 1997. As a member of the Committee on Ways and Means, I was pleased that we were able to formulate a bipartisan bill that will benefit all American taxpayers.

I must say that I have had several conversations with the gentleman from Maryland [Mr. CARDIN] and also the gentleman from Ohio [Mr. PORTMAN] on the bill, and I was quite surprised that we were able to work together to come to this day.

One of the most difficult hurdles in formulating the legislation was determining the structure and responsibilities of the oversight board. I had strong reservations and concerns about the IRS Restructuring Committee's recommendation that the board made up of private individuals have the power to hire and to fire the IRS commissioner. Fortunately, a workable compromise was made that gives the oversight board significant input into the workings of the IRS, but keeps the appointment of the Commissioner in the hands of the President.

This bill also contains some important provisions protecting the rights of taxpayers. For example, innocent spouses will now have an easier time of attaining this protective status. In addition, attorney/client confidentiality privileges are being extended to protect taxpayers who choose to confide with their certified tax preparer, their certified public accountant. Finally the burden of proof for taxpayers who cooperate in IRS proceedings will now fall to the IRS should the case go to court.

These are some of the changes that should make dealing with the IRS much easier. Today we are moving forward with the legislation that sends a strong message to all our constituents. We have heard your frustrations with the IRS, and we are taking actions to right these wrongs.

Mr. PORTMAN. Mr. Speaker, I enjoyed working with the gentleman. We did have a lot of good, constructive conversations, and the gentleman helped to make it a better bill.

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

Mr. PAUL. Mr. Speaker, I rise in support of this legislation. It is a step in the right direction. Get rid of the Code, get rid of the IRS, and get rid of the income tax.

Mr. Speaker, I rise in tepid support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1997. As most recently evidenced by Senate hearings, taxpayers across the country are clamoring for real reform. Yet, instead of delivering genuine reform, the Congress delivers an Oversight Board made up, in part, of experts from the fields of management, customer service, Federal tax laws, and information technology—in other words, more guards to oversee the watchdogs.

I can support this bill because it partially shifts the burden of proving guilt from the taxpayer to the Government. Innocent until proven guilty is a tenet that permeates any free society but has somehow been ignored with respect to the Internal Revenue Service's imposition of criminal penalties. Additionally, this bill makes political audits by executive branch officials felonies punishable by fine and/or imprisonment.

While these small steps are laudable, in light of the massive nature of the problem, the complexity of the Tax Code, and the oppressive nature of the excessive taxation under which we are currently so heavenly burdened, this bill is but token reform. The current taxation problem is rooted in the excessive spending by Government resulting from a bad case of congressional activism under which the legislative body has repeatedly overstepped it's article I, section 8, constitutional powers.

No one likes to pay taxes—almost. The large majority of people in any society enjoy the benefits that come to them through Government programs, yet, essentially no one likes to have their taxes increased, believing they are always on the short end of receiving benefits in return. And this of course is true. The most people never get back what is taken from them in the form of taxes.

Oliver Wendell Holmes, however, was different. He claimed he likes to pay taxes saying: "I like to pay taxes. With them I buy civilization." In a more famous quote, Holmes said: "Taxes are what we pay for civilized society." A more accurate statement might be that taxes, especially if collected with the tactics of the IRS, are what permits Governments to act in a most uncivilized manner.

Teddy Roosevelt, during the Progressive era, 1902, appointed Oliver Wendell Holmes, Chief Justice of the Supreme Court, a time during which the ground work was laid for the modern welfare state later promoted by Teddy's cousin FDR. And it was not too many years after the appointment of Oliver Wendell Holmes to the Supreme Court that these progressive ideas led to the establishment of the income tax, the IRS, and an equally threatening organization, the Federal Reserve.

Frank Chadorow had a much better understanding of what the income tax meant. "Income taxation is in principle the worst of all forms of taxation because it begins by asserting the prior right of the state to all wealth." This principle can be applied to almost all taxes. A tax on inheritance could be considered even worse since we accumulate property and capital often with after taxed money. Since all taxes are essentially a tax on productive effort, whether it be corporate tax or even a sales tax, this principle is certainly accurate when the revenues are used for redistributive purposes.

I see nothing wrong with the slogan "taxation is theft," when the revenues are used to transfer wealth or privilege from one group or person to another. In spite of all the talk in recent months regarding the method of taxation and the abuse by the IRS these basic principles are not being discussed. There has been too much emphasis placed on the taxing process rather than the philosophical principles that not only endorse but encourage an abusive tax system.

The recent Senate hearings on IRS procedures however were very beneficial in that they were reported by the major media and confirmed what most Americans suspected. Probably the most outrageous confirmation was that IRS agents did confess to a deliberate policy directed toward the weak and the poor to intimidate and make examples of them. Agents testified that the wealthy and the sophisticated were generally left alone because they were more capable of defending their rights. This is an outrage that should not be forgotten and should be used as a strong motivation to eventually do something about our tax system.

The fact the some citizens have even committed suicide over the pressure of facing the tax collectors is something that should not ever happen in the civilized society that Holmes claimed we were paying for. Thousands of Americans are quite willing to pay the penalties and excess tax without challenging the Government even when they know they are right because the emotional and financial penalty of fighting the IRS is too great.

For the last four decades it has become known to most Americans that both Republican and Democratic administrations have been willing to use the IRS, and for that matter other regulatory agencies, to punish their

political enemies. It seems that the current administration has refined this technique to near perfection. It has been quite willing to attack, through the Tax Code, those foundations and groups that oppose Clinton's policies while ignoring the friendly ones.

If we indeed lived in a truly civilized society individuals would be willing to come forth and reveal the Government's atrocities against its own people instead of choosing to hide their identity. The fact that IRS agents are hidden behind screens makes one think that they believe they belong to an organization such as the Mafia and if discovered they themselves would become a victim. It reminds me of the horrible pictures that we see of our FBI, BATF, and DEA agents making questionable raids on private citizens with stocking caps over their heads. In a civilized and free society, Government agents would act as our servants and not convey an appearance of a criminal element. But, nearly two decades ago Milton Friedman asked "When you sit across the table from a representative of the IRS who is auditing your tax return, which one of you is the master and which the servant?"

In light of recent revelations the administration was quick to defend the IRS and explain the need for a strong collection agency. What else could we expect? However, even the administration senses that the public is on the verge of revolt and quickly added that certain reforms would be necessary. Reforms suggested by the administration included an advisory board, of course without clout, as well as making sure the IRS offices were kept open for longer periods of time including Saturdays. The advisory board would be used to advocate suspensions of seizure of property when appropriate. Sure. When an agency of Government is acting outside the law, i.e., the Constitution, while continuously making numerous errors, then expanding their hours seems to me to only compound our problem, not reduce them. Though I'm sure some Americans will see this as a positive for the administration, hardly will this do anything to help the problem.

Even the Republican proposal to have a private board with more clout doesn't address the real problem. And another Taxpayer's Bill of Rights won't help either. If a private board is being appointed, what would keep the establishment from appointing friendly people to the board? I can't see where this would be any different from the IRS being supervised by political hacks from the Treasury Department. This whole notion that better service can be given to the taxpayer is a bit preposterous. The fact that we call this the Internal Revenue Service is an obvious misnomer. How can an agency of Government that sets out to confiscate our wealth provide a service to us? It is just as preposterous to refer to victims as customers. Taxpayers are no more customers of an organization providing a service than the man in the moon. This type of wording is nothing more than the newspeak of which Orwell wrote. So far the reforms advocated by the administration and the Congress will do nothing to solve our long-term problems.

Other more serious reforms have been suggested, such as eliminating the current Tax Code and replacing it with a flat tax or a national sales tax. Both of these proposals come up far short of dealing with the real problem. Supporters of both proposals never touch the problem of the Social Security, Medicare, flat tax of 17 percent which not only is here to stay but will surely rise. Since these programs are sacred no one can suggest that something should be done about them. But in reality, as I have mentioned before, the Social Security and Medicare tax is an income tax that is used for general revenues as the trust funds are nonexistent.

When one adds the tax that the employer and the employees pays, which is the real labor cost, each individual is paying 17 percent of their income up to $65,000, which is a truly regressive income tax. If a flat tax of 17 percent is added we are immediately at 34 percent and rising. With a flat tax this high and with removal of tax exemptions for everything, and especially our donations as well as our interest on our houses, we are actually setting the stage for a much higher tax rate which will make no one happy. Sure, there might be a little less difficulty figuring out the code, a cost in and of itself, but if one can save some money by having a complex code this could actually be better than a simple code where we are forced to divvy up more to the welfare state. Besides, the flat tax that is proposed has exemptions for low income so immediately it is a flat tax after a certain amount thus it is in reality a graduated tax. Businesses would still have to deduct the expense of doing business prior to reporting their profits.

A national sales tax has also been bantered around as an alternative to the income tax. Where it too has some advantages, reducing the effects of the complicated Tax Code and making filling out our tax returns easier, it also has many short-comings. First, nobody knows precisely what rate would be require to pay all the bills. Some have suggested 15 percent, others believe it will be over 30 percent, which I am inclined to believe. The reason it's impossible to calculate is that at a certain level of taxation there will be a motivation to avoid the sales tax by expanding the underground economy.

The argument is made that the sale tax is a good way to collect revenue because those who are ducking taxes like the drug dealers and other criminals will be forced to pay the sales tax when they buy luxury items. There is nothing automatic about that assumption. Besides, IRS agents, who may be called something else, will be required to monitor every small business and every small profession to make sure that the revenues are collected and deposited in the Treasury. I can imagine that many small businesses and entrepreneurs working at home will have every bit as many records to fill out as they do now with their tax return. Obviously, reforming the tax collecting system to make productive Americans happy is much more difficult than meets the eye. Many Americans and Washington politicians are overly optimistic about changing the method of collection as the solution to the problems we face with our over exuberant revenuers.

Changing the collecting system, if the goal is to pay the bills and avoid a deficit, does nothing to solve the real problem of disenchantment with Government and the disgust with high taxes as well as with the prodding Federal bureaucrats who invade every aspect of our lives.

What is really upsetting most productive Americans is the fact that they have to work until July 3, before they get to keep any of their earnings for themselves. It's ironic that July 4th is our first day of independence from all taxation. This does not even take into consideration the inflation tax, i.e., the loss of value of our purchasing power, as our Government continues to diminish the value of the dollar.

The inflation tax is something that is much more difficult to understand and yet is the tax of last resort of all authoritarian governments. We are now at the point where the American people are starting to rebel against any increase in taxation. In spite of the fact that we cannot pay our bills we were actually able, for political reasons, to make a token cut in some taxes last summer. This still did not prevent our Government, acting through the Federal Reserve, from creating new credit when necessary thus diminishing the value of the money already held. On this tax, however, because it's difficult to see and the victims harder to find, the measurement is elusive. For this reason I am predicting that when push comes to shove with the budget it will be the ultimate tax used on the American people in an effort to continue to finance the welfare/warfare state. The real tragedy of this is that perceptions of the value of the dollar make it almost impossible to predict who the victims are going to be and when the value of the dollar will suddenly change. For instance it was quite clear when the recent devaluation hit the Mexican Peso it occurred suddenly and sharply and the victims were the middle-class and the poor throughout the country. But it was not gradual, steady and logical because the inflation tax frequently comes in sudden bursts.

The attention that token reforms are getting today, whether it be reforming the current system and devising a friendlier IRS or talking about a flat tax or a sales tax, actually is more of a distraction than a constructive debate. I am not saying this is intentionally done or of no value but I think that is the result of the current discussion.

The reason for this is that fundamentally and foremost it's not a tax problem we face. The basic problem confronting us as a country is a spending problem. Concentrating only on taxes, which is okay to a degree, avoids the subject of the size of government and the reason why the Government spends so much of the Nation's output. If we concentrate only on taxes and we avoid the subject of the role of Government and why the Government wants more of our money, we cannot and will not solve the problem. The goal ought to be to shrink the size of government and lower taxes. As bad as the income tax is on principle, an income tax of 3 percent on all money earned would not cause a tax revolt and most Americans would voluntarily pay their taxes. Even a national sales tax of 5 percent would not prompt a hue and cry over the tax system. The problem, of course, is that the Government is spending way too much money and there is no serious effort to cut back.

Recent budgetary efforts in Washington indicates that there's not much chance that the current Congress is going to do anything about cutting back. The welfare state is alive and well. Even the National Endowment for

the Arts could not be cut, Clinton's health program is being implemented by the Republican Congress, public housing money is increasing, and just recently, in our Education Committee, a Republican proposal supported by Democrats to increase national educational expenditure for the purpose of promoting charter schools was easily passed, although it authorized a new $100 million program.

As long as this attitude prevails on the spending side, Saturday morning hours for the IRS and keeping telephone lines open 24 hours or having a review panel or instituting a sales tax or a flat tax will do nothing other than delay the serious discussion about reducing the role of government in our lives, in our economy and in the world at large.

Supply side economics pushed by many during the 1980's argued strenuously for lower tax rates with which I agreed. But the goal of the supply siders was merely to stimulate the economy so that higher revenues would flow to Washington—a bad motivation. It is possible that with a lower tax rate the economy would pick up but if the result was higher tax revenues, these revenues should be used to further cut taxes not increase expenditures. At the same time the supply siders were pushing the lower tax rates for the purpose of increasing revenues, they were advocating higher and higher budgets for the IRS to enhance the ability of the tax collectors. The Reagan administration was quite receptive to this principle believing that if a $1 billion in additional funds was given to the IRS it promised to produce $17 billion more in revenues through the process of harassment, intimidation and audit. Even this year the Treasury bill appropriation, which contained the pay raise for the Members of Congress, had an increase in the IRS budget of 9 percent giving them an increase of more than a half billion dollars to do exactly what they have been doing for decades. So, in the middle of the hearings on the Hill revealing the outrageous tactics of the IRS, and at the same time the politicians were propagandizing for tax reform, the large majority of Democrats and Republicans were voting for a huge increase in the IRS budget to continue the very process they were publicly condemning.

Today the atmosphere in Washington can be described as deceptively optimistic. Many of those who were preaching cutbacks and austerity a few years ago are claiming great victories with the accomplishment of a balanced budget. This budget is not balanced regardless of what the politicians are saying. Last year's national debt went up nearly $200 billion when the funds taken from the trust funds are considered. Members are actually sitting around figuring out how to spend the excess they expect over the next several years. What they don't understand is that their projections of our future spending habits, the tax revenues, interest rates, and the state of the economy are unknown to them and quite frankly are going to be a lot different than their optimistic projections.

All taxes are extracted from the productive effort of the people. Whether the tax comes through an income tax, a sales tax, an inheritance tax, a school tax, property tax, or whatever, this is the method whereby the state confiscates the productive effort from the people. Governments produce nothing. All governments can do is use force to redistribute wealth and pay off their political cronies. The name of the game is power. Power is achieved by the politicians through the control of people's income through a taxing system as well as manipulating the value of money. As Chief Justice John Marshall said: "The power to tax is the power to destroy." It is not just a coincidence that those who introduced us to the welfare state, the Progressives of the early 20th century, believed both in the power to tax as well as the power to inflate.

In our relatively free society where productive efforts still exist and a profit motive remains, big government programs can be tolerated and funded for long periods of time. But as time goes on the productive ability of corporations and individuals is diminished as are all our freedoms for personal freedom cannot long exist without economic freedom. Today, we are living under conditions which encourage the export of capital and the exporting of jobs while encouraging the immigration of individuals who will do quite well living off our welfare state. In spite of the euphoria now being expressed in Washington, at the height of our so-called recovery, the conditions are set for soon recognizing that productive efforts are being impeded by our tax and regulatory system and there has been absolutely no serious intent to change our spending habits. The welfare/warfare state is moving briskly along and is being encouraged by the deceptive pronouncements that our budget is balanced and all we need to do is change the method by which we collect revenues.

We do not have a technical problem or an IRS code problem. We have a problem in defining the proper role for government. As long as the majority of the American people still believe it's in their best interests to have a government that redistributes wealth and polices the world, this crisis will continue to build. A proper sized government would require minimal taxes and would be designed for the protection of liberty and equal justice for all. We have come a long way from those intentions of the Founders of this country, but we'll soon face a crisis of confidence and be forced once again to decide for ourselves just what kind of government we want and how much government will tolerate. Let's hope and pray that those of us who believe in limited government and maximum individual freedom will use the events of the coming years to promote the cause of liberty and not just tinker with the Tax Code. When that day comes the big tax debates will probably be: should we have a 5-percent import tax or a 10-percent import tax and we will not be dealing with a Federal income tax nor a Federal sales tax at all. Moreover, we will not be concerning ourselves with triffling reforms of a revenue agency which harasses our people and eats out our substance. Let us hasten that day.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. HAYWORTH], a member of the Committee on Ways and Means.

Mr. HAYWORTH. I thank the gentleman from Ohio for yielding me this time.

Mr. Speaker, I have heard from many of my constituents, but this morning I heard from an Arizonan who made an indelible impression and really brought a face to this debate, Mr. Speaker. His name is Bob Brockamp. Bob's grandfather, Stan McGill, at age 93 several years ago made a mistake in writing a check to the Internal Revenue Service. He meant to write a check, Mr. Speaker, for $700. He added an extra zero. $7,000. Other merchants and other entities with whom Mr. McGill had dealt understood that he was having problems. Indeed, he was in the stages of Alzheimer's disease, and they would say, "Obviously there's been a mistake in his remittance, we're sending back a significant portion of that money." Just about every business he dealt with caught that mistake, but the IRS, when it received a check for $7,000, kept the money.

Mr. McGill passed away. Bob's mom received basically a threat from the Internal Revenue Service. Even though her late father had paid $7,000 more than he owed, the Internal Revenue Service said to Mrs. Brockamp that his estate owed $1,000, and she should pay it if she wanted to keep her home and personal property.

The Brockamps tried to fight this in court. They took it all the way to the Supreme Court. The Supreme Court ruled 9 to 0, "Gee, Brockamps, you might be right on this morally, but you're incorrect legally because the statute of limitations has run out."

Mr. Speaker, one of the many great things we do in today's legislation is to change the statute of limitations, indeed to remove the statute of limitations or suspend that statute for those taxpayers who are mentally and/or physically disabled and unable to understand what they were doing. Sadly, it will not help Stan McGill, but it will help thousands of senior Americans across the country. Support this legislation. Let us make a move positively for America.

Mr. RANGEL. Mr. Speaker, we would not be talking about burden of proof if it were not for the tenacity of the gentleman from Ohio [Mr. TRAFICANT]. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. TRAFICANT].

The SPEAKER pro tempore (Mr. PEASE). The gentleman from Ohio [Mr. TRAFICANT] is recognized for 5 minutes.

Mr. TRAFICANT. Mr. Speaker, I want to commend the Republican Party, the gentleman from Texas [Mr. ARCHER], the gentleman from Georgia [Mr. GINGRICH], the gentleman from Ohio [Mr. PORTMAN], and also along with the gentleman from New York [Mr. RANGEL] and the gentleman from Maryland [Mr. CARDIN] for this great bill. This is a great day. I want to also commend the Republican Party for beginning the dialog to change the Tax Code.

By the way, I would like to see us reduce income taxes in half and couple it with a small sales tax, require a two-thirds vote to increase it, and exemptions for poor people.

But let me say this today. In America, an American citizen accused shall be considered innocent until proven guilty, and the accuser shall carry the burden of proof in that matter. Where, ladies and gentlemen, in God's name have the bureaucrats been able to seduce Congress over the years to change that provision? If it is good enough for mass murderers, it should be good enough for Mom and Dad, our taxpayers.

I come to the floor here today because I know the White House has not signed off on this last provision. The Secretary of the Treasury questions its revenue impact, and the other body still has some reservations. I want the gentleman from New York [Mr. RANGEL] to imagine if we could travel back in time with all this technology, that Members of Congress decided to go to Philadelphia and look into the Founders. Mr. Madison leans over to Mr. Jefferson, he says, "Great stuff here, isn't it, Tom?" And Jefferson says, "Great day. Aptly named the Bill of Rights, Mr. Madison. Do you agree, Ben?"

Ben Franklin says, "Hey, don't let it be written that Ben Franklin's not for this." Freedom of religion, freedom of speech, trial by a jury of our peers, no search warrant without seizure. A great day. "Do you agree, Mr. Hancock?"

"I think it's great, but I think we should run it by George. Mr. Washington?"

"Fellows, this is great, but what is it going to cost? What are the revenue impacts? We better hire some accountants and score it."

Unbelievable. We know George Washington never said that. The House of Representatives must insist today to put the Bill of Rights back in the Tax Code of the United States of America because if it was up to the IRS, they would score the Bill of Rights, and, by God, we would not have it.

Those IRS workers are not demons. We have created a monster. Most of them are good people. But in America the people govern. It is time to take our Government back. Today's vote is the most important vote we will cast in that whole process.

I thank the gentleman from Ohio [Mr. PORTMAN] for working hard to include my provision in this bill. I want to thank the gentleman from Georgia [Mr. LINDER], the gentleman from Georgia [Mr. COLLINS], the gentlewoman from Washington [Ms. DUNN], all of you.

Let me say this before I close out. I am not on a first-name basis with anybody at the White House, but I will make a house call over this provision that I have worked for for 10 years. Some 98 percent of the American people understood it and supported it.

I am glad to see there is no partisanship here today. The gentleman from New York [Mr. RANGEL], one of the most qualified Democrats we have ever had on Ways and Means, was not in the position to take a stand on the Traficant provision. But I am going to compliment the Republican Party here today for swallowing hard and including my provision. I know it was not easy. I know there are still some words in there that I am not totally crazy about, and they know that as well. But we can ratchet down the beginning, and I am hoping that next year after a track record of the burden of proof language change, you will consider two things from JIM TRAFICANT: Cleaning up that language on burden of proof which can be improved; and, second of all, dealing more specifically with the seizure practices of the IRS and look at the Traficant provision that says before they can seize your property, they must have judicial consent, you must have a notice of a hearing, and you shall be present and allowed to be represented at such hearing.

But let me tell you what. No one is going to be totally satisfied with anything. I am satisfied today. I am satisfied today that the Republican Party included a Democrat provision that, by God, I could not get heard on my own side of the aisle. I compliment you, I thank you, and let me say this. Keep the burden-of-proof provision in that final bill.

Mr. PORTMAN. Mr. Speaker, I once again want to commend the gentleman for his persistence and for his patience and for his strong support now of the legislation, a 10-year crusade.

Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. RAMSTAD], a member of the Committee on Ways and Means.

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

Mr. Speaker, as a cosponsor of this important legislation to provide a sweeping overhaul of the IRS, I appreciated the opportunity to work in a bipartisan, pragmatic and collaborative way with the gentleman from Ohio [Mr. PORTMAN], the gentleman from New York [Mr. RANGEL], the gentleman from Maryland [Mr. CARDIN], the gentleman from Texas [Mr. ARCHER] and other members of the Committee on Ways and Means.

□ 1245

We promised, Mr. Speaker, tax relief for the American people, and we delivered. We also promised a major overhaul of the IRS, and today we must deliver again.

Mr. Speaker, this first comprehensive reform of the Internal Revenue Service in over 45 years is long overdue. I have heard from countless constituents about IRS abuses like most of my colleagues have about unfair and selective audits, arbitrary rulings, communications couched in gobbledygook and legalese. Mr. Speaker, these kinds of abuses of the American taxpayers must stop now. We must never forget we work for the taxpayers of the United States of America, and this legislation will make a big difference to the taxpayers of this country.

It is high time we change the IRS from an adversarial organization to a consumer-friendly, service-oriented organization. Let us pass this important bipartisan IRS reform bill today. Let us pass these 28 new rights for taxpayers. Let us overhaul the management of the IRS and hold the IRS accountable. Let us shift the burden of proof, as the gentleman from Ohio [Mr. TRAFICANT] has so eloquently called for for 10 years. Let us shift the burden of proof in tax cases from the taxpayer to the Government. Mr. Speaker, the taxpayers of America deserve nothing less.

Mr. RANGEL. Mr. Speaker, I yield 2 ½ minutes to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Speaker, I thank the ranking member, the gentleman from New York [Mr. RANGEL], for yielding this time to me. I want to express my strong support for this legislation.

The oversight committee conducted a series of hearings on the problems facing the IRS and the American taxpayers who must deal with the IRS. The committee took seriously the negative experiences of taxpayers before drafting this bill.

The goal of this bill is that IRS operate efficiently while treating all Americans with the respect they deserve. This bill will ensure that incidents of harassment and intimidation against law-abiding taxpayers become a thing of the past.

Some of the provisions of H.R. 2676 codify reforms already implemented by the administration. Others come from the bipartisan National Commission on Restructuring the IRS. All of these are necessary. The taxpayer bill of rights language will protect innocent spouses from having to pay tax penalties for the action of their spouses. The bill also provides civil damages to the taxpayer when IRS employees negligently disregard the law. The bill shifts the burden of proof onto the IRS in Tax Court cases when the taxpayer has cooperated fully with reasonable requests for information. This is long overdue. These are real and not just cosmetic reforms. The IRS needs to do a better job of educating the people of the availability of taxpayer services.

As Members of Congress, we all try to help our constituents who have tax problems. In Florida, we have used an excellent taxpayer advocate in the IRS Jacksonville office. She has been able to resolve many longstanding tax problems of the people of Florida's Fifth

District. I encourage taxpayers to contact their advocates. They might be able to quickly resolve some of their tax problems, and it is time to move forward.

I also want to remind my colleagues and the taxpayers that on Saturday, November 15, the IRS will hold the first of its monthly problem-solving days in each of its 33 district offices. This day will give taxpayers and practitioners the opportunity to resolve problem tax cases.

The IRS is encouraging, and I think this is important, is encouraging taxpayers to contact the IRS as soon as possible to schedule an appointment in the nearest district office. I hope that taxpayers with outstanding problems will take advantage of this.

Mr. Speaker, H.R. 2676 represents an important step in returning government to the people it represents. I urge the support of this bipartisan bill.

Mr. PORTMAN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], the chair of the Subcommittee on Oversight of the Committee on Ways and Means, who played a very important role in electronic filing, taxpayer rights, and many other provisions of this legislation.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in strong support of this legislation, and I want to commend my colleague, the gentleman from Ohio [Mr. PORTMAN], for his leadership of what was a yearlong process of analyzing the serious problems plaguing the IRS and taking responsibility for developing solutions to those problems as the House chair of the Reform Commission. I commend him as well for his careful stewardship of the commission's report, educating Members on its substance, being open to rethinking some of its difficult issues, and, as a member of my subcommittee, working with us to strengthen and enlarge the taxpayers' rights.

Today we will adopt the most dramatic reform of the IRS since 1952. The three-point plan will overhaul the tax-writing process to help simplify the Code and protect taxpayers. It will create an independent oversight board to bring private sector expertise to the table to modernize the IRS's technology and create a customer service culture that can provide timely and accurate answers to questions and assist taxpayers with problems.

Third, it will create 28 new taxpayer rights, including the right to sue the IRS for damages resulting from the IRS's negligence, shifting the burden of proof to the IRS in the Tax Court, and for the first time taxpayers will be able to report abusive agent behavior to the IRS without fear of retaliation. Letters threatening an audit if someone does not participate in some voluntary program will end, and for the first time taxpayers will be given an explanation of the reasons for an audit and their rights in that process.

This should end politically inspired activities, it should end costly multiyear audits, even in cases where the person audited has been found to be owed money by the Government, and for the first time 30,000 innocent spouses will be saved $30 million in taxes because they will not have to pay taxes owed by their former spouses, not by them. Too often the deadbeat dad not paying child support or taxes gets off while the innocent spouse is dunned by the IRS because she is available and she is responsible.

The 28 taxpayer protections will protect taxpayers forcefully and fairly, and I am proud of the work of my subcommittee in shaping these recommendations and in strengthening the taxpayers' protections.

I urge support of this bill as it represents a giant step forward, but I urge the committee to move forward with tax simplification which is the route of reform.

Mr. RANGEL. Mr. Speaker, I yield 4½ minutes to the gentleman from Maryland [Mr. HOYER] to express his views. Whenever anyone talks about improving how we collect taxes, his name, whether it was a Republican or Democratic President, was always there. He has worked very hard in not only trying to improve the present system but trying to improve the present piece of legislation.

Mr. PORTMAN. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the gentleman from New York for his comments.

As a preface, I have served on the Subcommittee on Treasury, Postal Service, and General Government since January 1983. It is the responsibility of that subcommittee to oversee the Internal Revenue Service's budget and its management practices.

In the last three terms of Congress under Democratic and Republican leadership, our subcommittee has raised very substantial questions, and we have worked with the distinguished gentlewoman from Connecticut on those issues and the distinguished staff of her subcommittee who has done such an outstanding job.

I want to say to the gentleman from Ohio [Mr. PORTMAN] and to Senator KERREY, as they know, that I think their efforts have produced a good work product. I think the commission raised many appropriate questions and recommended some very solid solutions. Having said that, I want to preface my remarks by saying that I ask no colleague to follow me in either adopting my premises or my vote, not one, because I understand the power of the rhetoric that precedes this bill to reform the IRS.

There have been a lot of columns written on this issue. Jim Glassman, not an apologist for Democratic policies, says do not reform the IRS, and he says Republicans talk grandly about simplification but this year passed legislation adding 285 new sections and 824 amendments to the tax law.

Mortimer Caplin, a distinguished former IRS commissioner, said this:

> The proposed overall design by the Restructuring Commission and its statutory offspring is deeply flawed. It would obscure the core focus of the IRS, blur the lines of authority, and hamstring efficiency.

The good news, my colleagues, is that under Secretary Rubin and Deputy Secretary Summers, for the first time since I have been on the Appropriations Committee, there has been a focus on management issues in addition to tax policy issues. As a result, very substantial things are happening at the IRS.

We are starting to get a handle on tax systems modernization, which was a disaster under the Reagan administration, under the Bush administration, and under the early Clinton administration, because the IRS clearly did not get a handle on its information systems technology. The good news is, we are now doing just that. We have an outstanding person that was recruited specifically to take on this task.

The Senate just a few days ago confirmed Mr. Charles Rossotti as the new Commissioner of the IRS. He is the former president of the American Management Systems, Inc., a firm of 7,000 people in northern Virginia. He has been doing exactly what IRS needs to do, in the private sector: Handling information and providing quick, user-friendly responses in an efficient manner. This administration has moved to make sure that the IRS makes many of the changes proposed by the restructuring commission.

Now, having said that, the administration, myself, and others raised very substantial questions about the bill that was originally introduced.

I might say tangentially, there has been no speaker raising any questions prior to me about the problems with this legislation. However, numerous responsible, thoughtful, conservative observers have said that this is not the way to go.

On its surface the legislation which we consider today is about IRS reform. The proponents claim that it will be the answer to all of our concerns about an agency which has admittedly failed to manage its operations well.

However, too many of my colleagues believe that the simple creation of a private sector oversight board will lead to a more user-friendly and responsive IRS.

I would argue that the net effect of H.R. 2676 will be nothing more than phony tax populism as described by Gloria Borger of U.S. News.

And while there are many provisions in this bill which I support, I think the

empowerment of a private sector board, with far-ranging powers, will do little more than add just another layer of bureaucracy.

The taxpayer bill of rights title is necessary to provide much needed relief to innocent spouses and those who, because they are ill, are not able to file for a tax refund in a timely manner.

There are also provisions in the bill which I support that are designed to increase electronic filing.

However, the bill creates an unnecessary and more complicated organizational structure at the IRS, which I believe will have the overall effect of less accountability.

While there is no doubt a role for private sector advice and expertise, what the IRS needs is more accountability, not less.

H.R. 2676 would place management in the hands of people who, however well-meaning, are loyal and accountable to the firms and businesses that employ them.

And while IRS bashing may be both fun and easy, I would suggest that if we are truly attempting to make the IRS more user friendly, we ought to take a closer look at the tax writers, not the tax collectors.

As the national commission on restructuring the IRS concluded, Congress' attempt to micro-manage the IRS and its frequent changes of the Tax Code, have undermined the ability of the IRS to manage efficiently in the long or short term.

No matter how many managerial changes we make, it will not make the IRS more user friendly. We ought to focus on improving education and services for taxpayers, better training for IRS employees, modernizing computers, and simplifying the overall Tax Code.

Let's not hamstring the Commissioner's ability to enact real IRS reform by fooling ourselves into believing that adding another layer of bureaucracy in the chain of command is going to solve IRS' problems.

Let's build upon the progress started by Secretary Rubin and ensure that we enter the 21st century with an IRS that is customer-friendly, technologically-advanced, and governed "by the people, for the people."

Let us not delegate authority of the IRS to private interests who could easily undermine public confidence in the Agency and dramatically decrease voluntary tax compliance.

Are we all against the outrageous actions of the IRS? Absolutely. Should we take every action possible to eliminate the abuse of citizens that has occurred by IRS personnel or any other person in government? Absolutely.

□ 1300

But let me point out to my colleagues, that as Charles Krauthammer wrote so compellingly just a few days ago, "The IRS does not write the rules it must enforce. Congress and the President do, and the rules are now an insane 9,451 pages long. The Tax Code is so extraordinarily complicated that no taxpayer can ever be sure he has fully complied with the law."

That is the difficulty the IRS has in implementing the Code, and your commission said so. Your commission said one of the problems IRS has is that the Congress has not given them stable and steady funding levels. Your commission also said that there was not a systemic problem, and I appreciated those honest remarks.

I would hope, Mr. Speaker, that as we vote on this legislation, and clearly it will pass with over 400 votes so that we can all go home and say we are for IRS reform. My colleagues recognize that if one is not for IRS reform on appropriation bills and on tax bills, it will not happen. We will not be able to hide behind this vote.

I will look forward to the conference committee. In my opinion, the chairman of the Committee on Finance wants to go in exactly the wrong direction, as reported today in the papers, exactly the wrong direction, and that is what I fear. I would hope that we would look carefully at the product of the conference committee and ensure ourselves that we are in fact doing the right thing for the taxpayers of America.

Mr. PORTMAN. Mr. Speaker, I yield myself just 30 seconds to respond briefly, and then I would like to yield to the gentleman from Missouri. But with regard to the gentleman's comments, again I appreciate the supportive words he said. I would ask him again to read the legislation, because he has misstated what the oversight board's responsibilities are. They do not come up with the budget for the IRS, the Congress still does that of course ultimately, but in fact the Treasury Department will send its own budget. We do get an informational budget which I think is going to be very important, particularly to the appropriators.

Second, he talks about an additional layer of bureaucracy. What we are doing here is we are providing oversight that does not currently exist. We are filling a void; it is not an additional layer of bureaucracy.

Mr. Speaker, I yield 2½ minutes to the gentleman from Missouri [Mr. HULSHOF], a member of the Committee on Ways and Means, who has improved this legislation.

Mr. HULSHOF. Mr. Speaker, I accept the invitation of the preceding speaker to go beyond the rhetoric and talk about the outrages.

Mr. Speaker, let not my words today be an indictment against the hard-working men and women that are our tax collectors that are trying to do the best job they can. But as a Member of the House Committee on Ways and Means, particularly the Subcommittee on Oversight, we have the responsibility of looking at the inner workings of the Internal Revenue Service, and here are some of the examples we have seen already this calendar year. Earlier this year, we learned that over 100 IRS agents conducted unauthorized inspections of individual taxpayer records.

Example No. 2: The IRS delayed its notification to business owners of a new requirement to electronically file payroll taxes, and then the agency threatened these same business owners with severe sanctions for noncompliance.

Example No. 3: The error and fraud rate in one program alone, the earned income credit, is nearly 21 percent. Five billion dollars were erroneously paid out of tax money last year alone.

If these examples of mismanagement are not troubling enough, they pale in comparison to a recent Associated Press story that hit the newspapers in Missouri, and that is that the IRS is now targeting the victims of the great flood of 1993 with audits of these individual taxpayers who cannot document their losses because receipts were washed away in the flood.

Now, Mr. Speaker, the next time that the rivers in this country run high, Americans should not have to look after their family heirlooms, their prized possessions, their loved ones, and their tax records. Clearly, the time has come to institute bold management reforms.

I agree with the preceding speaker, the gentleman from Maryland [Mr. HOYER]. We also have to begin to talk about fundamental reform of the tax system. We have to talk about a fundamental discourse about how to change and simplify the Tax Code. But this legislation will begin to implement that taxpayer service. Shifting the focus from audit quotas and collection goals to taxpayer service, to enhance taxpayer rights, allow individuals to collect attorney's fees when the IRS is wrong.

It is time to return the word "service" to the Internal Revenue Service. This restructuring bill does that, and I urge its support.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman for yielding me this time.

I would also like to thank the gentleman from Ohio [Mr. PORTMAN] for bringing this to the floor, and above all, I would like to thank the gentleman from Ohio [Mr. TRAFICANT]. It is said that Moses, after first freeing his people from the Pharaoh, and then wandering for 40 years in the desert, never got to see the promised land. That is sort of how the gentleman from Ohio [Mr. TRAFICANT] must feel after his 10 years of trying to get this done.

Mr. Speaker, I agree with the gentleman from Ohio. Had the Democratic leadership done its job and allowed this to come to the floor when the Democrats controlled the House and allowed the gentleman from Georgia [Mr. DEAL] to bring his welfare reform bill to the floor when the Democrats still controlled this House, we would probably still be in the majority.

But having said that, let me compliment all of the people that worked to make this possible, because it is right under American law that a person is innocent until proven guilty, and therefore, it should only be that a taxpayer is innocent of breaking the law until the tax court proves him guilty.

Second, I think it is very important that those people, and I have had a very close friend contact me and say that he thinks the only reason he was audited was because he helped me in one of my campaigns. That is wrong. If that is what really happened, it is wrong, and the people who did that should be punished. This bill would provide a $5,000 fine and up to 5 years in jail to any executive branch employee who is convicted of using undue influence over an IRS audit.

Third, I hope that this is just the beginning of true tax reform in this country. I say to my colleagues today, or actually this Friday is the day that the apprentice welders at the shipyards back home get their first paycheck, they will pay more in income taxes than all of the cruise ships who do more than $9 billion worth of business in American ports will pay collectively. They use our ports, they use our firemen, our police, our Corps of Engineers to dredge the channel, our Coast Guard to rescue them when they have trouble at sea. They pay nothing in corporate income taxes.

So it is simply not fair to allow that to happen. We need to follow up this great first step with the closing of the loopholes that allow the big guys to get off scot-free.

Mr. PORTER. Mr. Speaker, I yield 1½ minutes to the gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Speaker, I thank the gentleman for yielding me this time.

This is a good time to be talking about this issue as the President has come out supporting this issue. It is kind of surprising that the President is sporting this issue, but on Monday of this week he talks about how selfish the taxpayers are to want to cut taxes. So at least he will say let us reform the legislation, even though he does not like the idea of cutting taxes.

While I support this bill, I have concern that the bill does little to mitigate the impact of the bureaucratic unions on the restructuring efforts. In 1996, Congress made serious attempts to downsize and reform the IRS. These efforts, however, were hampered by the union that represents the IRS employees. As pointed out in a Washington Post article, the union was more concerned with keeping their dues than helping Congress and their union members make the IRS operate better.

I am also disturbed about the abuse of official time that has taken place at the IRS. Official time is, "authorized paid time off for Federal employees to engage in union activities." In layman's terms, that is union work at taxpayers' expense.

Although there may be some legitimate functions for using official time, the amount is skyrocketing at the IRS. Last year alone, the employees logged in over 718,000 hours; 718,000 hours paid by the taxpayers for official time to do union work. This is a 55-percent increase since 1993.

I realize the Chairman's limitations in addressing these issues, but want to bring them to their attention and appreciate the interest in addressing this issue in the future. I applaud this bill and believe it is a big win for the rights of hard-working taxpayers.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. GEPHARDT], the Democratic leader. It should be noted that he was the first to reach out to the gentleman from Ohio [Mr. PORTMAN] and the Republican leadership to make certain that this did not become a partisan issue.

Mr. GEPHARDT. Mr. Speaker, I would like to commend the gentleman from Ohio [Mr. PORTMAN], who worked so hard to bring this legislation together and brought together the bipartisan bill. I would like to commend the gentleman from New York [Mr. RANGEL], and the gentleman from Maryland [Mr. CARDIN], who worked so hard on our side, with the gentleman from Ohio, [Mr. PORTMAN] and others to do this, and this truly is a bipartisan bill.

I strongly support this bill to reform the Internal Revenue Service. In my view, we are taking an important step to increase the accountability of the IRS and to shift the balance of power back toward the taxpayer. But it is important to remember that this bill is not the end game in our battle to make the tax system fairer.

Let us make sure that this bipartisan step taken today will not fall prey to partisan fodder for next year's campaign. House Republicans, I hope, will pressure their Senate leaders to pass this bill. Let us get it in place before the tax season so that people can benefit immediately.

Over the last several weeks we saw the abuses which took place at the IRS, abuses which caused Americans to become even more outraged by our system of taxation. There have been countless numbers of stories about abuses of the enforcement power of the IRS. However, one incident which took place in my hometown of St. Louis, I think sums up what is wrong and what this bill begins to address.

In 1993, Missouri suffered from record flooding which destroyed thousands of homes and belongings. There was a designation of a Federal disaster, and we made special arrangements for individuals to deduct their losses suffered from the flood. Amazingly, 3 years after the natural disaster took place, there was a manmade disaster which revisited the flood's victims.

The IRS challenged over 200 households about the value of the loss they claimed. Taxpayers were asked to prove the market value of lost assets when they had their records wiped out by the flood itself. A woman who lost her mobile home was forced to pay $10,000 in back taxes from this incident.

Now, this is not a case of IRS agents who have run amok, this is a case where common sense, good common sense and fairness was not applied. People who were allegedly victims of a disaster were victimized once again by their own Government. This bill will help eliminate horror stories like this from being repeated.

This is just the beginning to a critical process of radically overwhelming our entire tax system. We also need to restore some sanity to the process of filing and preparing taxes. We need to take the major step of abolishing the Tax Code itself and then writing and rewriting a Tax Code that allows people to make decisions based on their families' best interest, a Tax Code that eliminates gimmicks and loopholes that only benefit the wealthiest taxpayers.

One thing is for certain. Democrats are going to fight for the working men and women of this country to get a system that works for them. The American people have had enough of a tax system that is secretive, adversarial, and unfair. Let us start making change happen. Let us make it fair today for working people, and let us start today and let us get our friends in the other body to follow the lead of this bipartisan group to make historic change in our Tax Code.

Mr. PORTER. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding me this time.

Many individuals have experienced enforcement powers of the IRS at their worst. Reports by GAO uncovered tales told by many taxpayers of unfair, unruly, and sometimes illegal treatment by IRS employees toward taxpayers demanding additional taxes and even seizing property for payment of taxes that could not effectively be challenged without substantial investment of time and money on the part of the taxpayer.

Thankfully, beginning in 1996, the gentleman from Ohio Mr. PORTMAN,

and the gentleman from Nebraska, Senator BOB KERREY, were appointed to cochair a bipartisan commission to study and make recommendations to Congress about suitable reforms. H.R. 2676 is a result of that commission.

I can say to my colleagues, this bill will prohibit specific Government officials from requesting that the IRS conduct or suspend an audit, stop fishing expeditions by the IRS, require probable cause for IRS investigations, direct the Treasury to study the implementation of a paper-free tax system, extend confidentiality privileges, provide statutory rules governing innocent spouse relief, change the burden of proof to the IRS and not the taxpayer, and finally, an oversight board. All of this makes this bill one worthy of passage in a bipartisan fashion.

□ 1315

Mr. RANGEL. Mr. Speaker, I yield 3½ minutes to the gentleman from Massachusetts [Mr. NEAL], a member of the Committee on Ways and Means.

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, while I rise in support of the Internal Revenue Service Restructuring and Reform Act of 1997, I also want to temper my support with a couple of warnings. While this legislation would restructure the Internal Revenue Service to provide better oversight, greater continuity of leadership, improved access to expert advice from the private sector, and additional management flexibility, I also think that there are potential difficulties on the horizon.

There has long been an agreement on the need for fundamental reform of the IRS, and I certainly commend the work of the National Commission on Restructuring the IRS. I support a majority of the recommendations made by the National Commission, and I am certainly pleased that further improvements have been made to the additional legislation introduced by the gentleman from Ohio [Mr. PORTMAN] and the gentleman from Maryland [Mr. CARDIN]. They have worked diligently to modify their original bills to reflect the concerns of many of us on the Committee on Ways and Means concerning governance.

I believe that the Constitution requires that the IRS Commissioner be appointed, hired, and, if necessary, fired by the President. The legislation today before us keeps the President ultimately responsible for the actions of the IRS and the decisions of its Commissioner. The Department of Treasury would still have a role in the oversight and management of the IRS. A key component of the bill is taxpayer rights. These provisions will provide new protections and assistance to millions of taxpayers. I support the overall goals of this legislation.

Let me relate two concerns. First, I am concerned about the authority given to a newly created oversight board. This oversight board has the authority to review and approve strategic plans of the IRS, and review and approve the Commissioner's plans for major reorganization. Under this bill, eight private sector individuals would have this authority.

The bill is not clear on what happens to our tax administration system under these new board authorities if a consensus is not reached among the board members, or if the IRS Commissioner and Treasury Secretary disagree with the views of private sector individuals.

Second, I am concerned about the provision in the shift of burden of proof. This bill provides for the burden of proof to be raised to the Secretary of the Treasury in any court proceeding with respect to factual issues if the taxpayer asserts a reasonable dispute with respect to the taxpayer's income liability.

The shift in the burden of proof could result in unintended consequences. It could result in the IRS conducting more intrusive examinations, and the IRS issuing more subpoenas and more summonses to third parties in search of evidence. This provision could induce taxpayers simply not to keep records.

Our tax system is voluntary, and we have an overall compliance rate of 85 percent, the envy of much of the industrialized world. The individual nonbusiness compliance rate is 97.5 percent. The individual business compliance rate is 70 percent, and the shift of burden of proof could indeed, if we are not careful, make it worse.

Mr. Speaker, the IRS conducts more than 2 million audits each year, but only about 30,000 cases reach court annually. This provision could have more far-reaching consequences. It could help aggressive taxpayers avoid taxation. We should make it easier for taxpayers to deal with the IRS, but I do not think we should make it easier for taxpayers to evade taxes. This provision needs to be improved, because those who voluntarily comply with our tax system simply deserve more.

Mr. PORTMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Nevada [Mr. ENSIGN], a very valued member of the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from Nevada [Mr. ENSIGN].

The SPEAKER pro tempore. The gentleman from Nevada [Mr. ENSIGN] is recognized for 3½ minutes.

Mr. ENSIGN. Mr. Speaker, this bill that we have before us today is brought forth in a bipartisan fashion. I would like to recognize my colleagues on the Committee on Ways and Means, the gentleman from Ohio [Mr. PORTMAN] and the gentleman from Maryland [Mr. CARDIN]. They have done outstanding work. This is a very good bill, and I think we are hearing a lot of reasons why this is a good bill today. But the American people have been way ahead of the Congress for many, many years. They have recognized how intrusive the IRS has been.

In my city of Las Vegas, the IRS is viewed almost like the KGB or Gestapo was once viewed in other countries. This is not necessarily the fault of individual IRS employees. This is the fault of the U.S. Congress and the Presidents of past, who have passed an incredibly complex Tax Code.

Former Representative Sam Gibbons said, in a retreat that we had a couple of years ago, that there was no single Member of Congress more responsible than he himself was for messing up our Tax Code. That was because every single time that they tried to reform the Tax Code, because of all the special interest groups that we have up here, it gets more complex. And the more complex it is, the more incentive there is for the IRS to do some of the shenanigans that they do.

I said before that the American people are way ahead of the Congress. The American people are demanding not tax reform, but tax replacement. Every place I go around my district, people are saying, we have to lower the tax rates. As we are replacing the Tax Code, we have to address this issue. That issue is the issue of fairness. We have to define exactly what fair is.

During hearings in front of the Committee on Ways and Means a couple of years ago, I asked Jack Kemp, the gentleman from Texas [Mr. DICK ARMEY] and the gentleman from Missouri, [Mr. DICK GEPHARDT] what their definition was. Jack Kemp and the gentleman from Texas [Mr. DICK ARMEY], said, when everybody is treated the same. The definition of the gentleman from Missouri [Mr. DICK GEPHARDT] was, based on your ability to pay.

That means if somebody works twice as hard, you have a farmer over here who works twice as many hours a week, happens to make twice as much money because they work twice as hard, they should be penalized by paying a higher tax rate than the farmer over here who does not work quite as hard.

Mr. Speaker, we need to have a fair Tax Code in America that does not penalize people who work harder, who make the sacrifices necessary to be successful. In America we have been about rewarding success in the past. Let us get back to where success is treated in a manner that we want more people to try to achieve it, like we do in school. We do not penalize people for getting A's in school. We should not penalize people for wanting to be entrepreneurs, for wanting to create jobs in America, for wanting to be successful themselves.

This is the fundamental issue that we have to get to, not only today, by reforming the way the IRS works, but truly to get to overall tax replacement with a fair, simple, lower tax rate and tax system.

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

Mr. ENSIGN. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I would ask one question, which is, basically, how long would the gentleman say, as a new member of the committee, it would take to draft this legislation to bring it to the committee and to pass this new tax that the gentleman wants? How long would it take to do it?

Mr. ENSIGN. Mr. Speaker, as we have seen going through the committee, the administration is against replacing the income tax as we know it, based on their testimony from the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, I would like to reword my question. Forget the administration. The gentleman is in the majority. He has the majority of the votes. How long would it take for him to get a bill passed?

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY], a member of the committee.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I rise in support of this IRS reform. Let there be no doubt that IRS abuses will not be tolerated. Many of the unfortunate situations that were brought forth by the Senate hearings are already improper or illegal under the law, and obviously should not be tolerated.

There also, unfortunately, was something we found out that happened, that there was some kind of pervasive atmosphere in some of the offices that tied advancement to collection. As a result, throughout the offices, if you did not collect, you did not get advanced. This moved on to the point that common courtesy and common sense were forgotten. This also cannot be tolerated. I think these hearings have brought this forth.

Having said that, I do also want to mention that there are many, many, many thousands of people working for the IRS that were carrying out their duties in a courteous and commonsense manner. We should recognize that. However, the bureaucracy absolutely should know that their day is over.

I would also like to point out that in all of the debate of this issue, one fact has been obscured, that the enhanced taxpayers' bill of rights has always enjoyed broad support in a bipartisan manner. In fact, the very first taxpayer bill of rights was enacted some years ago, and I believe this should be an ongoing process.

Finally, I believe the legislation is significantly improved over the earlier versions, and all members of the Committee on Ways and Means worked on this. But I believe it can require further improvement, particularly in the area of burden of proof and conflict of interest.

For instance, in committee the gentleman from California [Mr. STARK] offered an amendment to preclude IRS board members from representing clients before the IRS. Unfortunately, this amendment did not pass. I think as Members look at this, as other Members in the body look at this, this could be remedied, because this obviously will cause conflict down the line.

I support this, and am glad this bill has been improved. It certainly was needed, and I hope everybody listened and learned from the lessons of the Senate hearings.

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

Mr. Speaker, I would like to say that this is an historic moment. We are considering landmark legislation today. It is the first time in 45 years that we have attempted as a Congress to enact fundamental reforms at the IRS.

I want to start by thanking the gentleman from Texas, Mr. BILL ARCHER, chairman of the Committee on Ways and Means, not just on behalf of me, but really on behalf of the millions of Americans who will be positively affected by this legislation, the taxpayers. For the past year and a half he has consistently supported this reform effort; first, the bipartisan National Commission on Restructuring the IRS that I cochaired, and then the legislation that came out of that Commission.

It was the gentleman from Texas, Mr. BILL ARCHER who made this the Committee on Ways and Means' top priority for the fall. It was he who moved it expeditiously for the floor. We would not be here having this debate today if it were not for his support.

I also want to thank my cosponsor, the gentleman from Maryland, Mr. BEN CARDIN. He worked with me on this legislation long before it was fashionable on his side of the aisle. He looked at the legislation carefully, independently. He judged the bill on its merits, rather than listening to, frankly, the critics in the administration and others. He actually took the time to study it himself. He stood up for what he believed in. As a result, he improved the final product.

I want to commend the gentleman from New York, Mr. CHARLIE RANGEL, senior Democrat on the Committee on Ways and Means, who I think today as I have heard him talk has just joined the Scrap the Code Tour. But the gentleman from New York, Mr. CHARLIE RANGEL, played a very important role as a bridge between the Congress and the Clinton administration.

This is a very comprehensive and ambitious package of reforms. Members have heard a lot of people talk about it. As such, it is the product of a lot of hard work by a lot of good people: Members and staff of the IRS Subcommittee on Oversight, chaired by the gentlewoman from Connecticut, Mrs. NANCY JOHNSON, who did a tremendous job on taxpayer rights, electronic filing and other committee issues; the full Committee on Ways and Means staff, many of whom are here today; the Joint Tax Committee staff, Ken Kies and others; the Government Reform and Oversight Committee had jurisdiction over this, and they helped us on this.

Regarding the Committee on Appropriations, the gentleman from Maryland, Mr. STENY HOYER, talked earlier about the appropriators. The gentleman from Arizona, Mr. JIM KOLBE, and the gentleman from Maryland, Mr. STENY HOYER, had a lot of input into this process, as did their staffs; and finally, the Committee on the Budget and the Committee on Rules. Both of those committees also had jurisdiction over parts of this comprehensive legislation.

Also, I give thanks to the many outside groups who spent a lot of time working on this legislation and gave us valuable input. Then, when we had a good package together, they went out and sold it to their members, the people at the grass roots. The National Taxpayers Union, Americans for Tax Reform, the NFIB, the Chamber, Citizens Against Government Waste, and yes, the tax preparer community again gave us valuable input and helped us to put that together. They work closely with the taxpayers and the IRS every day. They know this will help. That is why they are supporting it.

Special thanks to people who were there from the beginning, to each member of the National Commission on Restructuring the IRS, including my cochair, of course, Senator BOB KERREY of Nebraska; but also our colleague Senator CHUCK GRASSLEY of Iowa, and the gentleman from Pennsylvania, Mr. BILL COYNE; the Commission staff; and finally, to my own personal staff, who have gone well beyond the call of duty.

The Commission conducted a yearlong audit of the IRS and made specific legislative recommendations for change. It was successful, I think, for two reasons. First, we kept politics out of it. In fact, we brought expertise in. The people who were represented on the Commission brought the kind of expertise to bear that we needed to solve the real problems at the IRS.

Commission members not only included a former IRS Commissioner, the heads of the New York and California State tax systems, but also a small businessman, a representative of the people who work at the IRS, technology experts, taxpayer advocates.

And the Commission did its homework. We conducted 15 days of hearings

in and out of Washington, interviewed all the senior level IRS managers, and for the first time ever actually conducted interviews with 300 on-line IRS employees to find out from them what the problems were. Finally, we listened carefully to the concerns and stories of the taxpayers who foot the bill.

After our year-long audit, we ended up with more than 50 specific reform recommendations for the most comprehensive overhaul of the agency since 1952. The IRS Restructuring and Reform Act before us today takes these recommendations and, I think, improves on them. Others have given a good overview of the bill. Let me just touch on a view of the points.

□ 1330

First, while this effort focuses on making the tax collection system work much better, not the Internal Revenue Code itself, the commission found, as many of my colleagues have discussed today, that we also need to simplify our Tax Code. We take the first step in doing that in this legislation.

We do so by putting in place new legislative incentives for tax simplification as compared to every other incentive around here which is for more complexity. We also force the IRS to be at the table to tell us what a great-sounding new tax legislative proposal is going to result in, in terms of new tax schedules, time for the taxpayer to fill them out, and work for the IRS.

The bill also targets Congress by consolidating and streamlining congressional oversight. There are now seven committees that give the IRS advice. We streamline it, and we force these committees to come together and to send a clear and consistent and single message to the Internal Revenue Service from Capitol Hill.

The overall thrust of this bill is to make service to the taxpayer, not heavy handed enforcement, but service to the taxpayer the top priority of the IRS. It does so in a number of ways. Importantly, it dramatically increases IRS accountability for getting the job done by establishing a more effective IRS oversight body.

You have heard other Members talk about the oversight board today. The important thing is that it brings expertise to the IRS that is absolutely needed and is not there now. Second, it provides continuity, stability of leadership, so that over time we actually have changes that are going to work for the taxpayers so we are not up here 3 or 4 or 5 years from now discussing the same problems.

With this input from nongovernmental experts to hold the IRS responsible for answering the phones, getting the computers to work, ensuring that IRS employees are trained, and, yes, treating taxpayers more courteously, with more respect, we will have a new IRS.

Much of the media attention has focused on the oversight board, what is often overlooked, is that we actually give the IRS commissioner more power, more tools to be able to manage the agency, to get the job done day-today.

We give the commissioner a 5-year term so the commissioner's responsibilities go beyond any single administration. We also give the commissioner the ability to bring in his or her own team of senior managers. Charles Rossotti was just confirmed by the Senate this week. I think he will be a good IRS commissioner. He brings management experience and information technology experience that is badly needed. We need to give him these tools because without them, frankly, he is going to have a very difficult job doing what he wants to do, which is to turn the IRS around and make it a taxpayer service organization.

Taxpayer rights. If Members saw the Senate Committee on Finance hearings, they know that we do need new rights in legislation for taxpayers. The bill provides us 28 specific new taxpayer rights, like allowing taxpayers to recover damages when the IRS does something wrongful, like the burden of proof shift we have heard about from the gentleman from Ohio [Mr. TRAFICANT] and others, like protecting innocent spouses from IRS harassment. All of these are extremely important. They compliment the other provisions of the bill.

Very importantly, this legislation also creates a new system within the IRS to evaluate employees. Again, it has been overlooked by many, but this is one of the most fundamental changes in terms of changing the culture at the IRS. The new system would evaluate employees and managers not on the amount of money, taxes, they collect, but on the degree to which they are providing good service to the taxpayer.

It also puts in place unprecedented personnel flexibility to allow IRS managers to promote folks who are doing a good job within the agency and, yes, to fire the bad apples at the agency. This is called reinventing government. We are not just talking about it today, we are actually passing legislation to do so. Again, along with the other reforms, this is what is going to change the culture at the IRS.

There are many other key provisions in this legislation: Establishing new financial accountability to force the IRS to balance its own books; knocking down barriers to electronic filing, which is a win-win for the taxpayer and the IRS; and, finally, making the taxpayer advocate truly independent so that that taxpayer advocate is indeed an independent advocate for the taxpayer.

Taken as a whole, these legislative changes, this whole package, will create a new IRS that treats the taxpayer with respect, gives the taxpayer the service they deserve. We have to remember, this troubled agency touches more Americans than any other Federal entity. Today, all of us as taxpayers are the real winners.

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

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

I would like to take some time to again congratulate the gentleman that just spoke, not just because of the expertise that he brought in perfecting a bill, but his ability to reach across the aisle to make it very easy for the members of the committee to at least take a look at what he is talking about.

I notice a provision that is very close to the gentleman, and that is the tax complexity analysis that he spoke about in the well. I would like to yield to the gentleman to respond. If this was an existing law, how would this apply to the bill that was reported out of our committee?

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

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

Mr. PORTMAN. Mr. Speaker, I think if this had been in place, we would have had a better tax bill enacted this summer by the U.S. Congress. I think we would have known more about what the complexities are, not just for the taxpayer but for the tax collection agency.

Mr. RANGEL. Well, I do not want to get involved in how the bill came to the floor, but the gentleman is asking the people that are responsible for doing what we tell them to do. We are the ones that made their job difficult, and the gentleman and I agree on that, and so does the chairman. We have beat up on them because they did it poorly, but it was our complex legislation that they had to administer.

The gentleman and I are now seeking to improve the Code after, as the mumblers would say on the floor, after 37 years of Democratic fiascoes. We have had a similar extension of 3 years of Republican fiascoes. Now we are saying, let us clean it up. I share with the gentleman that unless we attempt to do this in a bipartisan way, it will be America that loses.

I just want to compliment the gentleman for the direction that he is going. I hope when we say we have to work together to scrap the Code, as the gentleman likes to say, or to pull up the IRS by the roots, that we are talking about pulling up this Tax Code by the roots and replacing it with something that is fair and equitable. We cannot agree unless we see what the gentleman is talking about. For 3 years, I have not seen it. But I look forward to working with the gentleman, hoping that the other side, while they are talking about scrapping,

pulling up, and getting rid of, would give us something to work with.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN], a distinguished member of the Committee on Ways and Means.

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

I rise in support of this bill. It is a positive step in the direction of restoring and increasing confidence in a system that relies on taxpayer compliance to be successful. It addresses the responsibility that both the Congress and the administration must play in improving the accountability and customer service of an agency, as said here, that touches the lives of nearly all Americans.

The bill contains a number of provisions which will reform the IRS. It will improve the use of technology at the IRS by enhancing the electronic filing of tax returns and other documents. It is unacceptable in this day and age that the IRS does not have the most up-to-date computer technology.

It will expand taxpayer relief for the innocent spouse and provide tax refund relief to taxpayers during periods of disability. It will also expand relief to taxpayers through taxpayer assistance orders, grants for low-income clinics, and penalty relief for those who have installment agreements with the IRS. The revised bill also retains the accountability of the administration over the IRS by retaining the President's authority to hire and fire the IRS commissioner.

This bill is an important step in addressing critical management and oversight issues at the IRS, but it is not a panacea. There remain some issues in this legislation that we need to continue to work on. I have met with IRS officials in Michigan to discuss problems, and I intend to continue to do so.

We do need to look at the Tax Code itself and debate differences of opinion about how to improve it. In doing so, the aim must be to benefit the citizens that we represent, not to jockey for position at the next election.

Mr. PORTMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. SHAW], chairman of a subcommittee of the Committee on Ways and Means and former CPA and recovering lawyer, who added a great deal to this legislation.

Mr. SHAW. Mr. Speaker, I thank the gentlemen for yielding me this time.

I would like to congratulate the gentleman and the gentleman from Maryland [Mr. CARDIN], the gentleman from Texas [Mr. ARCHER], and the gentleman from New York [Mr. RANGEL] for getting together and bringing such a wonderful bill that is long past due to the floor of this Congress.

I think perhaps the most shivering words that anybody can hear is the knock on the door or the phone call or the letter that starts out, I am from the IRS, because of the complexity of the Tax Code and the problems involved in filing one's own return.

Not too many years ago, I think it was just 2 years ago, an accounting problem was given to the top accounting firms in the United States and asked them to take this example and, from this, to devise an income tax return and to figure the tax liability from that set of circumstances that were given. Out of the many tax preparers that participated in this experiment, not one of them came up with the same tax liability. It was not even close. It was thousands and thousands of dollars apart. It just shows the tremendous complexities of the Tax Code and the problems that they have.

During the debate on the floor, I know it has been going back and forth as to the complexities that were put into the Tax Code and whether the Democrats or Republicans did it. I do not think that makes any difference. It is this Congress that is bringing about the correction and is bringing it about in a bipartisan way, as a beginning, I would say, as a beginning.

Under the new rules that we have imposed upon ourselves, when we give somebody a tax break, we have got to work in revenue somewhere else in the Code. What has this developed over the years? It has developed a patchwork quilt. It has provided for us a real mess that is going to take a lot of effort, a lot of bipartisan effort, to straighten out.

The only way to do it is to try to get together and to at least get some bipartisan support. It is not going to be complete. There will be a lot of controversy when it finally goes. But this Code has to be ripped up by the roots.

Now, this is going to balance the playing field as far as the Internal Revenue Service for the taxpayers. This is tremendously important. The Internal Revenue Service should be more of a service rather than a policeman in watching over the taxpayers.

But in doing this, it is just basic fairness. We do not want to give the police in this country a criminal code that is so complicated that they do not know how to administer it or to enforce it, but yet we have done this with the IRS. To make it worse, we have provided that the taxpayer has no privacy or right of confidentiality with their CPA.

In this regard, I think it is most important that when somebody is talking to their tax preparer, when they are going over all their books and records, that they know that their tax preparer is not going to be called in and questioned because he has no particular rights of confidentiality. This particular bill will correct this situation and let the taxpayer have confidence, the same confidence that he has in dealing with his lawyer, and that is only fair.

I think one of the other big things in this bill that other Members have talked about today but is tremendously important, it puts the burden of proof on the IRS instead of the taxpayer.

I remember in studying the Tax Code as a student in college and at law school that it always was confusing to me how we could have this sense of justice where a taxpayer has to prove his innocence as far as the amount of taxes that are owed in order to prove his case and the IRS really does not have to prove anything. This is bringing about fairness, and for the first time the burden of proof will be on the IRS.

This is a tremendous bill. This is a first step. I want to say, it is only a first step in ripping out the entire Code to reform the Code and perhaps even give us the opportunity, the historic opportunity, to take, eliminate the income tax as we know it today and, in its place, put another type of revenue collection for the Federal Government that will be fairer, easier to administer, and much easier and fairer in being able to enforce by the Federal Government.

Again, my compliments for all of those who put this bill in place. It certainly is, I think, a very, very good day in the history of the U.S. House of Representatives.

□ 1345

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

Mr. Speaker, let me associate myself with the remarks of the gentleman from Florida [Mr. SHAW] that we have in a bipartisan way moved forward in trying to correct the abuses and better the collection of taxes. I do not see anything in this bill that deals with the simplification, even though there is hope that this bipartisan spirit will continue.

I have been invited to join this Scrap the Code trip, and I accept. Let us scrap it. But I think they ought to, anyone that is going to join with them in this effort, to at least talk about what they are going to replace it with. There are just as many different views on their side as there is on our side. But I do not think it is fair to the American people, as political as it may sound, to promise them that they are getting rid of this complex Tax Code, which none of us are proud of, and not tell them what they are replacing it with.

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

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

Mr. PORTMAN. Mr. Speaker, the gentleman from New York [Mr. RANGEL] just said that there is nothing in this legislation with regard to simplification. As the gentleman from New York [Mr. RANGEL] is aware, there is for the first time ever in this legislation the requirement that my colleague or I or anybody else who has a

new tax idea has to subject it to this simplification analysis. And if we do not do that, my colleague or I or any other Member can raise a point of order on the floor of the House.

This is not the flat tax. It is not the sales tax. It is not scrapping the code and starting over. But it is a first small, baby step in the right direction, because every incentive now, as my colleague knows, goes the other way, and he talked about it earlier.

Mr. RANGEL. When this reaches the President's desk, let us, my colleague and I, talk about that provision.

Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE of North Carolina. Mr. Speaker, like other Members, I have helped many, many constituents resolve disputes with the Internal Revenue Service.

In one case earlier this year, a Raleigh man trying to make good on his back taxes was not told that he had the option of setting up a payment plan. Instead, the IRS placed a lien on his bank account. In another case, a woman who had set up a payment plan and made every payment on time received notice that her plan had been canceled and her entire balance was due within 2 weeks.

Fortunately, I was able to help these constituents. But not every taxpayer is able to come to their Member of Congress. We need to fix the system for everybody. We need to restructure the IRS. We need to do away with tax collection quotas. We need to revise rigid rules. And we need to set customer service oriented collection policies that are geared toward assisting taxpayers in complying with the law rather than punishing them.

H.R. 2676 is based on the recommendations of the bipartisan National Commission on Restructuring the IRS. It will strengthen taxpayer rights and modernize the administration of the IRS. The new IRS Oversight Board, made up of a majority of private sector professionals, will have the authority to eliminate collection quotas and measure performance by the quality of service that agents provide.

Mr. Speaker, passage of H.R. 2676 will restructure the IRS and pave the way for further reform and simplification of the Tax Code. I urge my colleagues to vote for this long overdue legislation.

Mr. PORTMAN. Mr. Speaker, I yield 1 minute to the gentleman from Montana [Mr. HILL].

Mr. HILL. Mr. Speaker, I rise in strong support of the Portman-McCrery reform of the IRS.

Mr. Speaker, nothing evokes greater fear in the heart of taxpayers, in the hearts of small business owners than does a notice from the IRS. Men and women who obey the law, follow the rules, and respect their responsibilities to collect and report and pay taxes have great fear of the IRS.

Why is it that law-abiding people fear this organization? Well, the reason is, what we saw in the Senate hearings just a few days ago, reported abuses by the employees in the IRS and abuses in terms of how the IRS is oriented toward dealing with the public. We do not need hearings in the House of Representatives to know that the IRS is frequently causing great conflict for taxpayers.

H.R. 2676 is a good start because it focuses on serving the public and serving taxpayers rather than enforcement. It changes performance standards so people are rated on the basis of how well they serve the public rather than how strictly they enforce the law. It creates an oversight board of citizens. It creates a taxpayers' advocate. It creates accountability, Mr. Speaker. And that is why I support the measure.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from New York [Mr. RANGEL] for yielding me the time, and I thank the committee for its leadership.

The discussion that we have had on the floor today emphasizes that we have come now full circle to recognize that concerns by citizens about the IRS are well-founded. Although we pay tribute to those hard-working Internal Revenue Service employees that work day after day doing their job, it is important that we now in a bipartisan manner reform the IRS. I think that is important.

This is not a Republican piece of legislation. It is not a Democratic piece of legislation. In fact, I would like to see more things being done. But I am here to generally speak to the fact that we are, at least, doing something. And I will continue to review H.R. 2676, along with its many amendments, to determine its adaptability to the concerns that I have.

First of all, I held a hearing with constituents in my district in Houston where they testified to many examples of problems with the IRS. The story of a doctor who was obviously not leaving town, and who attempted to resolve his problems with the IRS; when an IRS agent came into his office to physically remove him from his medical practice while he was attending to his patients and then to further close down his doors. What about the law enforcement officer, wounded and injured and in his hospital bed, only to find out that his house had been foreclosed on and other tragic situations happening while he was recuperating from a job injury. These are the kinds of grievances that we face all the time.

I am delighted that we are looking at opportunities, for example, to move the burden of proof so that taxpayers in IRS court cases are considered innocent until being proven guilty. I am interested, of course, in the oversight board. I think that has great possibilities. And certainly I am concerned about the fairness of IRS audits. The common law privilege of attorney-client privilege for those authorized to practice before the IRS will now be afforded, as it should be to persons—tax advisors—representing taxpayers before the IRS. It will also end the use and abuse of summons by the IRS in looking for documents. A spouse who may be innocent for the mistakes of another spouse in preparing a tax return will also now be afforded tax relief.

Let me conclude, Mr. Speaker, by explaining parts of IRS reform legislation, the Taxpayers Justice Act of 1997, that I intend to offer in the legislation. It provides for a true taxpayer's citizen's advocate located in IRS regions throughout the Nation, serving as a watchdog over the IRS. Additional provisions relating to eliminating discrimination in the workplace and solving unfair tax burdens put on the divorced spouse.

Mr. Speaker, I include the following for the RECORD:

Mr. Speaker, I rise today in support of reforming the Internal Revenue Service to make it more efficient, accountable, modern and taxpayer friendly. This is the call from the constituents of the 18th Congressional District in Texas that I heard when I recently held a town hall forum on IRS abuses of taxpayers.

The stories of coercion, corruption and scare tactics of IRS agents that I heard were more than enough for me to prepare for introduction of my own IRS reform bill. Entitled the "Taxpayer Justice Act of 1997" it has many of the provisions that are being offered today in this comprehensive reform bill.

My bill called for civil and criminal penalties if there is a finding of abuse of taxpayer's rights. Therefore, I can endorse the opening up of the Government for civil liability for taxpayer abuse. This bill would extend the liability of the government for IRS abuse caused by those who may negligently diregard our tax laws. This is a safeguard that I know taxpayers are demanding and one that I strongly support.

The establishment of an independent oversight board by the President is another provision in my bill as well. There is no doubt that such oversight of the administrative functions of the IRS is necessary after the disclosure of the atrocities that I heard and the stories that came forward from the citizens in Houston. There were, in fact, cases of possible suicide over the tactics that were used and it is time to end such abuses. The oversight board will have the responsibility to review and advise the Secretary of the Treasury about customer service measures that will make sense. Such oversight is necessary if we are to make the IRS more efficient.

Shifting the burden of proof to the IRS is another practical measure that makes good sense and one that is in my bill as well. In every other proceeding where the government is moving against a citizen in a court of law, the government bears the burden of proving

the facts. It is high time that the IRS come in line with this time-honored tradition of the government bearing the burden of proving any factual issue it is asserting in a court of law.

This burden of proof will be enforced after the taxpayer has fully cooperated with the IRS with respect to the factual issue. A taxpayer would be required to provide access to the information, witnesses and documents within the control of the taxpayer. This makes the proceeding more in line with every other court proceeding and makes it fair.

This bill would also correct meaningful measures that will insure taxpayer fairness in IRS audits and collection activities. The common law privilege of attorney-client privilege for those tax advisors authorized to practice before the IRS will now be afforded as it should be. It would also end the use and abuse of summons by the IRS in looking for documents. Under this bill the IRS would be required to make reasonable inquiries and could not issue a summons until it has used other reasonable methods to ascertain where the information it is seeking may be.

The bill also provides for making more information available to the taxpayers. It requires the IRS to print and make available to taxpayers explanations that make sense and clarify a variety of complicated matters. Married taxpayers will be alerted to liabilities that they would be jointly liable for even though only one spouse earned the income.

A spouse who may be innocent for the mistakes of another spouse in preparing a tax return will also now be afforded relief from tax liability, interest and penalties. Now a spouse who has nothing to do with the preparation of the return is fully liable for the mistakes. This is wrong and would be corrected by this bill.

Again, Mr. Speaker, it is high time that we have the IRS reform that the American people have been calling for. I support this bill and urge my colleagues to vote for it.

Mr. PORTMAN. Mr. Speaker, I ask the gentleman from New York [Mr. RANGEL] if he has any additional speakers?

Mr. RANGEL. Mr. Speaker, I have no speakers at this time.

CALL OF THE HOUSE

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent for a call of the House.

The SPEAKER pro tempore. Without objection, a call of the House is ordered.

There was no objection. The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 576]

ANSWERED "PRESENT"—407

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (NY)
Manton
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHale
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Young (FL)

□ 1413

The SPEAKER pro tempore (Mr. PEASE). On this rollcall, 407 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1997

The SPEAKER pro tempore. In the debate on H.R. 2676, the gentleman from New York [Mr. RANGEL] has 7½ minutes remaining and the gentleman from Ohio [Mr. PORTMAN] has 6¼ minutes remaining.

The Chair recognizes the gentleman from New York [Mr. RANGEL].

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

□ 1415

I rise in support of H.R. 2676. First, I would like to thank the chairman of the Committee on Ways and Means for creating an atmosphere which allowed the gentleman from Maryland [Mr. CARDIN] and the gentleman from Ohio [Mr. PORTMAN] to take the best that came out of the commission, not only to work with it in a bipartisan way, but to bring it to Members who did not serve on the commission so that they would be able to work and improve upon it.

The administration has had strong objections over the original document. This could have been played up politically that the President was trying to protect the status quo, but the Secretary of Treasury was not only involved in the meetings but encouraged to know that no Republican and no Democrat was locked in concrete except to the extent that the IRS needed improvement and it had to be done and it was going to be done now.

The Democratic Leader, the gentleman from Missouri [Mr. GEPHARDT],

publicly said that they were not there, that the Democrats were not there, except to join with our Republican friends to get a bipartisan solution to a serious problem.

So, Mr. Speaker, we are here today for the first time in a long time knowing that we have taken one gigantic step forward to give some small comfort to the taxpayer that at least we, in the Congress, are providing the oversight to try to make the collection easier.

But, Mr. Speaker, we all agree that this is only a first step. We cannot give a very complicated, complex Tax Code to anybody and expect them not to have problems in its execution. If anyone abuses their rights as a public servant with the taxpayer, that person should be pulled up at the roots and got rid of. There should be no excuse for any public servant treating taxpayers in a disrespectful way. But there should be no excuse for us to talking about pulling up the IRS by the roots unless we are prepared to say we are going to pull up the Tax Code by the roots.

And I would want to say this, that if we can get this Portman-Cardin spirit of cooperation going, let us try to do it in talking about this bus trip that is going to pull up the Code by the roots, and I ask whether or not there is an extra seat on that bus that I can join in. The only thing I would want to know is, where is the bus going, what is the itinerary, how much is it going to cost, and, most importantly, when is it going to end? This bus that has been pulling up the Tax Code by the roots has been in a bus depot for 3 years.

If we are going to do anything to correct the system, and God knows we agree it has to be simplified, let us try to do this too in a bipartisan way, the same way we have been so successful in recognizing a problem and trying to bring a resolution.

Finally, Mr. Speaker, I would want to say that I would encourage the administration to take a lesson from the books of the House of Representatives and not only just support this, but to encourage the other body not to politicize this issue.

We are moving swiftly, we are moving swiftly toward the end of our legislative business for this year. It would do us no good to compliment each other for this bipartisan effort if the other body is not on board. We all know that next year something chemically is going to take over us as we all seek reelection. I would suggest that it is more important to get this important piece of legislation passed than to give other people an opportunity to make political hay out of it.

I conclude by thanking the leadership on both sides of the aisle, again, the gentleman from Ohio [Mr. PORTMAN], the gentleman from Maryland [Mr. CARDIN], and those Members who worked so hard, not to get their names in the newspaper or to have TV interviews, but to do what was best for the country and what was best for the Internal Revenue Service, but most importantly, what was in the best interests of American taxpayers.

Mr. Speaker, I yield back the balance of my time.

Mr. PORTMAN. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. ARCHER], the chairman of the Committee on Ways and Means, and, as I said earlier this afternoon, we would not be here on the floor this afternoon debating this critical issue if not for the gentleman from Texas, [Mr. ARCHER].

Mr. ARCHER. Mr. Speaker, I thank the gentleman from Ohio for yielding this time to me. But before I close, there is one person here who deserves very special recognition, and that is Bob Brockamp of Prescott, AZ, who is the personification of an IRS victim. He and his family have suffered an injustice that no one should endure.

In 1994, 93-year-old grandfather Stanley McGill mistakenly sent a $7,000 check to the IRS. Unfortunately, by the time Bob and his family caught the error and tried to get their money back, the 3-year statute of limitations on refunds had expired, and even though the IRS admitted that Bob's grandfather owed only $700, not $7,000, they would not refund the balance of the money.

Mr. McGill was senile and had made the same mistake before by adding extra zeros to checks mistakenly and overpaying his bills by thousands of dollars. But in these instances where his local hospital and pharmacy were overpaid, they sent the money back. The IRS would not.

Bob's family fought the IRS for 8 years all the way to the U.S. Supreme Court. A 3-year statute of limitations prevented the IRS from returning the money that was not theirs in the first place said the Court. And while it is too late to help Bob and his family, the bill that we vote on today allows the IRS finally to waive the statute of limitations on refunds for the sick and the disabled, ensuring that no other American will have to go through what the Brockamp family went through.

Mr. Speaker, the U.S. Congress owes Bob and his family an apology. The last thing an ailing senior citizen and their family should have to do is worry about the IRS. Thanks to the good fight that Bob and his family waged to obtain justice, thousands of taxpayers in the future will worry no more.

And, Mr. Speaker, I am delighted the President has finally seen the light and decided to support this bill. The gentleman from Ohio [Mr. PORTMAN], the gentlewoman from Connecticut [Mrs. JOHNSON], and the gentleman from Maryland [Mr. CARDIN] worked long and hard to put it together, and, as we have heard today, they deserve much praise.

But, Mr. Speaker, in the end our task is not to thank each other for what we do today. Our thanks should go to the American people, the people who sent us here. Today's vote is a victory for all Americans who believe Washington should not change its ways to greater and greater power but should change its ways so the American people will not have to change theirs.

Congress no longer solves problems by raising taxes, as was true for too many Congresses. We now solve problems by restoring hope, power, and opportunity to the people who pay the taxes.

Mr. Speaker, I am proud to add that fixing the IRS continues a remarkably productive record for this Congress. We cut taxes and passed legislation to balance the budget, we saved Medicare from bankruptcy, and we fixed the failed welfare state. We cut the cost of the Congress of the United States by $200 million a year, and now we are fixing the IRS. We reduced the deficit from $203 billion in November of 1994 to $30 billion today. More than 5 million new jobs have been created, interest rates have dropped from 8 percent to 6 percent, and the stock market has virtually doubled.

But mark my words, we are just warming up. I believe we must completely and totally get the IRS out of the lives of every single American. We must look the IRS in the eye and say it is not their money, it is the people's money. The politicians and the IRS must stop reaching into the people's wallets, taking from them what the people have earned and what they need for themselves.

So, Mr. Speaker, the bill we will vote on today represents more than fixing the IRS. The bill is about our values, our principles, our convictions. It is about right and wrong; it is about putting taxpayers first.

As the first chairman of the Committee on Ways and Means in memory who continues to do his own tax return, and, I must say, in longhand, not by computer, I can say today to the American people, with this vote we heard them, we understand them, we know what they are going through, we are on their side. They are the producers, they make things happen, we should follow in Washington, and that is what this bill is all about. So instead of thanking each other, we should say thanks to the American people who have made this the greatest country on the face of the Earth.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, today the House considered legislation to reform and restructure the Internal Revenue Service. The House voted overwhelmingly to approve this reform legislation and I also voted for the bill. I did have concerns over a proposed shift of the burden of proof but I feel that the provision was changed

enough to ensure that the Government's hands would not be tied when going after tax evaders and those who commit tax fraud.

The congressional hearings on the IRS not only opened the public's eyes to intimidation and harassment by a small number of IRS agents and supervisors, the hearings have also motivated Congress to offer a large number of bills that seek to change the way that the IRS does business.

I admit that the IRS has a few employees who abuse their power, forgetting that they are servants to the public, not masters of it. I can also personally attest to the fact that there are problems in the manner in which the IRS conducts audits and undertakes collection. However, Mr. President, I am afraid that the anti-IRS rhetoric being employed by some in Congress has unfairly attacked and tainted the majority of hardworking and honest IRS employees and is negatively affecting their morale and productivity.

Mr. Speaker, I am honored to have a large number of hardworking and honest IRS employees in my district at the IRS Mid-States Regional Office.

Mr. Speaker, those employees are not afraid of a new debate on the role of the IRS. They are not frightened by calls for reform and making their fellow workers more accountable to the taxpayers. What they are concerned about is that they are being unfairly singled out and negatively portrayed as unfit, uncaring, and unprofessional employees of the Government.

As Congress continues to consider more IRS reform initiatives, which now number between 10 and 11, we must be careful and responsible with both our words and actions. We must be sensitive to how our words affect those who are truly committed to public service.

I have heard from some of my constituents who work for the IRS and I am truly concerned about the morale of these dedicated and good employees as a result of the extremely negative rhetoric which well-intentioned lawmakers have used to describe the operation of the agency.

Mr. Speaker, we must remember that most IRS employees want to work with—and have worked with—lawmakers to bridge the gap between the IRS and the taxpayer.

Mr. Speaker, today I rose in favor of sensible, well-thought out reform of the Internal Revenue Service but I ask that we truly focus on reform, not rhetoric.

At the same time, I stand to support those great employees at the IRS midstates regional office in Dallas. They believe in public service, customer service, and accountability to taxpayers. They are patriotic and deserving of our respect and thanks, not our rhetoric and disdain.

Mr. KILDEE. Mr. Speaker, I rise today to express my strong support for H.R. 2676, the Internal Revenue Service Restructuring and Reform Act. I believe everyone would agree that commonsense reform of the IRS has been long overdue.

Mr. Speaker, over the years, I have had many constituents call my Michigan offices to complain about problems with the IRS. In fact, each year, I work with our local IRS office to put together a tax assistance night where IRS employees actually work directly with taxpayers to address their questions.

This bipartisan legislation will set up a new citizen oversight board and make the IRS more accountable to average Americans. Most importantly, this bill will ensure that the sacred principle of innocent until proven guilty is extended to every hard-working, honest American.

This bill is the critical first step to ensuring that our tax system remains both fair and equitable to all working individuals and families. That is why I urge my colleagues to support H.R. 2676.

Mr. CRANE. Mr. Speaker, I rise in support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act.

First, I would like to compliment my Ways and Means colleague, Mr. PORTMAN, who served as a cochairman of the IRS restructuring commission, for his work on this issue. I also want to thank our chairman, BILL ARCHER, for the prompt committee action on the IRS commission recommendations.

My office regularly assists my constituents who have had problems dealing with the IRS and I am quite familiar with the frustrations of taxpayers dealing with this agency. Of course, opposition to paying taxes and a mistrust of government is ingrained in Americans. Before our war of independence, colonists showed their disapproval of a British tax with the Boston tea party. After the Revolution, Americans took on our newly formed government with the whiskey rebellion. While we have not witnessed similar events in recent history, the IRS is easily the most hated agency of the Federal Government. But the hatred of the IRS is not just the hatred of taxes, but a genuine fear of the seemingly unchecked power the IRS wields over taxpayers.

Congressional hearings this year have demonstrated that the IRS is an agency out of control. Rather than serving taxpayers, IRS bureaucrats too often make Americans feel like slaves to the government. We know that IRS managers established audit goals for their employees to advance in the agency. In other words, IRS employees performance was evaluated by the amount of money extracted from taxpayers, not by dealing with the merits of each individual taxpayer's return. IRS employees came before Congress only under the condition of anonymity because they feared retribution by their colleagues. Taxpayers from all over the United States told stories of intimidation and clear abuses of power exercised by IRS agents. It is clear that many IRS employees were living up to their ignominious reputation.

To the credit of IRS employees, they do have a difficult job. The Internal Revenue Code is thousands of pages of ambiguous laws and regulations which can be interpreted, and often is, any number of ways. This is one of the reasons I have argued for so many years that Congress must scrap the current tax code and replace it with a flat tax that applies the same tax rate to all Americans simply and fairly.

Although this bill does not replace the Tax Code, I believe the reforms proposed in the bill, including the establishment of the oversight board will go a long way in addressing some of the problems at the IRS. Now, citizen board members will sit in judgment of the IRS for a change. I am also encouraged that this bill will, in many circumstances, shift the burden of proof from the taxpayer to the IRS. While thieves, murderers, and rapists are innocent until proven guilty in America, taxpayers are assumed guilty by the IRS until they prove themselves innocent. I know my Democrat friend JIM TRAFICANT has worked tirelessly on this issue and has made the point that it took a Republican Congress to actually get this provision put into law. I have proudly supported him in his efforts over the years and thank him for his work.

I also want to mention some of the other reforms in this bill. Specifically, the bill will allow taxpayers to get reimbursed for attorney's fees when they prevail against the IRS. Another provision will extend the privilege of confidentiality to conversations with tax accountants who provide the same tax advice that tax attorneys provide. The bill will also protect innocent spouses from tax liability on joint returns when they are unaware of misstatements or misreporting made by the other spouse.

Mr. Speaker, clearly the American people are eager to have these reforms. I am glad to see that President Clinton finally got that message and has agreed to support this bill. I urge all my colleagues to support H.R. 2676 and I hope that we can soon see it enacted into law.

Mr. DAVIS of Florida. Mr. Speaker, today I rise in support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act, an important first step in restoring the American taxpayer's faith both in the tax system and in the ability of their government to be efficient and responsive to their needs. This legislation, stemming largely from the Kerry-Portman Commission's recommendations, represents true bipartisan cooperation to address the growing concerns of citizens and their elected representatives over the management and activities of the IRS.

H.R. 2676 makes substantial improvements to both the oversight and the management of the IRS, incorporating increased input from the private sector while protecting the overall integrity of the agency. In addition, this bill contains provisions designed to strengthen the rights of the American taxpayer when confronted by the IRS, including a long overdue shift of the burden of proof within the U.S. Tax Court from the taxpayer to the agency. Certainly, our tax laws, like the rest of our judicial system, should be based on the presumption that a citizen is innocent until proven guilty.

While I support these much needed changes to improve the responsiveness and efficiency of the IRS, we must not forget that many of the problems this legislation seeks to remedy have their roots in the Internal Revenue Code itself, which continues to grow in complexity with each new tax law passed by Congress. Even the important tax cut passed earlier this session as part of the balanced budget agreement added hundreds of additional pages to the Internal Revenue Code. I believe our next step must be to thoroughly re-evaluate the overall Tax Code and begin a meaningful dialog on alternatives to the current system.

Mr. Speaker, I urge all of my colleagues to support the legislation before us today which

will ensure that, within the current tax structure, the American taxpayer will receive fairer and more efficient treatment by the Internal Revenue Service and I look forward to working with my colleagues on both sides of the aisle in exploring options for streamlining the Tax Code.

Ms. HOOLEY of Oregon. Mr. Speaker, it's time to overhaul the Internal Revenue Service—the most inefficient and the least user-friendly Government agency in America.

If any Member of this Congress still has doubts about legislation to overhaul our Nation's tax collecting agency, they should consider two cases of IRS abuse that I have been confronted with in the last few months. The first involves a woman whose bank account was frozen because her ex-husband died owing a tax debt that he had accumulated after the couple's divorce. The second involves a single mother who is working her way through college. The IRS lost the rebate check she was owed. The check was deposited in someone else's bank account, and 8 months later she still hasn't gotten her money—let alone the interest she would have earned on the refund.

These women are representative of the myriad of miscalculations and errors which have plagued the IRS in recent years. My district is not alone in facing an out of control IRS, naturally, and the difficulties that have cost these two women money, time, and peace of mind are repeated daily with alarming regularity around the country.

Reform of this beleaguered agency can no longer be postponed, and I believe that the IRS Restructuring and Reform Act accomplishes this task in a fair, efficient and bipartisan manner. Once this bill becomes law, I am confident that taxpayers will soon be blessed with a fairer, more user-friendly Internal Revenue Service.

Mr. PACKARD. Mr. Speaker, common sense tells me that the IRS is far too large and intrusive. Consider that the IRS has more than 136,000 employees, while the INS has only 6,500 border patrol agents—about 20 times more people to take our money than to protect our borders. That is simply outrageous.

Today, the House will consider the IRS Restructuring and Reform Act. This legislation will enact 28 new protections that enhance taxpayer rights when citizens become involved in IRS dispute and will effectively shift the burden of proof from the taxpayer to the IRS in court proceedings. By leveling the playing field between honest citizens and an out of control Government agency, the American taxpayers come up the big winners.

Mr. Speaker, all people want is a fair system. In America, that should never be too much to ask for. Nobody should be made to feel like a criminal for trying to do the right thing. The IRS has terrorized everyone from retirees, homemakers, single-parent families, and even a Little League girls softball team. We need to put an end to that.

Republicans hope this is the first step toward a comprehensive overhaul of the current Tax-Code and elimination of the IRS altogether. We are now clearly on our way to eliminating the IRS and its code altogether. More and more inside-the-beltway critics, including the President, are simply getting out of the way as Republicans move this agenda forward. Those who have defended the IRS in the past realize this is a battle they just can't win. I encourage all of my colleagues to support the IRS Restructuring and Reform Act.

Mr. BENTSEN. Mr. Speaker, I rise today in support of H.R. 2676, legislation to reform the Internal Revenue Service and better protect the rights of taxpayers. I am proud to be a cosponsor of this legislation. The need for this legislation could not be more clear after the recent Senate Finance Committee hearings that exposed IRS practices that are abusive to taxpayers and simply unacceptable for a Government agency. These hearings rightly angered most Americans, including myself. They added to the finding of the National Commission on Restructuring the IRS that found the agency to be woefully mismanaged and plagued by computerization problems and poor customer service.

These hearings and the commission's findings make it imperative that Congress act quickly to reform the IRS to improve its management, make it more customer-friendly, and better protect the rights of taxpayers.

This legislation shifts the burden of proof from taxpayers to the IRS in disputes in civil tax court proceedings. Last year, approximately 30,000 cases went to tax court. Under the legislation, taxpayers would still be required to back up claims with documentation, but the court would no longer presume that the IRS is correct when the facts are in dispute.

It also creates an independent 11-member board to oversee IRS management and develop strategy for the agency. The board would be made up of eight members from the private sector, the Treasury Secretary, the IRS commissioner, and a representative of the IRS employees union.

It expands the existing Taxpayer Bill of rights by creating 28 new taxpayer protections. these rights will allow taxpayers to sue the IRS for up to $100,000 in damages if IRS agents are negligent when trying to collect taxes; makes it easier for an innocent spouse to escape liability for taxes owed by the other spouse or an ex-spouse; make more cases eligible for resolution in a tax version of small-claims court; provide funding for clinics to help low-income taxpayers; and extend the attorney-client confidentiality privilege to accountants and others authorized to practice before the IRS.

These protections build on the existing Taxpayer Bill of Rights, which Congress enacted in 1996 with my support. The 1996 law created an Office of Taxpayer Advocate at the IRS to investigate taxpayer complaints about IRS enforcement actions. That law also raised the penalties for IRS employees who recklessly and intentionally disregard the Internal Revenue Code when dealing with taxpayers.

The legislation also places new limits on penalties to taxpayers for repayment of back taxes. It reduces the maximum penalty for 25 percent of the unpaid amount, plus interest, to 9.5 percent for taxpayers who reach a payment agreement with the IRS. Another change would equalize interest penalties for underpayment and overpayment of taxes. Currently, the IRS charges taxpayers a higher interest rate as a penalty for underpayment than the IRS itself pays when it owes taxpayers for overpayments. This is unfair and should be changed. Together, these changes will save taxpayers more than $1.2 billion over 5 years.

The IRS has the critical job of enforcing our tax laws and raising revenue, but there is no reason why it cannot treat taxpayers more like customers and less like potential criminals. Government employees, including those at the IRS, are providing an honorable service to the public, but they must always remember it is the public for whom they work. That is what we do with this legislation Congress is about to approve.

Mr. GALLEGLY. Mr. Speaker, I would like to express my strong support for restructuring the Internal Revenue Service.

We have heard time and again the horror stories taxpayers have experienced at the hands of this ruthless agency. H.R. 2676 levels the playing field between taxpayers and the IRS and reins in its ominous power. The Portman-Archer reform bill protects the taxpayers and restores their rights.

Holding the IRS accountable to the taxpayers is a complete reversal from how the system currently operates. This legislation prohibits IRS employees and IRS units from being evaluated based on enforcement results, but rather requires evaluations be based on the quality of taxpayer service they provide. Moreover, H.R. 2676 creates an independent board to oversee the IRS, taking control from political appointees at the Treasury Department and giving the board real power and authority to hold the IRS accountable for a change.

The reforms also include the unprecedented shift of the burden of proof from the taxpayer to the IRS, and, it enhances taxpayer rights with 28 new protections when citizens become involved in disputes with the IRS.

Mr. Speaker, fixing the IRS is no simple task, but this legislation is the first step in protecting taxpayers and the complete overhaul of our tax system. It's time the IRS was accountable to the American public, not the other way around.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today in support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1997. It is time to make the Internal Revenue Service as accountable to the taxpayer as the taxpayer is to the IRS.

Millions of Americans are still talking about the recent IRS hearings on Capitol Hill, where the abusive activities of the Internal Revenue Service were revealed. These activities included collection quotas and "financial status" audits, utter lack of service, and the personal and economic devastation of innocent and decent taxpaying citizens.

The American people heard from IRS agents testifying behind privacy screens with their voices altered telling about which innocent taxpayers they selected for audits, namely, those who didn't have the resources to fight back. We also heard how just getting a question answered could become a tiresome process for a taxpayer. And furthermore, that only 21 percent of the calls the IRS receives are even answered, and, of those, too many are answered incorrectly. In 1993 alone, the IRS gave 8½ million wrong answers to taxpayers trying to comply with Byzantine tax regulations.

Mr. Speaker, we all recognize that there are thousands of hardworking employees at the IRS that do their job well. But while it is understandable that extracting $1.5 trillion from American taxpayers by enforcing a tax code thousands of pages long is no easy task, the bottom line is that the IRS' mistreatment of taxpayers must be stopped.

Mr. Speaker, the solution to curbing IRS abuses has two parts.

First, the IRS must be reformed. H.R. 2676 is the first comprehensive reform legislation of the Internal Revenue Service since 1952. This bill will restructure the IRS by forming a nine-member oversight board, made up of private citizens, with real authority to hold the IRS accountable for change.

New taxpayer rights would be enacted, including the right to sue for negligence, collect legal fees and be notified of the reasons for an audit. The Taxpayer Advocate's Office also would be strengthened, and, most significant, the burden of proof in tax disputes would be shifted from the taxpayer to the IRS. Taxpayer service would become a top priority of the IRS and the practice of evaluating employees and IRS offices on collection results would be prohibited.

Second, now is the time to begin a national debate on reforming the current tax system by making it fairer and simpler. Put bluntly, we need a system that the American people can comprehend. Several competing plans have already been proposed. They include plans for a flat income tax, a retail consumption tax or a value-added tax. This most important debate must be taken directly to the American people to get their ideas and suggestions for change.

Mr. Speaker, for 60 years Washington patched together a tax code so complex that it threatens the basic fairness of the system. Through the many loopholes built into the code, individuals pay vastly different amounts in taxes, and, in some cases, pay no taxes at all. For this very reason, the American people have become cynical about our tax system. Genuine tax reform and simplification, and comprehensive reform of the IRS, is the only way to restore faith in a system that has for too long been unworthy of our trust.

Mr. CALVERT. Mr. speaker, I rise today in support of HR 2676, legislation to restructure and reform the Internal Revenue Service. I believe this is the most important issue currently being debated in households and businesses throughout the country. This is an enormous task for Congress, but one I believe we are ready, willing and able to tackle.

Ever since this issue became a national debate, I have heard from many constituents about their experiences with the IRS. To no one's surprise, the stories were filled with fear and anguish and anger. I did not hear one positive story. This has only reinforced my belief that the IRS is an agency that abuses its power and takes advantage of honest citizens. We have allowed our current system to become monstrous, unmanageable, and in some cases corrupt, and it is up to us to end the IRS as we know it and scrap the current tax code.

The legislation before us today is straightforward and non-partisan. This is not the debate about choosing between a flat tax or a national sales tax. It is not about whether we are Republicans or Democrats. This about representing our constituents and responding to their requests for help. It is unconscionable that criminals in this country are innocent until proven guilty, but taxpayers are not. HR 2676 will change this practice and finally hold the IRS accountable to taxpayers and force the IRS to bear the burden of proof when conducting an audit.

I am committed to improving the tax code and reforming the IRS. HR 2676 is much needed legislation that will benefit every American and I will be voting in favor of this much needed reform. I urge my colleagues on both sides of the aisle to do the same.

Mr. PORTER. Mr. Speaker, I am pleased that the House is considering legislation to reform the Internal Revenue Service. It is clear that abuse of taxpayers has occurred at the IRS and I believe that Congress should legislate changes to ensure this abuse does not continue. However, I also believe it is important that Congress take some responsibility for the adversarial attitude that exists at the IRS toward taxpayers. Two decades ago there was a very real concern in Congress that a growing number of individuals were negligent in paying their taxes. Based on this concern, Congress encouraged the IRS to step up its efforts to see that taxpayers were complying with the law. While Congress did not direct the IRS to harass or intimidate taxpayers, there was a certain degree of pressure placed on the agency to produce results. Unfortunately, this resulted in a culture at the IRS which tolerates abuse of authority. I believe that this bill will effectively correct this behavior and send a clear message that Congress does not condone or tolerate unfair treatment of taxpayers. I encourage my colleagues to join together and support H.R. 2676.

Mr. FAZIO of California. Mr. Speaker, I am proud to be a strong supporter of this legislation that will bring the first comprehensive reform of the IRS since 1952. This bill brings badly needed accountability, continuity, and expertise to this troubled agency.

I have heard from several of my friends and neighbors that have told me horror stories of mishandled cases and IRS agents that have acted inappropriately. There were also the inexcusable examples of abuse that were exposed in both the Senate and House hearings. All of these stories act to echo the call for reform.

This bipartisan legislation gives a comprehensive solution to the problems at the IRS by shifting the burden of proof in Tax court hearings from the taxpayer to the IRS and includes several provisions that will strengthen taxpayers' rights in dealing with the IRS. The bill also creates a new system of oversight that will help bring about lasting change throughout the organization.

The shifting of the burden of proof to the IRS will allow the taxpayer to be innocent until proven guilty in disputes that come before the U.S. Tax Court if the taxpayer has cooperated by providing the IRS access to all relevant information and documents. By changing the burden of proof this provision acts as a cost saving measure that will encourage the IRS to settle more cases before proceeding with a costly trial.

Other provisions of this bill that work to strengthen taxpayers rights include: provisions which protect an innocent spouse from being held liable for the tax liability that are caused by mistakes made by the other spouse on tax returns; allow taxpayers to sue the government for up to $100,000 in civil damages caused by negligent IRS employees who have violated the law; prohibit politically motivated audits; provide for grants to low income taxpayer clinics to help needy Americans in their disputes with the IRS; and encourages electronic filing of tax returns.

This bill reflects true compromise and I am proud to support it.

Mr. ADAM SMITH of Washington. Mr. Speaker, I rise today in support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act. As a proud cosponsor of this bill, I also want to thank the Commission chaired by Congressman PORTMAN and Senator KERREY, along with Chairman ARCHER and the Ranking Member of the Ways and Means Committee, Mr. RANGEL, for bringing us to where we are today.

I was disheartened to find that more than 150 people have contacted my office this year looking for help with the IRS. Most of those individuals are honest, hard-working people who don't mind paying their fair share of taxes, they just want the IRS to be more helpful. Sometimes the IRS has made mistakes and admitted wrongdoing, yet the agency won't correct them and adjust the taxpayer's bill. Other times, the taxpayer simply has questions and can't get a straight answer from the IRS.

Mr. Speaker, one of my primary goals in Congress is to help restore people's faith and trust in their government. Without public confidence in our democracy, it is impossible to lead this nation into the next century. This bill to reform the IRS to make it more accountable and customer-friendly is one important step Congress must take in order to regain some of the public's trust in government.

This bill will make the IRS more accountable by creating an outside oversight board with real power to perform consistent, ongoing oversight of IRS management and practices. It will make it easier for a taxpayer to comply with tax laws because when they request information or ask questions, they will be able to get answers. Furthermore, Congress will finally be forced to provide the oversight it has been so delinquent in doing.

Mr. Speaker, I urge all of my colleagues to support H.R. 2676. It is a good bill, and a very important step toward restoring the public's trust in our government.

Mr. STARK. Mr. Speaker, I rise in opposition to H.R. 2676 which is before the House today.

Though it is true that certain provisions in the bill are good—the Taxpayers Bill of Rights and the electronic filing of tax returns—there is not enough good in this bill to warrant support for it today. Some provisions are repetitions of current law or can be accomplished without change in law.

However, there are some serious flaws included the bill which prevent it from achieving the underlying goal of modernizing the IRS and improving taxpayer service.

OVERSIGHT BOARD

The creation of the IRS board is most troublesome. The Government should seek the

expertise of private sector individuals in advisory capacity; however, private sector individuals should not make key decisions on critical aspects of IRS management, operations, and taxpayers service. The IRS must be directly accountable to the administration with strict oversight by the Congress. The board adds a layer which reduces accountability, not enhances it.

This board is not only unwise but likely to be ineffective. A private sector board meeting once a month and without ability to hire staff of its own will not ensure a better managed IRS, or a more accountable IRS.

There is a peril to privatization without clear rules on conflict of interest and ethics but that is what we have before the House for consideration today. I challenge my colleagues to explain how the union representative is supposed to navigate the conflict of interest laws; how can one person vote on key management decisions while continuing to represent workers on a daily basis?

During committee consideration, I offered an amendment to impose clear prohibitions on private sector board members so that they could not represent a client against the IRS and so the one year post-employment restrictions would apply to board members. The committee rejected this clear amendment in a roll call vote of 14 to 23.

The language on ethics and conflicts of interest that miraculously appears in the bill today is unclear and vague in its requirements for private sector board members. As a criminal provision, it is grossly inadequate.

BURDEN OF PROOF

The shift in the burden of proof is an idea that sounds taxpayer friendly but will result in a far more intrusive IRS.

Former Republican Commissioner Fred Goldberg stated before Ways and Means that "of necessity, the IRS would be forced to resort to far more aggressive techniques in auditing taxpayers and developing cases."

This change is a bad idea which will result more record keeping requirements, more revenue agents, more audits, more tax litigation.

INFLUENCING IRS AUDITS

Lastly, it is intriguing that the bill imposes criminal sanctions on the President, Vice President, and Cabinet officials for requesting that the IRS conduct or terminate an audit of a specific taxpayer.

My Republican colleagues stated that they knew of no such abuse by the executive branch but they failed to apply the same criminal laws to Members of Congress. Did my Republican colleagues want to reserve the right to ask for audits—or pull the plug on audits—with impunity?

Mr. Speaker, the flaws in this bill are too serious to merit its enactment into law. I urge my colleagues to vote no on H.R. 2676.

Mrs. FOWLER. Mr. Speaker, I rise today in support of reforming the IRS. We are often cautioned around here against throwing babies out with bathwater. In the case of the IRS, we are fast approaching the point of throwing out the water, the tub and everything else.

A complicated Tax Code, coupled with an out-of-control bureaucracy bent on punitive enforcement instead of efficient collection has created a situation that this Congress must address. Today's legislation is a starting point.

It is going to take time to overhaul the Tax Code. In the meantime, I think we all agree that the abuses at the IRS must stop today. This bill does just that. It levels the playing field between the taxpayer and the tax collector, it makes customer service a priority not an anomaly, and it puts in place some common sense management reforms at the agency itself.

This is a good first step, Mr. Speaker, in our mission to create a fairer tax system for all Americans. I urge my colleagues to support the bill.

Mr. CHABOT. Mr. Speaker, I rise in strong support of the Internal Revenue Service Restructuring and Reform Act.

I want to single out for special recognition, my colleague from Ohio, Mr. PORTMAN, for the tremendous work he has done over the last several months on this critical issue. We in Cincinnati greatly appreciate his tireless efforts on behalf of all American taxpayers.

The legislation before us this afternoon is taxpayer-friendly. It makes a number of important reforms in the areas of IRS daily operations, congressional oversight, and I think most importantly, taxpayers' rights. The legislation recognizes the time-honored American understanding that one is innocent until proven guilty by shifting the responsibility of proving one's case in tax liability disputes from the individual taxpayer to the Internal Revenue Service. This, I believe most taxpayers would agree, is a reform long overdue.

Mr. Speaker, today's legislation is a great step in the right direction. We are bringing the IRS under control. Next we must bring taxes under control. While we have taken the first steps and have legislated tax relief for working American families, that relief will not come soon enough nor will the tax cuts be large enough. The President and his free-spending allies in the Congress have seen to that. But, notwithstanding the objections of our liberal friends, we must move forward with those efforts. The American people are taxed too much. And they will not be satisfied until we take even larger steps to relieve them of some of that burden. The fruits of labor belong to the working people, not to the government. And we will be failing in our duties to those hard-working taxpayers unless we step up our efforts to provide them with substantial tax relief.

I urge support of the legislation and I encourage my colleagues to supplement this important tax reform measure with tax reduction legislation in the very near future.

Mr. BALLENGER. Mr. Speaker, I rise today to express my full support for H.R. 2676, the IRS Restructuring and Reform Act. In addition, I wish to praise Chairman BILL ARCHER and our colleagues on the Ways and Means Committee for bringing to light endless injustices against the American taxpayers. H.R. 2676 implements the recommendations of the year-long National Commission on Restructuring the IRS and provides taxpayers new protections and rights to address many of the abuses spotlighted in congressional hearings. Our colleagues ROB PORTMAN and BEN CARDIN also deserve recognition for their sponsorship of this commission and their tireless advocacy of its recommendations.

I believe it is important to remind our constituents that it was the Republican-led Congress which made possible this major reform initiative and the implementing legislation we have before us today. H.R. 2676 proposes the first major reform of the IRS since 1952. For three years, Republican committee heads with responsibility for the budget and oversight of this federal agency have worked to advance this reform agenda. After weeks of congressional hearings and outrage expressed by the American people, the media finally began reporting on the dark side of this Federal agency. And, after weeks of resistance to the major recommendations of the National Commission on Restructuring the IRS, and following the endorsement of reform efforts by the leader of the House Democrats, President Clinton—and the defenders of the status quo in his administration—decided they had to join this bandwagon for reform. The good news in this debate is that a presidential veto of these important reforms appears less likely.

Let me repeat, this legislative priority never would have been identified or pursued had it not been for the landslide 1994 congressional elections which swept Republicans into control of the legislative branch of our Federal Government. I am proud that we have made protection of the American taxpayers and tax relief the hallmarks of our leadership. As I have stated before, congressional Republicans need time to review the legislative mistakes of the past 40 years of Democrat control of the Congress. We have been working quietly to build the case for major reforms of the Federal Government, and today we are seeing the fruit of our efforts.

The recent congressional oversight hearings on IRS management problems gave the victims of IRS harassment human faces and gained the national spotlight for this important issue. These hearings also generated a great deal of interest among my constituents in the 10th Congressional District of North Carolina. In addition to a stream of calls and letters urging my support in general for a package of IRS management reforms, the owner of a small business came by one of my district offices with a letter she wanted me to pass along to Chairman ARCHER.

With painstaking detail, my constituent outlined what she and her family—and employees—earlier faced at the hands of overzealous IRS agents. The agents harassed her 77-year-old parents who are in poor health and, on one occasion, delayed her mother's departure for a doctor's appointment. The agents even followed her mother to a store once and prevented her from exiting her car while they hurled questions at her. The taxpayer's daughter suffered problems at school, resulting in medical problems for both of them. After her employees were contacted by phone and in person by agents at their homes, many were scared and considered looking for other work. I agree with my constituent that these agents appeared to be on a mission to destroy her. Although the issue was business taxes, these Federal employees seemed willing to destroy her personal reputation in order to collect the taxes. Regrettably, she could identify with the financial and emotional stresses which the witnesses had shared earlier with the congressional panel and the viewing public.

I am certain my colleagues all can attest to similar battles which consumed their constituents' lives and resources, and in some cases

threatened their health. While some IRS districts have been charged with especially egregious collection actions, it seems that the taxman has spread the pain fairly evenly to constituents in every congressional district.

The situation of another constituent illustrates what I believe to be the single biggest problem with agency procedures used to settle outstanding tax liability. Taxpayers who owe back taxes to the IRS, have reached a payment agreement and comply with the terms of the agreement, are still subjected to ongoing penalties. Penalties in this instance have more than doubled the original outstanding tax burden. This is ridiculous! When an agreement is negotiated with the IRS and signed, further penalties should be eliminated. By ending these penalties, I also believe taxpayers would have greater incentive to enter into payment agreements. I agree with my constituents that the IRS should first and foremost provide "customer service," be guided by common sense regulations, and treat all taxpayers with simple human decency.

I believe the solution to the problems with our tax system begins with the enactment of H.R. 2676, the IRS Restructuring and Reform Act. The IRS Restructuring and Reform Act would:

First, create an 11-member IRS Oversight Board, with 8 members who are not Federal officers or employees. This board will have real authority to oversee the IRS and will bring private sector expertise to the agency.

Second, encourage the use of electronic (or paperless) filing which should dramatically reduce the high error rate of IRS employees who input incorrect numbers from paper 1040 forms.

Third, create a Taxpayer Bill of Rights 3, which will provide 28 new protections for taxpayers that will enhance their rights when they become involved in disputes with the IRS. These protections:

Shift the burden of proof from taxpayers to the IRS in court proceedings when a taxpayer has fully cooperated during administrative proceedings; allow recovery of up to $100,000 for negligent IRS collection actions; allow taxpayers to recover attorneys' fees when they prevail against the IRS; give taxpayers easier access to the tax court's equivalent of a "small claims court;" expand the ability of "innocent spouses"—often divorced women—to be relieved from liability for additional taxes which the IRS determines are owed on a joint return filed during the couple's marriage; and require that taxpayers are given a reason for any audit.

Fourth, expand the oversight role by Congress of the agency.

As a taxpayer myself, I feel these changes in IRS management and procedures are long overdue. I welcome the opportunity to speak to this issue on behalf of my constituents. I urge my colleagues to join with me today in voting for the IRS Restructuring and Reform Act of 1997.

Mr. PORTMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution 303, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

Mr. PORTMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 426, nays 4, not voting 4, as follows:

[Roll No. 577]

YEAS—426

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NAYS—4

Hoyer
Matsui
McDermott
Stark

NOT VOTING—4

Cubin
Gonzalez
Riley
Schiff

□ 1447

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2676, INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1997

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 2676, the Clerk of the House be authorized to correct section numbers, punctuation, and cross-references, and to make such other technical and conforming changes as may be necessary to reflect the actions of this House in amending H.R. 2676.

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

There was no objection.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. BECERRA. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of the State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C. and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to Latinos that their votes are suspect; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is not pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, after nearly a year and the expenditure of over $500,000, the continued probe of the Sanchez election represents a direct attack on Latino voters and an attempt to silence the voice of new citizens; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end: Now, therefore, be it

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within 2 legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from California [Mr. BECERRA] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. VELÁZQUEZ. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of this House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of the State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C. and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to Latinos that their votes do not count;

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is not perusing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California;

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, after nearly a year and the expenditure of over $500,000, of taxpayer's money, the continued probe of the Sanchez's election unfairly targets Latino voters and discourages their full participation in the democratic process;

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end: Now, therefore, be it

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's previous ruling under rule IX will be entered in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from New York will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. MENENDEZ. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of the State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit, including his charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that those accused of voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by the Congress to verify the citizenship of voters; and

Whereas the privacy rights of United States citizens have been violated by the Committee's improper use of those INS records;

Whereas the INS itself has questioned the validity and accuracy of the Committee's use of INS documents; and has continued to question the validity and accuracy of the Committee's use of INS documents; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas some Members of the House Oversight Committee are now seeking a duplicate and dilatory review of materials already in the Committee's possession by the Secretary of State of California; and which review can not produce a different result than that which the Committee could produce, upon using the same documents; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and have all the information they need regarding who voted in the 46th District and all the information they need to make a judgment concerning those votes; and

Whereas the Committee on House Oversight has after nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is now, in place of producing such credible evidence, pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has after nearly one year not shown or provided credible evidence sufficient to demonstrate that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, it is the contestant's proof of burden to do so;

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end: Now, therefore, be it

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

□ 1500

The SPEAKER pro tempore (Mr. PEASE). Without objection, the Chair's previous ruling under rule IX will be entered in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from New Jersey [Mr. MENENDEZ] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. MARTINEZ. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

1(b). Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C. and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to Latinos that their votes do not count;

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the I.N.S. has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on the manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight subpoenaed the records seized by the district attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the committee's possession by the secretary of state of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the privacy rights of thousands have been trampled with the sharing of I.N.S. files with second and third parties, half of which were Latino surnames;

Whereas the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's previous ruling under rule IX will be entered in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from California [Mr. MARTINEZ] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. ORTIZ. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of the State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C. and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to Latinos that their votes do not count; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California;

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, after nearly a year and the expenditure of over $500,000, the continued probe of the Sanchez election represents a direct attack on Latino voters and an attempt to silence the voice of new citizens; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, that unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's previous ruling under rule IX will be entered in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from Texas [Mr. ORTIZ] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. SERRANO. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of the State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas a Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997, in Orange County, California, and October 24, 1997 in Washington, D.C.; and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to Latinos that their votes do not count; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; of underage voting; of double voting; and of unusually large numbers of individuals voting from the same address. It was found that those voting from the same address included a Marine barracks and the domicile of nuns, that business addresses were legal residences for the individuals voting, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals, and that those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by the Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request, and, at the Committee's request, has been manually checking its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the Committee on House Oversight is not pursuing a duplicative and dilatory review of materials already in the Committee's possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and have all the information necessary regarding who voted in the 46 District and all the information necessary to make judgements concerning those votes; and

Whereas the Committee on House Oversight has, after nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never-ending and unsubstantiated areas of review; and

Whereas, Mr. Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez' election to the Congress; and

Whereas, the continued probe of the Sanchez election represents a direct attack on Latino voters and an attempt to silence the voice of new citizens; and those who seek to organize them; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end: now therefore be it:

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

□ 1515

The SPEAKER pro tempore (Mr. PEASE). Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from New York [Mr. SERRANO] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. GUTIERREZ. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of the State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C. and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to latinos that their votes do not count; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is not pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California;

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, after nearly a year and the expenditure of over $500,000, where Latinos voters have been the target, due process requires that this inquisition of the voters of California's 46th Congressional District end; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from Illinois [Mr. GUTIERREZ] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. UNDERWOOD. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C. and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to Latinos that their votes are suspect;

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is not pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, nearly a year and the expenditure of over $500,000, where voters with spanish surnames voters have been the primary target, due process requires that this inquisition of the voters of California's 46th Congressional District end;

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end: now, therefore, be it

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within 2 legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from Guam [Mr. UNDERWOOD] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. REYES. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46 District of California by the Secretary of the State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C. and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to Latinos that their votes are suspect;

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by the Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46 District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is presuming never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the privacy rights of thousands have been trampled with the sharing of INS files with second and third parties, half of which were Latino surnames and one-third Asian surnames;

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end: Now, therefore, be it

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within 2 legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from Texas [Mr. REYES] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. TORRES. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of the State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C. and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to Latinos that their votes are suspect;

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed

all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is not pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California;

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the privacy rights of thousands have been trampled with the sharing of INS files with second and third parties, half of which were Latino surnames;

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end: Now, therefore, be it

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

□ 1530

The SPEAKER pro tempore (Mr. CALVERT). Without objection, the Chair's previous ruling under rule IX will be entered in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from California [Mr. TORRES] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. ROYBAL-ALLARD. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of the State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to Latinos that their votes are suspect; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of an unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by the Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is not pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California;

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is presuming never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the continued probe of the Sanchez election unfairly targets Latino voters and discourages their full participation in the democratic process; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end: Now, therefore, be it

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's previous ruling under rule IX will be entered in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from California [Ms. ROYBAL-ALLARD] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. HINOJOSA. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46 District of California by the Secretary of the State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to Latinos that their votes do not count; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to

the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by the Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez' election to the Congress; and

Whereas, the continued probe of the Sanchez election unfairly targets Latino voters and discourages their full participation in the democratic process; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end: Now, therefore, be it

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's previous ruling under rule IX will be entered in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from Texas [Mr. HINOJOSA] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. ROMERO-BARCELO. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of the State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Hispanic voters and created a chilling effect with a message to Hispanics that their votes de not count;

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is not persuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgements concerning those votes; and

Whereas the Committee on House Oversight has after nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, after nearly a year and the expenditure of over $500,000, the inquisition of voters of California's 46th Congressional District has resulted in the intimidation of Hispanic voters;

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end Now therefore, be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

□ 1545

The SPEAKER pro tempore (Mr. PEASE). Without objection, the Chair's previous ruling under rule IX will be entered in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within 2 legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from Puerto Rico [Mr. ROMERO-BARCELÓ] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. RODRIGUEZ. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas Mr. Dornan's unproven allegations and the actions of the Committee on House Oversight have resulted in an unprecedented attack against Latino voters and created a chilling effect with a message to Latinos that their votes are suspect; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, after nearly a year and the expenditure of over $500,000, the continued probe of the Sanchez election unfairly targets Latino voters and discourages their full participation in the democratic process; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it:

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's previous ruling under rule IX will be entered in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from Texas [Mr. RODRIGUEZ] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Mr. Speaker, may I propound a parliamentary inquiry?

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. SOLOMON. Mr. Speaker, I have sat here for over an hour now waiting to bring before this body nine very, very important measures dealing with our relationship with the Communist People's Republic of China, and during that hour we have been delayed, we have listened to a number of notices of questions of privilege. One of them was by our good friend, and she is a good friend, the gentlewoman from California [Ms. ROYBAL-ALLARD], and as I listened to her make notice, I came across the October 31, 1997, page H9814, CONGRESSIONAL RECORD, which is entitled "An Announcement of Intention to Offer Resolution Raising Question of Privileges of the House," and it seems to me that the gentlewoman from California repeated exactly what she had noticed on October 31.

My question to the Chair is, it would seem, whether intentional or unintentional, that that would be deleterious in rising to make notice on the same question while one was pending. What is the parliamentary situation there?

The SPEAKER pro tempore. The Chair will examine the announced resolution to determine whether it is identical to another one considered by the House on the same day.

ANNOUNCEMENT OF COMMITTEE ON RULES MEETING

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

Mr. SOLOMON. Mr. Speaker, I have asked for this time for the purposes of making an announcement about a Committee on Rules meeting.

Mr. Speaker, we have just witnessed another, I believe, 14 or 15, I did not count the number, questions of privileges being noticed on the floor dealing with the Sanchez/Dornan situation. This brings to, just a guesstimate, to about 45 that now are pending. We have delayed the actions of the House by 1 hour, more than 1 hour just now. If we were to entertain those 45-plus notices over the next couple of days, that would take up probably 24 legislative hours of this body.

This body has been working diligently to try to complete the work of the House so that we can adjourn for this year. As everyone knows, there are three appropriation bills that are contentious. One of those deals with the Census issue which we are told now is about to be worked out. Another dealt with an abortion issue on the Foreign Operations appropriation bill. We are told that the gentleman from New Jersey [Mr. SMITH] has just about completed a compromise on that, and we are told that the gentleman from Pennsylvania [Mr. GOODLING], in negotiations with the House, has just about completed a compromise on the testing.

So that the only issues really to come before this body between now and the time that we would adjourn would be those three appropriation bills, the fast track bill, whether my colleagues are for or against it, I happen to be opposed to it, and some other measures such as these nine United States-China relation bills that are terribly important on the floor, now that it is going to take about 14 or 15 hours.

My point is, we have been delayed now so that we will not be able to complete the day's work on these China bills even if we stay until midnight, which we are, incidentally. We are going to stay at least until midnight. But even then, we will have to carry over five or six of these China bills until tomorrow, and then that just delays any chance that we might have had, I think, of adjourning for the year this Saturday, and even perhaps this Sunday.

But that part is irrelevant. The part that concerns me is that in all of the notices that have been brought before the House, I believe, and I say this sincerely, with no animosity, and I will not yield until I am finished, but I will be glad to at some point, I just believe, I sincerely believe, that they are deleterious in nature, and I have discussed this with the Speaker of the House and asked him if he would not declare them deleterious, keeping in mind that if one or two wanted to be offered each day, certainly knowing the sincerity by some Members of the other side of the aisle that we ought to, as my colleagues know, go along with that. But the Speaker is hesitant to do that because he wants to keep comity in the House.

But, nevertheless, it is the responsibility of the Committee on Rules to see to it that we complete our work on this session, and that is why I have scheduled a Committee on Rules meeting, and I would make notice to the members of the Committee on Rules that we will be considering in the Committee on Rules a two-thirds waiver for remaining appropriation bills from now until Sunday, which means that if the

appropriation bills were complete, we could bring them up in the same day.

This is, and when I finish I will yield, this is typical of nomenclature that we do each year. We would also include in that rule permission for suspension days to be brought up with notice to the minority any day between now and Sunday so that we could take care of those significant issues that were not controversial and perhaps deal with them between now and Sunday.

But, also, I am just going to reluctantly recommend to the leadership that we limit in some way the notices that Members can bring on questions of privilege. Perhaps, and I have not decided how we will do this, but perhaps giving that right to the minority leader and the majority leader so that we can have negotiations that try to work out some comity and complete the work of the House. It is terribly important for the American people.

Mr. Speaker, I yield to the gentleman from San Diego, CA [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, let me just say that I support what he is trying to do for the simple reason that I have heard the notices read over and over again protesting the fact that we do not have a result yet in the election contest, and I just say to my friends that the notices are written in such a way that they are totally one-sided, there is no time for debate, and I sit there looking at the newspaper headlines in California saying that the secretary of state has found that 60 percent of the registrations by one group of people who were registered and voted manipulated—it says that 60 percent of these registrations were illegal.

And yet the idea, if my colleagues listen to the text of the privileged resolutions, which, in essence, are arguments themselves, they talk about Marine barracks being questioned and nuns being questioned. And of course those may be in the huge universe of tens of thousands of people, but the fact that one group alone was found to have had 60 percent of their registrations being fraudulent, and the idea that this House should not investigate that, and that there is no chance for a debate on these privileged motions, they are simply read over and over again in rote.

□ 1600

They were obviously written in such a way as to make the argument in the resolution itself.

Ms. DELAURO. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I am not going to yield until I am able to finish my sentence.

That, I think, offers no value to this deliberative body, because there is absolutely no time given on the other side, and it gives the impression to the people out in the countryside that there is not a group that had 60 percent fraudulent registrations, which in fact has been the finding of the secretary of state, which would justify any deliberative body in the world at least the idea that we should go forward and at least have a further investigation until we find all the information.

Mr. SOLOMON. Mr. Speaker, reclaiming my time, first of all, I have to yield to the gentleman from Texas who asked me to yield in the first place, and then, if the gentlewoman would let him speak for her, because we have to get on with the regular order.

Ms. DELAURO. Well, I would like to correct the RECORD in a couple of ways, if I can.

Mr. SOLOMON. Well, Mr. Speaker, I will first yield to the gentleman from Texas.

Would the gentleman from Texas rather I yield to the gentlewoman from Connecticut?

Mr. HINOJOSA. Mr. Speaker, that is fine.

Mr. SOLOMON. I just did not want to slight the gentleman from Texas.

Ms. DELAURO. Mr. Speaker, I thank my colleague for yielding. There are two points here. One has to do with our colleague, the gentlewoman from California [Ms. ROYBAL-ALLARD] who, in fact, has introduced two privileged motions, two different dates. Both are different, if the gentleman will check and take a look at the record.

Mr. SOLOMON. Mr. Speaker, would the gentlewoman explain to us how they are different?

Ms. DELAURO. Let me just finish.

Second, there is nothing, nothing, nothing we would like better on this side of the aisle on this issue than to have the opportunity for debate. Every time one of these, after the notice and the vote comes due, we would love to have a debate. In fact, what happens is that a Member gets up and calls for the motion to be tabled, so in fact, we cannot have a debate.

Mr. SOLOMON. Mr. Speaker, reclaiming my time, we have already had that debate.

Ms. DELAURO. Allow us the opportunity to have the debate on this.

Mr. SOLOMON. Mr. Speaker, regular order. Reclaiming my time, the Gephardt debate amendment, or questions of privileges, has been debated on the floor. I now yield back.

REQUEST FOR PERMISSION TO SPEAK OUT OF ORDER

Mr. HEFNER. Mr. Speaker, I ask unanimous consent to be recognized out of order for 5 minutes.

Mr. SOLOMON. Mr. Speaker, we have to continue with regular order.

Ms. DELAURO. Mr. Speaker, the gentleman from New York spoke out of order for 5 minutes, or longer than that.

Mr. SOLOMON. Mr. Speaker, I object.

The SPEAKER pro tempore (Mr. CALVERT). Objection is heard.

PROVIDING FOR CONSIDERATION OF NINE MEASURES RELATING TO THE POLICY OF THE UNITED STATES WITH RESPECT TO THE PEOPLE'S REPUBLIC OF CHINA

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 302 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 302

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 2358) to provide for improved monitoring of human rights violations in the People's Republic of China. The bill shall be considered as read for amendment. The amendments recommended by the Committee on International Relations now printed in the bill and the amendments printed in part 1-A of the report of the Committee on Rules accompanying this resolution shall be considered as adopted. All points of order against the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, and any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations or their designees; (2) the further amendment specified in part 1-B of the report of the Committee on Rules, if offered by Representative Gilman or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for thirty minutes equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 2. After disposition of or postponement of further proceedings on H.R. 2232, it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2195) to provide for certain measures to increase monitoring of products of the People's Republic of China that are made with forced labor. The bill shall be considered as read for amendment. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means or their designees; and (2) one motion to recommit with or without instructions.

SEC. 3. After disposition of or postponement of further proceedings on H.R. 2195, it shall be in order to consider in the House the resolution (H. Res. 188) urging the executive branch to take action regarding the acquisition by Iran of C-802 cruise missiles. The resolution shall be considered as read for amendment. The amendments printed in part 2 of the report of the Committee on Rules shall be considered as adopted. The previous question shall be considered as ordered on the resolution and the preamble, as amended, to final adoption without intervening motion except: (1) one hour of debate on the resolution, as amended, which shall be equally divided and controlled by the

chairman and ranking minority member of the Committee on International Relations or their designees; and (2) one motion to recommit with or without instructions.

SEC. 4. After disposition of or postponement of further proceedings on H. Res. 188, it shall be in order to consider in the House the bill (H.R. 967) to prohibit the use of United States funds to provide for the participation of certain Chinese officials in international conferences, programs, and activities and to provide that certain Chinese officials shall be ineligible to receive visas and excluded from admission to the United States. The bill shall be considered as read for amendment. The amendments recommended by the Committee on International Relations now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations or their designees; and (2) one motion to recommit with or without instructions.

SEC. 5. After disposition of or postponement of further proceedings on H.R. 967, it shall be in order to consider in the House the bill (H.R. 2570) to condemn those officials of the Chinese Communist Party, the Government of the People's Republic of China, and other persons who are involved in the enforcement of forced abortions by preventing such persons from entering or remaining in the United States. The bill shall be considered as read for amendment. The amendment printed in part 3 of the report of the Committee on Rules shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary or their designees; and (2) one motion to recommit with or without instructions.

SEC. 6. After disposition of or postponement of further proceedings on H.R. 2570, it shall be in order to consider in the House the bill (H.R. 2386) to implement the provisions of the Taiwan Relations Act concerning the stability and security of Taiwan and United States cooperation with Taiwan on the development and acquisition of defensive military articles. The bill shall be considered as read for amendment. The amendment in the nature of a substitute recommended by the Committee on International Relations now printed in the bill, modified by the amendments printed in part 4 of the report of the Committee on Rules, shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations or their designees; and (2) one motion to recommit with or without instructions.

SEC. 7. After disposition of or postponement of further proceedings on H.R. 2386, it shall be in order to consider in the House the bill (H.R. 2605) to require the United States to oppose the making of concessional loans by international financial institutions to any entity in the People's Republic of China. The bill shall be considered as read for amendment. The amendments printed in part 5 of the report of the Committee on Rules shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the committee on Banking and Financial Services or their designees; and (2) one motion to recommit with or without instructions.

SEC. 8. After disposition of or postponement of further proceedings on H.R. 2605, it shall be in order to consider in the House the bill (H.R. 2647) to ensure that commercial activities of the People's Liberation Army of China or any Communist Chinese military company in the United States are monitored and are subject to the authorities under the International Emergency Economic Powers Act. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations or their designees; and (2) one motion to recommit.

SEC. 9. After disposition of or postponement of further proceedings on H.R. 2647, it shall be in order to consider in the House the bill (H.R. 2232) to provide for increased international broadcasting activities in China. The bill shall be considered as read for amendment. The amendment in the nature of a substitute recommended by the Committee on International Relations now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations or their designees; and (2) one motion to recommit with or without instructions.

SEC. 10. During consideration of any measures pursuant to this resolution, the list of questions on which the Chair may postpone proceedings under clause 5(b)(1) of rule I shall be considered to include (as though in one of the subdivisions (A) through (E)) both the question of adopting an amendment and the question of adopting a motion to recommit.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Speaker, I offer a technical amendment to the resolution. After clearing a technical printing error with the gentleman from Ohio [Mr. HALL], a member of the Committee on Rules, I ask unanimous consent that the amendment to House Resolution 302 placed at the desk be considered as adopted.

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

There was no objection.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank the Chairman of the Committee on Rules for yielding to me.

I am pleased to rise in support of House Resolution 302 providing for consideration of nine measures relating to the policy of the United States with respect to the People's Republic of China.

Mr. Speaker, I am pleased to rise in support of the rule (H. Res. 302) providing for consideration of nine measures relating to the policy of the United States with respect to the People's Republic of China.

Today the House addresses major aspects of the United States-China relationship in bringing these measures to the floor.

Many ask: Why are we taking up these measures? The answer is simple. We are taking up these measures because we made a promise to the American people when the House unanimously adopted House Resolution 461 in June 1996.

That resolution, which was introduced by Mr. SOLOMON and Mr. COX, called for hearings and legislation by the cognizant House committees on issues of concern to the American people regarding the People's Republic of China. We're keeping our promise.

This legislative package is an effort to separate such issues as human rights, proliferation, and the advancement of democracy from our annual debate about China's trade status—the MFN issue.

The American people are deeply concerned about our relationship with China—all of our colleagues receive letters, phone calls, and other communications about it. We are responding to our constituents.

The Chinese are watching our actions closely. This is an opportune time to be open and to be frank with the new Chinese leadership that the American people and Congress are concerned about a number of important issues in our bilateral relationship.

Many of us in the Congress, and many of the American people, believe that the administration is soft-peddling issues which we as Americans feel strongly about—such as human rights, democratization, trade, Tibet, Taiwan, and our national security.

This legislation expresses the strong sentiment of the Congress and the American people on these issues and urges the administration to take appropriate action.

Seven of the nine bills fall within the sole or shared jurisdiction of the Committee on International Relations. I am pleased with the work of the Rules Committee on these measures. Accordingly, I urge support for the rule so that we can proceed with consideration of these bills.

Mr. SOLOMON. Mr. Speaker, for the purposes of debate only, I yield half of our time, 30 minutes, to the gentleman from Ohio [Mr. HALL], pending which I yield myself such time as I might consume. During consideration of the resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, the Committee on Rules has granted one rule which provides for the consideration of nine bills relating to United States-China policy. Each of the nine bills will be considered separately. Each bill will receive one hour of debate equally divided between the chairman and ranking member of the committee of jurisdiction or their designees. In addition, the rule provides

that one motion to recommit, with or without instructions, will be in order on each of the nine bills.

With that, I will proceed to describe briefly the procedure for each of those 9 bills.

The first bill the rules makes in order is H.R. 2358, the Political Freedom in China Act, under a modified, closed amendment process. In addition, the rule makes in order and waives points of order against the Gilman-Markey amendment specified in the Committee on Rules, report to be separately debatable for 30 minutes.

The rule then provides for the consideration of H.R. 2195, the Slave Labor Products Act, under a closed amendment process. House Resolution 188, the fighting missile proliferation resolution, is to be considered under a modified, closed amendment process as well.

The rule then provides for the consideration of H.R. 967, the Free the Clergy Act, under a closed amendment process. The rule provides for the consideration of H.R. 2570, the Forced Abortion Condemnation Act.

Next, the rule provides for consideration of H.R. 2386, the Taiwan Missile Defense Act. The rule provides for the consideration of H.R. 2605, the China Subsidization Act. Next, the rule provides for the consideration of H.R. 2647, the Denial of Normal Commercial Status to the Chinese People Liberation Army. The rule then provides for the consideration of H.R. 2232, the Radio Free Asia Act.

Finally, the rule provides that the Speaker may postpone proceedings on the question of adopting an amendment and the question of adopting a motion to recommit.

□ 1615

Mr. Speaker, this is a fair, balanced rule. It makes in order four amendments by Democratic Members, two amendments by Republican Members, and six amendments which are bipartisan in nature.

Mr. Speaker, on the substance of the bill, let me just say that the day has finally arrived on this floor. Today we will consider a series of bills on China that I have just outlined that, together, represent a comprehensive approach to dealing with the myriad of problems presented by the criminal behavior of the Communist dictatorship in Beijing.

Year after year we in this Congress go through the routine process of attempting to deny but then granting most-favored-nation trading status to this regime, despite its endless list of crimes against humanity, crimes against innocent human beings. Then we forget about it for a year while China continues its human rights abuses, its grossly unfair trading practices, its huge military buildup, its sale of weapons and technology to rogue regimes like Iran, its religious persecutions of innocent, helpless human beings, and even worse, Mr. Speaker, selling ready-to-assemble factories to Middle East countries that produce chemical and biological weapons, including deadly nerve gas and other deadly germ warfare that could be used on American soldiers when they are called upon to defend another country, like Kuwait against Iraq. Members should read the newspaper and watch television and see what is happening with this man Hussein in Iraq.

The nine bipartisan bills we offer here today, and I emphasize "bipartisan," will help us break this vicious cycle. Each of them deals with a different aspect of our relationship with China, or addresses a particular transgression committed by this Communist dictatorship.

Mr. Speaker, I must at this point heap praise on the man I think most responsible for putting this package together and getting it to this floor this far, our Republican policy committee chairman, the gentleman from California, Mr. CHRIS COX. The gentleman from California [Mr. COX] and his staff have done diligent work, outstanding work over these past several months, as a matter of fact, several years, in overseeing this effort, and our hats certainly go off to him, and certainly I know it is appreciated by the oppressed people of China.

I would also like to thank the relevant committees which have reported out or discharged this legislation, including the Committee on Ways and Means, the Committee on Banking and Financial Services, the Committee on the Judiciary, the Committee on National Security, and especially the committee which did the lions' share of work, the Committee on International Relations, under the able leadership of my good friend, the gentleman from New York, Mr. BEN GILMAN.

Finally, Mr. Speaker, I would like to thank the minority leader, the gentleman from Missouri [Mr. GEPHARDT], the gentlewoman from California [Ms. NANCY PELOSI], the gentleman from Ohio [Mr. TONY HALL], and so many other Democrat Members on the other side of the aisle who have been unswerving in their support of a free China, and who also helped make this package a legislative reality.

Mr. Speaker, passage of these bills by this House is absolutely essential here today. Even if one were a supporter of MFN, one must admit that China's behavior is absolutely unacceptable, and this Congress cannot just stand idly by and do nothing about it, especially after the President of the United States fell all over himself last week rolling out the red carpet for this Chinese dictator, and offering him a bag of goodies in return for a couple of empty promises. We will be back here next year and 2 years from now, and I will recall those empty promises to Members, and Members will tell me that they were not fulfilled.

Let us look at the facts. On trade matters, hardly a day goes by when the economic and trade picture with China does not get worse. China's refusal to grant fair and open access to American goods has resulted in our trade deficit with that country skyrocketing to $38 billion last year, and toward $50 billion this year.

Do Members know how many American people were put out of work because of that? The people that make this shirt I am wearing here no longer have jobs. This has cost thousands of American jobs, and this Congress refuses to do anything about it, up until today.

While this package will not affect most-favored-nation trading status with China, the bill of the gentlewoman from Florida [Mrs. FOWLER] does attempt to address the problem of the Chinese People's Liberation Army's huge commercial empire by requiring the executive branch to compile a list of People's Liberation Army companies, and authorizing the President to restrict trade with them under the International Emergency Economic Powers Act. Considering the crimes committed by the Chinese People's Liberation Army, as well as its clearly unfair trading practices. This is clearly the least we can do.

On the matter of human rights, hardly a day goes by without reading of yet another act of aggression, another act of duplicity, or another affront to humanity committed by these butchers of Beijing.

Consider this: The same people who conducted the massacre in Tiananmen Square and the inhumane oppression of Tibet, and if Members do not think they are being oppressed, go there and see firsthand what is happening to those poor people, they have been busily eradicating the last remnants of the democracy movement in China. It is gone, Mr. Speaker.

As we all know, according to this year's State Department human rights report, in 1996, China stepped up efforts to cut off expressions of protest, and had effectively silenced all opposition by intimidation, exile, or imprisonment. That is our State Department's report, Mr. Speaker. Read it.

I emphasize the words "stepped up," Mr. Speaker. Human rights in China are getting worse, not better. This package attempts to deal with this fact through a variety of means. H.R. 2358 that was introduced by the gentlewoman from Florida [Ms. ROS-LEHTINEN] provides for $2 million for additional diplomats dedicated to monitoring human rights to be posted throughout all of China, so we can see and we can have reports coming back to us.

Another bill introduced by the gentleman from New Jersey [Mr. SMITH]

provides additional moneys for customs inspectors to monitor and enforce existing prohibitions on slave labor, of which Communist China is the world's premier user. And some of the people around here sing their praises. They still use slave labor, starving people to produce goods to sell in this country, like this shirt I am wearing, and 80 percent cheaper than we can make it in our country. And we sit here and do nothing about it?

The Free the Clergy Act, H.R. 967, of the gentleman from New York [Mr. BEN GILMAN] denies visas to Chinese officials that are engaged in China's rampant religious persecution, and prohibits funding of travel to the United States for officials of Communist China's sham official churches. Do Members not know that that will send a message?

In a similar vein, the gentlewoman from Florida [Mrs. TILLIE FOWLER] would deny visas to those officials involved in China's odious practice of forced abortions. They are bad enough, abortions in themselves, but forced abortions?

And the gentleman from California [Mr. ED ROYCE] will increase funding for Radio Free Asia with the intent of achieving 24-hours-a-day broadcasting in China in multiple languages and in dialects, so that the people behind that Chinese iron curtain can see what is going on and can hear that there are people out there, that there is a beacon of hope for them.

In the field of national security, what we see is a relentless Chinese military buildup, ever more frequent exports of technology and weapons of mass destruction, and an increasingly belligerent Chinese foreign policy that even threatens to use those missiles on Los Angeles.

Where are all the Members from California? They ought to be terribly, terribly upset about that. Here is one back here.

While every other major country has reduced its military spending, Communist China has increased its military spending by double digits for a number of years now, and has already increased their military spending by 50 percent in just the last several years, while we in America and every other democracy in the world is cutting back. Why are they doing that? What have they got on their minds? What are they buying with all of that money? Soviet-made Sunburn missiles from Russia, that is what, and Soviet and Russian-made SU-27 Flankers, Kilo submarines, and a host of other equipment and technology that will allow China to, among other things, continue to intimidate the democratic society of Taiwan.

Meanwhile, China's irresponsible proliferation activities continue to go unabated, despite last week's paper promises. The fact is that China continues to export ballistic missile and nuclear technology to Pakistan, and missile, nuclear and chemical weapons technology to the avowed enemy of America.

Who says we are their enemy? Iran says we are their enemy. Yet China gives them the same nuclear technology that now we are telling them we are going to give to China. It is outrageous, Mr. Speaker.

This package also deals with these national security problems in several different ways. One bill calls for enforcement of the Gore-McCain Act, this is the law of the land, in light of China's C-802 missile shipments to Iran. That 1992 act calls for sanctions against countries which arm Iran, but the President and the Vice President have been ignoring the law, declining even to issue a waiver. Why? I wonder why.

H.R. 2386, introduced by the gentleman from California [Mr. DUNCAN HUNTER], requires a report on the missile defense needs of Taiwan, and calls for sales of missile defense technology to Taiwan as soon as possible, so they can meet this threat.

Finally, Mr. Speaker, I myself introduced an attempt to shut down the taxpayer-funded money flow to this rogue regime, which makes what we are doing here today necessary by requiring the United States to oppose all so-called soft money loans to China.

Here is this country. We are going to have people come on the floor today and they are going to praise this China's Government and say how successful they are, and look at their great economy. And we still give them money in foreign aid? We give our taxpayers' money to them?

Mr. Speaker, this world is upside down. It is high time for substantive and creative responses to the aforementioned affronts against humanity committed by this despotic dictatorship in China. That is what these nine bills are all about, and I would urge every Member to come over here, participate in this 10 hours of debate on the issues that I have just brought before Members. We need to do that not only for the people that are suffering under communism in China today, but we need to do it for the protection of the American people in the future.

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

AMENDMENT OFFERED BY MR. SOLOMON

The SPEAKER pro tempore (Mr. CALVERT). Without objection, the Clerk will report the amendment to the resolution that was previously agreed to.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON:

The first sentence of section 2 is amended by striking "H.R. 2232" and inserting in lieu thereof "H.R. 2358".

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

Mr. Speaker, this resolution, House Resolution 302, is a compound rule that will allow consideration under a very closed amendment process. It allows nine separate bills or resolutions responding to human rights abuses in China.

As my colleague, the gentleman from New York, has described, this rule provides 1 hour of general debate for each bill, equally divided and controlled by the chairman and the ranking minority member of the committee of original jurisdiction.

The rule permits only one floor amendment to be offered to one of the nine bills. No other floor amendments can be offered to that bill or any of the other nine bills in the China package. The rule self-executes 11 other amendments to some of the bills.

Mr. Speaker, I do share with my colleague, the gentleman from New York [Mr. SOLOMON], an abomination of the human rights abuses in China. During my service in Congress, as others have done, I have devoted myself to improving human rights conditions in many of the forgotten places around the world. Therefore, I do appreciate the work of the gentleman, as well as the Committee on International Relations chairman, the gentleman from New York [Mr. GILMAN], and the ranking member, the gentleman from Indiana [Mr. HAMILTON] for their continued focus on China's human rights abuses. China's brutal suppression of religious and political freedoms are well known. China has cracked down on political dissent, imprisoned and tortured people for their religious beliefs, and supported the proliferation of weapons of mass destruction.

China continues forced abortions for many women who do not follow the one-child-per-family policy, and the House of Representatives and the United States cannot remain silent on these human rights abuses.

The United States must do more than just talk about human rights abuses. We must take action that leads to improving the lives of the Chinese people. The bills before us today contain a number of creative approaches. They are the result of a great deal of effort by many House committees. It is an act of leadership and courage for us to consider them.

□ 1630

Unfortunately, I do not agree with the actions of the Committee on Rules in moving the China package forward under this process. I agree that there is a sense of urgency, and in fact I wish that the House had moved with stronger force to stop many human rights abuses that I and others have pointed out over the past two decades.

However, I believe that the speed of the process denies the opportunity for House Members to participate in the shaping of this legislation, and it increases the risk that the final product

will not represent our best effort. For these reasons, I reluctantly oppose the rule.

Last night during consideration by the Committee on Rules, the distinguished ranking minority member of the Committee on International Relations, the gentleman from Indiana [Mr. HAMILTON], testified he had serious substantial concerns about this package of legislation. He also had serious concerns about the process. He pointed out that some of the bills had no hearings and there has been inadequate consultation with the administration and the intelligence community. The result, he warned, is likely to produce a flawed product that will not have the intent we seek and will not reflect well on Congress.

The Committee on Rules did self-execute amendments that will improve the package. I am thankful to the committee for making these changes and for including Democratic amendments.

However, this is the least preferable way to make the changes. It puts the Committee on Rules in the role of the decisionmaker, circumventing the normal committee process, and denies the opportunity for all House Members to vote on the self-executing amendments. With one exception, House Members are denied the opportunity to offer their own amendments on the floor.

Mr. Speaker, I believe that speed and efficiency are necessary when important issues such as human rights come up. But under this rule, we are sacrificing too much of the rights of House Members and risking making too many mistakes to consider the China legislative package.

I would urge my colleagues to reject this rule and a very flawed process.

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

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes and 30 seconds to the gentleman from Claremont, CA [Mr. DREIER], the vice chairman of the Committee on Rules. He is an outstanding supporter of human rights throughout this world. I wish I had more time than 3 minutes to yield to him. There will be ample other time during the 10 hours of general debate.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me this time.

I rise in strong support of this rule and to say that I am in agreement with many of the points that my friend from New York made. Probably the most important one to me is the fact that it is true over the years we constantly focus on the debate on whether or not we should renew most-favored-nation trading status with the People's Republic of China and then, while we have talked about many things, we unfortunately do not get on that road toward pursuing many of the very justifiable concerns that we have, and that is what this is all about today.

Before we had the vote on renewal of MFN earlier this year, the Speaker asked my colleague from Illinois [Mr. PORTER] and me to put together a package which includes, in fact, an overwhelming majority of the items included in this legislation. We worked with the gentleman from New York [Mr. SOLOMON] and the gentleman from California [Mr. COX] and many other Members who got involved in this process, and in a bipartisan way we introduced H.R. 2095 with 40 cosponsors. And it is bipartisan; we have 14 Democrats who joined as cosponsors of that measure.

I am not going to stand here and be one of those that the gentleman from New York [Mr. SOLOMON]) mentioned, who is going to praise the Chinese Government or, in fact, say that they are all very rich. I am a very strong critic of the actions of the Government of the People's Republic of China and those concerns which all of us share. I am not going to say that they are a rich country because they are not a rich country.

But I will say that if we look at the 5,000-year history of the People's Republic of China, clearly, market reforms have been the most powerful force for change, and our commercial relations with the People's Republic of China have been integral toward pursuing those reforms which have addressed many of the concerns that exist among the 1.3 billion people.

As I say, there are very deep and disturbing problems which do need to be addressed, and we are today taking a proactive position in trying to look at those.

I think that we need to shift the policy of debate simply on the issue of trade toward those ways that we can promote our American values, the Western values of human freedom, democracy, the rule of law, and respect for international norms. That is why I believe that when we look at the items included in H.R. 2095, we do many of those things that need to be addressed.

One of them I think is very important, and that is to increase funding for the National Endowment for Democracy. We have been key toward encouraging village elections throughout China. While some are critics of village elections, I think that anything we can do to encourage democratization, even if it is coming from the ground up where we now have, unlike during the Mao years, non-Communist candidates and we have in fact secret ballots, things that did not exist when village elections were taking place decades ago, those are positive. The International Republican Institute is on the front line toward helping literally hundreds of millions of people to participate there.

There are many other items that we have included in this measure, funding for Radio Free Asia and the Voice of America, and I believe that we have a very good package by and large. There are some things in this measure which concern me, but I do believe that those things that encourage greater political pluralism are things that we can support as a country.

With that, I urge my colleagues to support the rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 9 minutes to the gentleman from Indiana [Mr. HAMILTON], the ranking minority member of the Committee on International Relations.

Mr. HAMILTON. Mr. Speaker, I thank the gentleman from Ohio for yielding me this time.

I rise today to urge defeat of the rule. I do so with some reluctance, but I am concerned that we are about to embark on a debate that is not going to reflect well on the House of Representatives. We will set back U.S.-China relations and do harm to important American interests.

Some of the bills that we will consider are acceptable; some are not. On balance, I think bringing these bills forward now will do more harm than good in the U.S.-China relationship. A China debate by the Congress is entirely appropriate, if it is properly done. I have got substantive and procedural concerns about this package. I am concerned about the cumulative impact of this collection of bills.

The administration opposes almost all of these bills. I do not assume that the administration is right in all cases and the House wrong, but I am troubled that no process was followed to try to work out the differences on the bills.

Let me just say a word about the relationship with China. It is a terribly complex relationship. It is one of the most difficult foreign policy relationships in the world to manage, even in the best of times. The relationship often makes us uncomfortable. China as a country has many faults and does many things we do not like. The two countries have vastly different perspectives on a whole host of problems, as was obvious to all of us who heard President Jiang Zemin for even a few minutes last week.

But China is too big and too important to ignore. Notwithstanding our differences, we do have many common interests with China. The relationship has deteriorated very badly since 1989. We have just concluded an important summit meeting between the President of the United States and the President of China. I think that summit served real purposes and it put the U.S.-China dialogue back on track. We have got very tough problems ahead of us.

China has a long way to go before its behavior is acceptable to the international community. But looking over the last 25 years, China has evolved from a country ostracized by much of

the world to a more acceptable and accepted member of the global community, although it is not there yet, by any measure.

I believe that China is making progress toward a market economy and a deeper integration into the world and has taken some steps toward a more open and accountable society. Even on the most difficult aspect of our relationship, human rights, personal freedom has expanded in recent years as a result of economic growth, and there has been some easing of governmental authority over everyday life.

I acknowledge that China has a very long way to go, and I agree with many of the protests against certain aspects of China policy. No one of us can guarantee the future. Direct conflict with China cannot be ruled out. We are at a moment of decision with China. Either China will decide to live by the rules that bind the rest of the international community or it will go off on its own, a threat to its neighbors and to vital U.S. interests. We are not going to control that decision, but we can influence it. It is in this context that the House takes up this package of legislation.

Cumulatively, these measures will be perceived as anti-China bills. What concerns me most about the package of bills and some of the rhetoric that will accompany them is that the House will be perceived as demonizing China and China may very well respond in kind.

I do not believe it serves American interests today to paint China, with all of its faults and with all of the concerns we have about its conduct, as a second evil empire. That is not the prescription for a productive relationship. While I support some of the measures before us today, as a whole I do not think these bills have been well considered.

We have not had a single hearing on several of the bills. Consultation with the administration has been limited and in some cases nonexistent. Administration positions and preferences have been ignored without even an effort to take the views of the executive branch into account. Members have been denied an opportunity to offer serious and substantive amendments. A flawed process is likely to produce a flawed result. In terms of substance, the deficiencies of this package are apparent.

Some of the bills, such as the one on cruise missiles to Iran, make very close judgments concerning the violation of existing laws without adequate intelligence briefings or consultations. Some of the measures before us are overly broad or vague. I might mention the two bills that deny U.S. visas to large numbers of unspecified Chinese. Some of the bills fail to take into account probable Chinese reactions and how these could affect American interests.

It would, for example, not serve U.S. interests if China were to bar admission into China for Billy Graham or other American religious leaders in retaliation for our denying visas to their religious officials. Some of the bills, such as the Taiwan ballistic missile development bill, could be counterproductive and produce a result very different from what we intend. Some of the bills, including H.R. 2570 on forced abortion and H.R. 967 on religious persecution, certainly worthy in their purpose, would create administrative nightmares for those responsible for their execution. In short, these are far-reaching bills with major substantive problems.

One question I ask is, what is the hurry? The Senate is not scheduled to take up these bills this year. We are about to adjourn. We have time to take a more deliberative approach and to produce a better product. I, of course, endorse the right and the responsibility of the Congress to express its views on important foreign policy issues, but our institutional right should be carefully and deliberately exercised.

On these delicate matters of foreign policy toward China, we should consult closely and work cooperatively with the President. It simply does not help American foreign policy for the Congress to charge off in one direction and the President in another. That is precisely what we are doing as we consider these bills.

A process should be followed that is unhurried and deliberate. We need to make every effort to debate China policy at a time and in a manner that does not frustrate the President's ability to conduct U.S. foreign policy. I do not think we have met those responsibilities.

My concern is that we are about to rush into actions that will not reflect favorably on the House of Representatives and could damage the Nation's interests. For these reasons, Mr. Speaker, I ask my colleagues to vote no on this rule.

Mr. SOLOMON. Mr. Speaker, could the Chair advise us how much time remains on both sides?

□ 1645

The SPEAKER pro tempore (Mr. CALVERT). The gentleman from New York [Mr. SOLOMON] has 11½ minutes remaining. The gentleman from Ohio [Mr. HALL] has 17½ minutes remaining.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER], the very distinguished member of the Committee on Foreign Affairs. He came with me to this body 19 years ago and he is a very respected Member in Lincoln, NE.

Mr. BEREUTER. Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] for yielding me the time.

As chairman of the Subcommittee on Asia and the Pacific and as someone who has carefully followed events in the People's Republic of China for some time, this Member rises to address the legislative initiative orchestrated by the gentleman from New York [Mr. SOLOMON], distinguished chairman of the Committee on Rules, and the gentleman from California [Mr. COX].

The legislative package that is before this body today contains a great many provisions that this gentleman fully supports. Some of the amendments made in order seem very appropriate. Others will be examined in debate. And some, perhaps, should be offered but cannot be offered. But I do believe a structured rule was essential.

The initiative on Radio Free Asia has been authored by the distinguished gentleman from California [Mr. ROYCE], an initiative also proposed by the gentleman from New Jersey [Mr. SMITH] and this Member and recommended by our distinguished Speaker. It is a common sense proposal that would facilitate the flow of unfiltered information to tens of millions of Chinese.

Similarly, an initiative supporting ballistic missile defense for Taiwanese is unfortunately now merited, as is the proposal for additional State Department personnel to monitor human rights conditions. These are all worthwhile initiatives.

However, Mr. Speaker, there is the high prospect for a frenetic overtone to this unfolding debate. The underlying psychology of some of my colleagues seems to be to regain the initiative vis-a-vis the PRC. Mr. Speaker, the United States never lost the initiative.

The United States is the preeminent military, economic, and political power in the world today. Yes, it is true that China, together with much of the rest of Asia, has experienced major growth—but that is not a threat to us. This Member is a realist—we should not be creating enemies where none need exist.

Mr. Speaker, this Member fully shares the hope, desire, and commitment that human rights and democracy will flourish within the PRC. By focusing on the details of very specific human rights abuses that one finds in today's headlines, it is easy to ignore the dramatic, undeniable progress that has occurred, and continues to occur. The China of today simply is not the China with which President Richard Nixon forged an opening in 1972. Rather, today's China is vibrant and rapidly changing. It is dynamic. In terms of personal prosperity, in terms of individual choice, in terms of access to outside sources of information and freedom of movement within the country, the Chinese undeniably enjoy increased freedom. Public dissent, however, is severely limited.

Moreover, just last year modest legal reforms were advanced in the area of criminal procedures which make it more likely that individuals will be considered innocent until proven guilty, will have the right to a lawyer at the time of detention, and will be able to challenge the arbitrary powers of the police. Although these reforms have far too many conditions or

limitations that permit the government to suppress political dissent, they nonetheless represent progress toward rule of law in China.

All the village level, it would seem that a remarkable transformation has taken place without anyone noticing. Village elections, once the sole domain of local communist party functionaries, have in many but far from all cases, suddenly become contested events—with noncommunists elected to some posts. This Member is not pretending that very serious, deeply rooted problems do not continue; they do. But the critics of the PRC should stop pretending that conditions for the average individual in China has not dramatically improved; of course, that varies greatly from region to region in China.

Mr. Speaker, this Member is absolutely convinced that democracy and broader respect for human rights inevitably will come to China. There is no way the Chinese leaders in Beijing can prevent the flow of information and ideas into their country. We can have at least some effect here, either positive or negatively.

Simply put, Mr. Speaker, as President Clinton said, time is on our side. The objective that everyone will profess so loudly on this floor today will come in time if we do not blow it. Making China our adversary will not advance political nor religious rights, nor will it advance the security of Taiwan.

This Member would, therefore, simply urge, in the course of today's debate, that a measure of past-to-present analysis and a long-term perspective on what is actually in America's national interest should be applied to the debate about to unfold on the various resolutions in the China legislative package the rule makes in order today.

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

Ms. HARMAN. Mr. Speaker, I rise in strong support of this rule and commend the gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules, for his care and fairness in drafting it.

As a mother of four, I know that perfection is not an option, and I certainly agree with many speakers that this rule is not perfect. Nevertheless, I feel that it is timely and that it brings many important subjects to our attention. I would say to our colleagues who disagree with some of these resolutions and proposed amendments, vote against them. I may vote against some, too. But do not vote against this rule.

Let me make a couple of other points. Last week, as has been noted, the President of China was here. I thought his visit was very productive. I support the economic relationship with China and have voted twice against discontinuing most-favored-nation status for China. That does not mean, however, that I think that issues concerning human rights and proliferation are unimportant. I think they are very important. And this is our opportunity to address those, too, and to address those in a timely way before we adjourn.

On one subject, I would like to make a further point; and that is the language in this rule that automatically reports the text of House Concurrent Resolution 121 into House Resolution 188. Resolution 188 is offered by the gentleman from New York [Mr. GILMAN], and it concerns proliferation of missile technology from China to Iran. The addition to the other language is the full text of an amendment I have offered that has been reported unanimously by the Committee on House International Relations and has also been introduced in the other body, with many cosponsors, to direct the administration to impose sanctions on Russian firms that are engaging in missile proliferation to Iran. That is as urgent a threat as the Chinese proliferation. Combining the two makes the point more effectively. I look forward to a time later today when both will be passed.

In conclusion, Mr. Speaker, I urge strong support of this rule and commend those involved for a very fair and complete process.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. DIAZ-BALART], one of the true defenders of human rights in this body. He is a member of our Committee on Rules.

Mr. DIAZ-BALART. Mr. Speaker, these nine bills that I strongly support bringing to the floor through this rule make a necessary statement, Mr. Speaker, a statement that I think, unfortunately, has not been made by the President of the United States. I certainly have not heard the President of the United States make it. And that is very clear, very simple, we want China to be free.

Yes, we recognize that China cannot be ignored, but we want freedom for the Chinese people. The reality of the matter, Mr. Speaker, is the international community generally is today engaged in a policy of massive capital and technology transfers to China in the context of what I would refer to as the ugly face capitalism, the utilization of a system that permits extraordinary profits for major investors because of the lack, the total lack, of labor rights existing in that country.

Now, with that ugly face of capitalism and the increase of the gross domestic product that is occurring in China may come, and it always does with GDP, comes military power. I am convinced that unless the Chinese people are able to throw off the yoke of their oppressors, our children, Mr. Speaker, and their children will have to face very dangerous consequences, perhaps horrible consequences, the massive capital and technology transfer that China is benefiting from today.

So I believe that it is important that we make the statement and that we take the substantive steps that we will be taking with these bills. It is, obviously, very difficult for the people of China to free themselves when international capitalism is pouring billions of dollars into the coffers of the communist oppressors, billions that they use to maintain their oppressive apparatus. We can and I believe we must, and I believe the Congress is in fact saying with these bills, we do not accept the status quo, we want freedom for China.

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

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman from Ohio [Mr. HALL] for yielding me the time.

Mr. Speaker, I would like to point out that this whole debate reminds me of a chapter of a book called "365 Days," where a doctor, Dr. Glasser, who treated patients during the Vietnam war, makes mention of the fact that our medics during the Vietnam conflict, when soldiers were so severely wounded that there was nothing that could be done for them, would often give them a sweettart and tell the dying soldier that it was for the pain; and somehow the soldiers, wanting to think they would get better, would actually feel better.

That is about what these bills do. It is like giving a dying soldier a sweettart. It does not save him. But maybe it is a psychological thing for the American people that somehow we will feel better about the fact that one of the world's most brutal dictatorial regimes has a $40 billion trade surplus with our country and that they use that money to arm our votes.

I would hope that people would vote against this rule. Because I would like to offer an amendment to where, if we are really going to address the trade problems and the wrongs in the People's Republic of China, why do we not do something very simple, why do we not instruct our trade agencies and the people responsible for tariffs to, on a quarterly basis, look and see what the Chinese charge us for access to their markets and then adjust our tariffs to meet theirs. It is called fairness.

That bill is already drafted. I would like the opportunity to offer it as an amendment. The gentleman from New York [Mr. SOLOMON] is the chairman of the Committee on Rules. I would like an open rule so that one of these bills could be amended to do just that.

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

Mr. TAYLOR of Mississippi. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, let me say to the gentleman from Mississippi [Mr. TAYLOR] that we have a protocol that we have followed that we cleared with the Democratic minority that we would only consider those bills that

have been reported from the committees.

The gentleman from Missouri [Mr. GEPHARDT], as a matter of fact, has a bill dealing with the WTO that I am his major cosponsor of. We could not make that in order, Mr. GEPHARDT understands that, because the Committee on Ways and Means would not report it unfortunately.

I would like to cosponsor the gentleman's legislation if he introduces it, and I will do everything I can to help him move it.

Mr. TAYLOR of Mississippi. Mr. Speaker, I think the gentleman from New York [Mr. SOLOMON] has just made my point. I think we ought to have an open rule. I do not think a handful of people in the Republican leadership or a handful of people in the Democratic leadership or just those people who are fortunate enough to serve on the Committee on Ways and Means should make this decision. I think everyone in this House should make the decision where we seek some basic level of fairness between what we charge the Chinese, which is almost nothing, to have access to our markets, which indeed in many instances are made by slave labor, and they are charging us anywhere from 30 to 40 percent for our goods and they have a 40-percent trade surplus with our country, which means they are the winner.

All I want is fairness and opportunity for Members of this body to decide whether or not we can have that level of fairness. For that reason, and especially since the gentleman from New York [Mr. SOLOMON], chairman of the distinguished Committee on Rules, would like the opportunity to vote for that bill, I would encourage every Member of this body to vote against the rule so that it would be open for debate so we have an opportunity to vote on just that.

Mr. HALL of Ohio. Mr. Speaker, I yield back the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. COX], who is most responsible for bringing all of this legislation to the floor. He is the chairman of our policy committee for the Republican Party.

Mr. COX of California. Mr. Speaker, I thank the chairman, the gentleman from New York [Mr. SOLOMON] for yielding me the time.

The recent visit of President Jiang Zemin has focused the attention of the American people on our relations with the People's Republic of China in a very constructive way. To the extent that the summit was meant to promote cordial relations between our two states and friendly dialog, it was a success. For President Jiang was warmly received, he was provided a 21-gun salute, a State dinner, a breakfast here on Capitol Hill with our congressional leadership, and he even had a chance to address the American people on the "McNeil-Lehrer News Hour."

Because we respect his position as the head of the Communist Party and as the President of the People's Republic of China, and because we recognize the importance of cordial relations with the world's most populous nation, we received him properly and openly. But there is more to our relationship than summitry and warm expressions of goodwill. We also must do the hard work of hammering out our distinctions on security issues, on the proliferation of technology for weapons of mass destruction, and on human rights, all of which are of fundamental importance, not just to the peoples of our countries, but to the people of the whole world.

For many years, United States policy toward the People's Republic of China has been mired in debate over MFN status, most favored nation trade status for the People's Republic of China. This is a stalemate that has frustrated all sides of the debate and hindered the development of a coherent China policy that addresses the diverse aspects of our relationship, many of which have little, if anything, to do with trade.

The attempt to refract every element of our policy toward the People's Republic of China through this single annual debate on trade policy has failed to do justice to what the gentleman from Indiana [Mr. HAMILTON] rightly observes as a complex relationship. Because the choice presented in the MFN debate was binary, it was like a light switch on and off, we could not calibrate our responses to the nuance and change in the relationship. Even worse, the threat of MFN denial lost credibility with China's Government, providing the United States with little leverage on either trade or nontrade issues.

To move beyond this stalemate, the House adopted House Resolution 461 a year and a half ago, in June 1996. This resolution passed the House with bipartisan support. Let me quantify what I mean by "bipartisan support." The vote was 411–7. It is stated, the debate over Communist China's most favored nation trade status cannot bear the weight of the entire relationship between the United States and the People's Republic of China. Instead, the bill enumerated in detail a series of concerns about the activities of the Communist Chinese military, about China's human rights record and about their economic and trade policy, and it charged the standing House committees of jurisdiction with holding hearings and reporting out appropriate legislation tailored to these separate concerns.

Six of our standing committees have now fulfilled that charge and sent to the floor nine separate pieces of legislation that contain discrete and measured responses to each of the serious issues in our bilateral relationship with the People's Republic of China.

□ 1700

Together these bills comprise a very positive policy for freedom that does not involve MFN but that does provide needed clarity to these important issues.

This effort remains thoroughly bipartisan. I want to recognize the hard work and the positive contributions of the Democrats as well as Republicans who have put this package together. It is the reason that I am addressing Members from the minority side of the aisle. I wanted to walk across to tangibly illustrate just how much we have worked together with the gentleman from Missouri [Mr. GEPHARDT], the minority leader; with the gentlewoman from California [Ms. PELOSI] and the gentleman from California [Mr. LANTOS], as well as the authors of the legislation that we will be considering: The gentleman from Illinois [Mr. PORTER], the gentleman from California [Mr. DREIER], the gentleman from New York [Mr. GILMAN], the gentleman from Nebraska [Mr. BEREUTER], the gentleman from New York [Mr. SOLOMON], the gentleman from South Carolina [Mr. SPENCE], the gentlewoman from Florida [Mrs. FOWLER], the gentlewoman from Florida [Ms. ROS-LEHTINEN], the gentleman from California [Mr. HUNTER], the gentleman from New Jersey [Mr. SMITH], and the gentleman from California [Mr. ROYCE] as well as scores of our colleagues.

Our policy for freedom supports a growing, positive relationship with a free China and it recognizes that the people of China are not the same as the regime in China.

Mr. Speaker, I would like to conclude with a brief story from Chinese history, and a thought:

When the Ming Dynasty replaced the Mongols in the 14th century, China embarked on its own Age of Exploration, an era that antedated, and rivaled in every respect, the exploration and the discovery that was going on in Europe at the time. Chinese fleets scoured the Indian Ocean. They visited Indonesia, Ceylon, even the Red Sea and Africa, where they brought back giraffes to surprise and amaze people back home.

But this is where Chinese exploration ended. Who knows? With a little more wind, they might have rounded the Cape of Good Hope before the Portuguese. They might have reached Europe. They might even have discovered America.

Today, the irrepressible dreams of human freedom live on in China's diverse and tolerant peoples. But China's explorers and discoverers are kept down by the worst of the 20th century's legacies, the last vestiges of totalitarianism, which also live on still in Communist China.

It is my hope that as we close the 20th century, America, whose unique

mission in the world is to promote freedom, can provide the Chinese people with a little wind at their back so that this time they will round the corner, this time they really will be free, and so that our friendship will truly be strong and the world will be a much safer place.

Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] for bringing this package together with the cooperation of both majority and minority Members and for the splendid debate that I know that we will have in the next 10 hours.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Speaker, I rise in support of this rule.

I thank the distinguished chairman of the Rules Committee, Mr. SOLOMON, for yielding time and I rise in strong support of this fair rule to expedite the consideration of these nine important initiatives.

Mr. Speaker, we are nearing the end of the session and we are taking steps to ensure full debate on these important topics without bogging the House down in days and days of speechmaking. This rule strikes a responsible balance. In my view it is well past time that Congress send a clear message challenging the human rights conduct, weapons proliferation, and hostile intelligence activity of the People's Republic of China. As chairman of the Permanent Select Committee on Intelligence, I have been closely following these and other issues to be discussed today. We have examined the activities of Chinese intelligence and military officers in the United States and we have studied the evidence of proliferation by China of weapons of mass destruction. We have also closely examined the brutal conduct of the Chinese Government toward many of its own citizens. The record is clear and tremendously unsettling—it is not one of freedom, but one of repression. China, whether we like it or not, is one of the single greatest national security concerns facing us today.

Today we are finally taking concrete action, some basic steps to demonstrate our real concern about the intentions and activities of the Chinese regime. Through these nine bills we will encourage enforcement of the 1992 Iran-Iraq Nonproliferation Act. We will monitor the access of and deny United States subsidies and United States visas to Chinese intelligence officers and others who work against America and its interests. We will promote human rights in China and punish those who persecute, who perform abortions, and who exploit forced labor. In short, we will define a congressional agenda toward China, one of freedom and tolerance.

Mr. Speaker, I applaud the efforts of all Members who have helped bring these important bills to the floor. I especially commend my friend from California, Mr. COX, for his steady leadership in this crucial national security area. I intend to maintain a clear and high priority focus on China in my capacity as chairman of HPSCI.

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

The previous question was ordered.

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

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

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 237, nays 184, not voting 12, as follows:

[Roll No. 578]

YEAS—237

Abercrombie
Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cunningham
Davis (VA)
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Furse
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson (WI)
Johnson, Sam
Jones
Kasich
Kelly
Kim
Kind (WI)
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCarthy (NY)
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Moran (VA)
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Pelosi
Peterson (PA)
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stabenow
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NAYS—184

Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brown (CA)
Brown (OH)
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntyre
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—12

Brown (FL)
Conyers
Cubin
Flake
Foglietta
Gonzalez
McKinney
Morella
Petri
Riley
Schiff
Schumer

□ 1729

The Clerk announced the following pair:

On this vote:

Mr. Riley for, with Ms. McKinney against.

Messrs. JACKSON of Illinois, CUMMINGS, REYES, and ADAM

SMITH of Washington changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1730

PERMISSION TO CONSIDER MEMBER AS FIRST SPONSOR OF H.R. 2009

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that I may hereafter be considered as the first sponsor of H.R. 2009, a bill initially introduced by former Representative Capps of California, for the purposes of adding cosponsors and requesting reprintings pursuant to clause 4 of rule XXII.

The SPEAKER pro tempore (Mr. CALVERT). Is there objection to the request of the gentleman from New York?

There was no objection.

POLITICAL FREEDOM IN CHINA ACT OF 1997

Ms. ROS-LEHTINEN. Mr. Speaker, pursuant to House Resolution 302, and as the designee of the chairman of the Committee on International Relations, I call up the bill (H.R. 2358) to provide for improved monitoring of human rights violations in the People's Republic of China, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The bill is considered read for amendment.

The text of H.R. 2358 is as follows:

H.R. 2358

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Political Freedom in China Act of 1997".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The Congress concurs in the following conclusions of the United States Department on human rights in the People's Republic of China in 1996:

(A) The People's Republic of China is "an authoritarian state" in which "citizens lack the freedom to peacefully express opposition to the party-led political system and the right to change their national leaders or form of government".

(B) The Government of the People's Republic of 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 absence or inadequacy of laws protecting basic freedoms".

(C) "[a]buses include torture and mistreatment of prisoners, forced confessions, and arbitrary and incommunicado detention".

(D) "[p]rison conditions remained harsh [and] [t]he Government continued severe restrictions on freedom of speech, the press, assembly, association, religion, privacy, and worker rights".

(E) "[a]lthough the Government denies that it holds political prisoners, the number of persons detained or serving sentences for 'counterrevolutionary crimes' or 'crimes against the state' and for peaceful political or religious activities are believed to number in the thousands".

(F) "[n]on-approved religious groups, including Protestant and Catholic groups . . . experienced intensified repression".

(G) "[s]erious human rights abuses persist in minority areas, including Tibet, Zinjiang, and Inner Mongolia[, and] [c]ontrols on religion and other fundamental freedoms in these areas have also intensified".

(H) "[o]verall in 1996, the authorities stepped up efforts to cut off expressions of protest or criticism. All public dissent against the party and government was effectively silenced by intimidation, exile, the imposition of prison terms, administrative detention, or house arrest. No residents were known to be active at year's end.".

(2) In addition to the State Department, credible independent human rights organizations have documented an increase in repression in China during 1996, and effective destruction of the dissident movement through the arrest and sentencing of the few remaining pro-democracy and human rights activists not already in prison or exile.

(3) Among those were Wang Dan, a student leader of the 1989 pro-democracy protests, sentenced on October 30, 1996, to 11 years in prison on charges of conspiring to subvert the Government; Li Hai, sentenced to 9 years in prison on December 18, 1996, for gathering information on the victims of the 1989 crackdown, which according to the court's verdict constituted "state secrets"; and Liu Nianchun, an independent labor organizer, sentenced to 3 years of "re-education through labor" on July 4, 1996, due to his activities in connection with a petition campaign calling for human rights reforms.

(4) Many political prisoners are suffering from poor conditions and ill-treatment leading to serious medical and health problems, including—

(A) Wei Jingsheng, sentenced to 14 years in prison on December 13, 1996, for conspiring to subvert the government and for "communication with hostile foreign organizations and individuals, amassing funds in preparation for overthrowing the government and publishing anti-government articles abroad," is currently held in Jile No. 1 Prison (formerly the Nanpu New Life Salt Farm) in Hebei province, where he reportedly suffers from severe high blood pressure and a heart condition, worsened by poor conditions of confinement;

(B) Gao Yu, a journalist sentenced to 6 years in prison on November 1994 and honored by UNESCO in May 1997, has a heart condition; and

(C) Chen Longde, a leading human rights advocate now serving a 3-year reeducation through labor sentence imposed without trial in August 1995, has reportedly been subject to repeated beatings and electric shocks at a labor camp for refusing to confess his guilt.

(5) In 1997, only 1 official in the United States Embassy in Beijing is assigned to human monitoring human rights in the People's Republic of China, and no officials are assigned to monitor human rights in United States consulates in the People's Republic of China.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS FOR ADDITIONAL PERSONNEL AT DIPLOMATIC POSTS TO MONITOR HUMAN RIGHTS IN THE PEOPLE'S REPUBLIC OF CHINA.

There are authorized to be appropriated to support personnel to monitor political repression in the People's Republic of China in the United States Embassy in Beijing, as well as the American consulates in Guangzhou, Shanghai, Shenyang, Chengud, and Hong Kong, $2,200,000 for fiscal years 1998 and $2,200,000 for fiscal year 1999.

The SPEAKER pro tempore. Pursuant to House Resolution 302, the amendments printed in the bill and the amendments printed in part 1–A of House Report 105–336 are adopted.

The text of H.R. 2358, as amended pursuant to House Resolution 302, is as follows:

H.R. 2358

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Political Freedom in China Act of 1997".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The Congress concurs in the following conclusions of the United States State Department on human rights in the People's Republic of China in 1996:

(A) The People's Republic of China is "an authoritarian state" in which "citizens lack the freedom to peacefully express opposition to the party-led political system and the right to change their national leaders or form of government".

(B) The Government of the People's Republic of 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 absence or inadequacy of laws protecting basic freedoms".

(C) "[a]buses include torture and mistreatment of prisoners, forced confessions, and arbitrary and incommunicado detention".

(D) "[p]rison conditions remained harsh [and] [t]he Government continued severe restrictions on freedom of speech, the press, assembly, association, religion, privacy, and worker rights".

(E) "[a]lthough the Government denies that it holds political prisoners, the number of persons detained or serving sentences for 'counterrevolutionary crimes' or 'crimes against the state', or for peaceful political or religious activities are believed to number in the thousands".

(F) [n]onapproved religious groups, including Protestant and Catholic groups . . . experienced intensified repression".

(G) "[s]erious human rights abuses persist in minority areas, including Tibet, Xinjiang, and Inner Mongolia[, and] [c]ontrols on religion and on other fundamental freedoms in these areas have also intensified".

(H) "[o]verall in 1996, the authorities stepped up efforts to cut off expressions of protest or criticism. All public dissent against the party and government was effectively silenced by intimidation, exile, the imposition of prison terms, administrative detention, or house arrest. No dissidents were known to be active at year's end.".

(2) In addition to the State Department, credible independent human rights organizations have documented an increase in repression in China during 1995, and effective destruction of the dissident movement through the arrest and sentencing of the few remaining pro-democracy and human rights activists not already in prison or exile.

(3) Among those were Wang Dan, a student leader of the 1989 pro-democracy protests,

sentenced on October 30, 1996, to 11 years in prison on charges of conspiring to subvert the Government; Li Hai, sentenced to 9 years in prison on December 18, 1996, for gathering information on the victims of the 1989 crackdown, which according to the court's verdict constituted "state secrets"; Liu Nianchun, an independent labor organizer, sentenced to 3 years of "re-education through labor" on July 4, 1996, due to his activities in connection with a petition campaign calling for human rights reforms, and Ngodrup Phuntsog, a Tibetan national, who was arrested in Tibet in 1987 immediately after he returned from a 2-year trip to India, where the Tibetan government in exile is located, and following a secret trial was convicted by the Government of the People's Republic of China of espionage on behalf of the 'Ministry of Security of the Dalai clique'.

(4) Many political prisoners are suffering from poor conditions and ill-treatment leading to serious medical and health problems, including—

(A) Wei Jingsheng, sentenced to 14 years in prison on December 13, 1996, for conspiring to subvert the government and for "communication with hostile foreign organizations and individuals, amassing funds in preparation for over-throwing the government and publishing anti-government articles abroad," is currently held in Jile No. 1 Prison (formerly the Nanpu New Life Salt Farm) in Hebei province, where he reportedly suffers from severe high blood pressure and a heart condition, worsened by poor conditions of confinement;

(B) Gao Yu, a journalist sentenced to 6 years in prison on November 1994 and honored by UNESCO in May 1997, has a heart condition; and

(C) Chen Longde, a leading human rights advocate now serving a 3-year reeducation through labor sentence imposed without trial in August 1995, has reportedly been subject to repeated beatings and electric shocks at a labor camp for refusing to confess his guilt.

(5) The People's Republic of China, as a member of the United Nations, is expected to abide by the provisions of the Universal Declaration of Human Rights.

(6) The People's Republic of China is a party to numerous international human rights conventions, including the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

SEC. 3. CONDUCT OF FOREIGN RELATIONS.

(a) RELEASE OF PRISONERS.—The Secretary of State, in all official meetings with the Government of the People's Republic of China, should request the immediate and unconditional release of Ngodrup Phuntsog and other prisoners of conscience in Tibet, as well as in the People's Republic of China.

(b) ACCESS TO PRISONS.—The Secretary of State should seek access for international humanitarian organizations to Drapchi prison and other prisons in Tibet, as well as in the People's Republic of China, to ensure that prisoners are not being mistreated and are receiving necessary medical treatment

(c) DIALOGUE ON FUTURE OF TIBET.—The Secretary of State, in all official meetings with the Government of the People's Republic of China, should call on that country to begin serious discussions with the Dalai Lama or his representatives, without preconditions, on the future of Tibet.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS FOR ADDITIONAL PERSONNEL AT DIPLOMATIC POSTS TO MONITOR HUMAN RIGHTS IN THE PEOPLE'S REPUBLIC OF CHINA.

There are authorized to be appropriated to support personnel to monitor political repression in the People's Republic of China in the United States Embassies in Beijing and Kathmandu, as well as the American consulates in Guangzhou, Shanghai, Shenyang, Chengdu, and Hong Kong, $2,200,000 for fiscal year 1998 and $2,200,000 for fiscal year 1999.

SEC. 5. DEMOCRACY BUILDING IN CHINA.

(a) AUTHORIZATION OF APPROPRIATIONS FOR NED.—In addition to such sums as are otherwise authorized to be appropriated for the "National Endowment for Democracy" for fiscal years 1998 and 1999, there are authorized to be appropriated for the "National Endowment for Democracy" $5,000,000 for fiscal year 1998 and $5,000,000 for fiscal year 1999, which shall be available to promote democracy, civil society, and the development of the rule of law in China.

(b) EAST ASIA-PACIFIC REGIONAL DEMOCRACY FUND.—The Secretary of State shall use funds available in the East Asia-Pacific Regional Democracy Fund to provide grants to nongovernmental organizations to promote democracy, civil society, and the development of the rule of law in China.

SEC. 6. HUMAN RIGHTS IN CHINA.

(a) REPORTS.—Not later than March 30, 1998, and each subsequent year thereafter, the Secretary of State shall submit to the International Relations Committee of the House of Representatives and the Foreign Relations Committee of the Senate an annual report on human rights in China, including religious persecution, the development of democratic institutions, and the rule of law. Reports shall provide information on each region of China.

(b) PRISONER INFORMATION REGISTRY.—The Secretary of State shall establish a Prisoner Information Registry for China which shall provide information on all political prisoners, prisoners of conscience, and prisoners of faith in China. Such information shall include the charges, judicial processes, administrative actions, use of forced labor, incidences of torture, length of imprisonment, physical and health conditions, and other matters related to the incarceration of such prisoners in China. The Secretary of State is authorized to make funds available to nongovernmental organizations presently engaged in monitoring activities regarding Chinese political prisoners to assist in the creation and maintenance of the registry.

SEC. 7. SENSE OF CONGRESS CONCERNING ESTABLISHMENT OF A COMMISSION ON SECURITY AND COOPERATION IN ASIA.

It is the sense of the Congress that Congress, the President, and the Secretary of State should work with the governments of other countries to establish a Commission on Security and Cooperation in Asia which would be modeled after the Commission on Security and Cooperation in Europe.

SEC. 8. SENSE OF CONGRESS REGARDING DEMOCRACY IN HONG KONG.

It is the sense of the Congress that the people of Hong Kong should continue to have the right and ability to freely elect their legislative representatives, and that the procedure for the conduct of the elections of the first legislature of the Hong Kong Special Administrative Region should be determined by the people of Hong Kong through an election law convention, a referendum, or both.

SEC. 9. SENSE OF THE CONGRESS RELATING TO ORGAN HARVESTING AND TRANSPLANTING IN THE PEOPLE'S REPUBLIC OF CHINA.

It is the sense of the Congress that—

(1) the Government of the People's Republic of China should stop the practice of harvesting and transplanting organs for profit from prisoners that it executes;

(2) the Government of the People's Republic of China should be strongly condemned for such organ harvesting and transplanting practice;

(3) the President should bar from entry into the United States any and all officials of the Government of the People's Republic of China known to be directly involved in such organ harvesting and transplanting practice;

(4) individuals determined to be participating in or otherwise facilitating the sale of such organs in the United States should be prosecuted to the fullest possible extent of the law; and

(5) the appropriate officials in the United States should interview individuals, including doctors, who may have knowledge of such organ harvesting and transplanting practice.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment specified in part 1–B of the report, if offered by the gentleman from New York [Mr. GILMAN], or his designee, which shall be considered read and debatable for 30 minutes, equally divided and controlled by the proponent and an opponent.

The gentlewoman from Florida [Ms. ROS-LEHTINEN] and the gentleman from New Jersey [Mr. MENENDEZ] each will control 30 minutes of debate on the bill.

The Chair recognizes the gentlewoman from Florida [Ms. ROS-LEHTINEN].

GENERAL LEAVE

Ms. ROS-LEHTINEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before us today, H.R. 2358, the Political Freedom in China Act, is an attempt to give the people of China a voice. It is a message of support to the human rights dissidents, to the political activists, to those who are persecuted each and every day because they have the courage to stand up for their beliefs and disagree with their government.

The message this bill sends is that the United States Congress values the right of the Chinese people to be free, to determine their fate, and to express their will. This bill says to the people of China, the United States Congress takes your plight seriously and we are willing to provide a tool, a more efficient and transparent mechanism to monitor human rights violations. This bill is that tool.

Among other provisions, this bill assigns additional diplomats to the United States embassy and consulates, whose sole responsibility will be to monitor human rights violations in

China. It would also station one American human rights monitor in Nepal.

It requires State Department officials to raise human rights concerns in every meeting with Chinese officials. It authorizes increased funding for the National Endowment for Democracy projects in China.

This bill requires the State Department to establish a prisoner information registry for China that will gather and provide information on all political prisoners held in Chinese gulags.

This legislation also supports the continuation of democratic reforms for the people of Hong Kong.

Last week, while China's Communist leader was greeted with pomp and circumstance, treated more like a movie star than the leader of a regime which turns its tanks and weapons against its very own people, thousands of innocent Chinese people were being detained without process, others disappeared, and others were executed.

As the Chinese President toured various cities in the United States, as he spoke at Harvard University, his regime continued to severely restrict the freedom of speech, freedom of the press, freedom of assembly, freedom of religion, privacy, and worker rights.

The grim reality of China's dictatorship is clearly outlined in the latest State Department Human Rights Report on China which states:

> The Chinese government continued to commit widespread and well-documented human rights abuses. Abuses include torture, mistreatment of prisoners, forced confessions, arbitrary and lengthy incommunicado detention.

More importantly, our State Department report underscored that the situation is getting worse.

> Overall in 1996, the report says, the authorities stepped up efforts to cut off expression of protests or criticism.

Our State Department report continues:

> All public dissent against the party and government was effectively silenced by intimidation, by exile, by the imposition of prison terms, by administrative detention, or by house arrest.

The gentleman from California [Mr. DREIER] and the gentleman from Illinois [Mr. PORTER] have incorporated their amendments in our bill, which provide funds to the National Endowment for Democracy to assist these human rights groups in China, and it calls for an annual State Department report to the Congress on the progress being made on this critical issue. Their amendment also calls on our State Department to take further steps to work with human rights groups in that country.

Let us not be fooled. A dictator is a dictator is a dictator. The dictator's thirst for power, for control, knows no bounds. As a result, a dictator does not loosen his hold on the people. A dictator tightens his grip with each challenge, regardless of the magnitude or source. The situation in China is a good example of this.

Just when one thinks that the atrocities cannot get any worse, recent news reports indicate that the Chinese regime is preselling the organs of prisoners destined for execution.

The gentlewoman from Washington [Mrs. SMITH] has incorporated her amendment in our bill, which highlights the fact that the regime is harvesting these organs for sale to the highest bidder. Perhaps the Chinese regime is looking at this as a new industry for its economy.

Furthermore, the regime in China is intensifying its campaign to systematically erase the culture, population and religion of Tibet. It has arrested thousands of Tibetan Buddhist priests and nuns and has destroyed between 4,000 to 5,000 monasteries.

The gentleman from Hawaii [Mr. ABERCROMBIE] has added his amendment to the bill, which helps bring human rights in China and Tibet to the forefront of any negotiations of our State Department that we may have with China by highlighting the plight of political prisoners and prisoners of conscience in that country.

Religious persecution, as noted by our colleague from Hawaii, extends to hundreds of Protestant pastors, of Catholic priests who, like Bishop Su who was again arrested on October 8, disappear in the gulag that is China's jails.

We must act, and we must act now. We cannot sit idly by, hoping that other approaches may take effect and lead to a change in China.

What about the gross violations that will take place in the meantime? Can we ignore those realities? Can we ignore our moral responsibility to the people of China?

The bill before us offers a concrete solution, a viable option to begin turning back the tide of abuse and torture by the Chinese regime.

I would especially like to thank the architect of this package of China bills, the gentleman from California [Mr. COX], whose commitment and dedication to this effort has helped bring about this package of China-related bills to the floor today, and of course to the gentleman from New York [Mr. GILMAN], our chairman, for his unwavering support and leadership on this issue.

I urge all of my colleagues to vote in favor of the bill before us, the Political Freedom in China Act.

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

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

Mr. Speaker, I rise in support of the legislation, H.R. 2358, a bill that if our colleagues support, which we believe they will, puts Congress in concurrence with many of the conclusions of the Department of State in its 1996 human rights report with respect to the People's Republic of China, including the fact that China is an authoritarian State, that the Government of China has continued to commit widespread and well-documented human rights abuses; that abuses include torture and mistreatment of prisoners for their confessions and arbitrary and incommunicado detention, that the number of persons detained are believed to be in the thousands, and that overall, in 1996, the authorities stepped up efforts to cut off expressions of protest or criticism.

But all dissent against the party and government was effectively silenced by intimidation, exile, the imposition of prison terms, administrative detention, or house arrest, and that as a result of those activities, no dissidents were known to be active at the end of 1996.

So for all of those and many other reasons, it is fitting and appropriate that we in fact provide the resources to create the opportunity to fully monitor Chinese political repression.

Mr. Speaker, I yield 4½ minutes to the distinguished gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Speaker, the gentlewoman from Florida [Ms. ROS-LEHTINEN]; the gentleman from New York [Mr. GILMAN]; the gentleman from New York [Mr. SOLOMON]; also the gentleman from California [Mr. MARTINEZ] and the gentleman from Indiana [Mr. HAMILTON], and the gentlewoman from California [Ms. PELOSI] have led the way on this bill, on these series of bills.

I rise in support of H.R. 2358. This bill relates to imprisonment, to abuse and human rights violations perpetrated on nonviolent political activists in the People's Republic of China. It goes without saying, Mr. Speaker, that U.S.-China relations are important, and that our government should pursue improved ties with China. It is equally important, however, that the pursuit of improved relations should not cause us to forget the victims of human rights abuses.

Our concern stems from widely recognized standards of international behavior and our core values as a Nation. It is in the context of those values and standards, standards which the People's Republic of China has herself formally subscribed, and I want to emphasize to the Members, we are not trying to impose anything on the People's Republic of China, other than what the People's Republic has already signed up for.

We as Members of Congress call the world's attention to ongoing human rights violations and prisoners of conscience in China and Tibet. One of the most effective means, Mr. Speaker, of directing attention to the plight of such prisoners is to focus on the circumstances of individual prisoners. By doing so, we transpose the issue from

the realm of abstraction to real-life men and women whose bodies are subjected to torture and neglect, whose minds are cruelly punished with techniques deliberately designed to induce confusion, demoralization and despair.

Time and again, ex-prisoners of repressive regimes tell us that the single most important gift they can receive is the news they are not forgotten by the outside world, that others know of their suffering and that others are working for their release.

□ 1745

That is why the Congressional Human Rights Caucus and the Congressional Working Group on China and the emphasis in this bill is urging every Member of Congress to adopt a prisoner in China or Tibet, and to publicize his or her plight, and to demand his or her release.

All of us, Mr. Speaker, can adopt one of these prisoners, make that prisoner our own, so they will not be forgotten. They will understand that the flicker of light of freedom will come from the floor of this House today and will shine, and those people will know it. It will warm their hearts and give them hope for the future.

The self-executing rule for H.R. 2358 adds my amendment, which will include Mr. Ngodrup Phuntsog among the number of specifically named prisoners of conscience. Mr. Phuntsog is a Tibetan restaurateur whose crime was to provide tea and food to proindependence demonstrators. For this he was sentenced in 1989 on the spurious charge of espionage to 11 years in prison.

Mr. Speaker, Mr. Phuntsog was sentenced to 11 years in prison. Think of it. We are gathered together here today on this floor, with all the freedoms at our command, and this gentleman sits in prison for 11 years, and an additional 4 years deprivation of political rights.

It is feared that his treatment in Lhasa's Drapchi Prison is extremely harsh. We lack precise information on his health and treatment, but reports from our colleague, the gentleman from Virginia [Mr. FRANK WOLF] give cause for serious concern.

Recently the gentleman from Virginia [Mr. WOLF] visited Tibet unofficially. He found widespread repression, including credible reports of the maltreatment of political prisoners, and my amendment helps direct the spotlight of international attention to the cell where Ngodrup Phuntsog and others are being held under conditions we can only imagine.

My amendment complements the underlying bill by addressing the wider issue of human rights in China and Tibet. It calls for a policy which seeks the immediate and unconditional release of all prisoners of conscience in China and Tibet, access to international humanitarian organizations in prisons in China and Tibet, to ensure that the prisoners are not being maltreated or neglected, and the commencement of negotiations between the People's Republic of China and the Dalai Lama without preconditions on the future of Tibet.

I urge all my colleagues, Mr. Speaker, all my colleagues, to vote for the Nation's highest ideals, and to send, above all, a message of hope to prisoners of conscience in China and Tibet. Vote for H.R. 2358.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 3 minutes to our colleague, the gentleman from New York [Mr. GILMAN], the esteemed chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman for yielding me the time.

Mr. Speaker, I am pleased to rise in strong support of H.R. 2358, the Political Freedom in China Act of 1997. This bill authorizes $2 million for fiscal years 1998 and 1999 to be appropriated to the State Department to ensure that there are adequate personnel to monitor political repression in the People's Republic of China in the United States Embassy in Beijing, as well as the American consulates in Kathmandu, Guangzhou, Shanghai, Shenyang, Chengdu, and Hong Kong.

Testimony and reports from both private nongovernmental organizations and the administration clearly stated the importance of having more State Department personnel assigned solely to monitor human rights of the people living under the rule of Government of the People's Republic of China.

I want to commend the distinguished chairwoman of our committee's Subcommittee on International Economic Policy and Trade, the gentlewoman from Florida [Ms. ROS-LEHTINEN] for introducing this measure.

The China section of the State Department Country Reports on Human Rights Practices for 1996 states that overall in 1996, the authorities stepped up efforts to cut off expressions of protest or criticism. All public dissent against the party and Government were effectively silenced by intimidation, by exile, the imposition of prison terms, by administrative detention, or house arrest. No dissidents were known to be active at the year's end.

The repression of human rights and the people living under the rule of the Government of the People's Republic of China has reached levels not even experienced in the former Soviet Union. In illegally occupied Tibet, people are in prison for even listening to Radio Free Asia, to the Voice of America, and for possessing a photograph of His Holiness, the Dalai Lama.

Regrettably, current U.S. policy toward China is held hostage by mostly short-term, narrowly defined business interests. H.R. 2358 attempts to address this problem by bringing balance and logic back into our China policy, by addressing the important cornerstone of our American values, the protection and advancement of fundamental human rights of people around the world.

Once human rights and the rule of law are addressed, then long-term business interests can operate in a safe, conducive environment, one that benefits the worker, the student, and businesses. Accordingly, Mr. Speaker, I urge full support for this legislation.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maryland [Mr. CARDIN].

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

Mr. Speaker, I rise in support of H.R. 2358. Too often our discussions of China's horrendous human rights conditions are limited to the issue of trade. Today we can discuss human rights independently, demonstrating its true significance to us in the United States.

Perhaps Columbia University Professor Andrew Nathan expressed it best when he stated, "Human rights in China are of national interest to the United States. Countries that respect the rights of their citizens are less likely to start wars, export drugs, harbor terrorists, or produce refugees. The greater the power of the country without human rights, the greater the danger to the United States."

Mr. Speaker, China's record on human rights is deplorable. It is outrageous. In regards to religious groups, unauthorized religious congregations are forced to register. Their members have been beaten and fined. There was recently a raid on the bishop leader of a Catholic diocese. That is outrageous. We cannot allow that to continue.

Freedom of speech is still under siege in China. The Minister of Civil Affairs imposed an indefinite and nationwide moratorium on new social bodies. The people of China are being stifled. From Tibet to forced abortions, the list goes on and on and on. We all know the circumstances within China.

Mr. Speaker, this bill will allow us to establish the monitoring of political repression within China. The bill is necessary, the bill is right, and I hope this body will approve this measure by an overwhelming number.

Mr. Speaker, I yield back the balance of my time.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 2 minutes to our colleague, the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Speaker, I thank the gentlewoman for yielding me the time.

Mr. Speaker, we are at a defining moment. The Communist Chinese authorities and the oppressed people of China and other countries around the world are watching. They will note what we are doing here today.

During the cold war, America made some strategic alliances with sometimes dictatorial regimes. Perhaps the

most blatant of these strategic alliances was that we established a positive relationship between the Communist government of China and the United States of America.

The cold war is over. If it ever made any sense for us to be locked arm in arm with an oppressive regime, it makes no sense today. The people, the free people of the world, the people who look to the United States of America, know we mean what we say.

President Clinton, during the last visit of this Communist dictator to our country just a few weeks ago, had some words to say. Unless we put muscle behind those words, it will have the opposite impact than what the American people think. It will actually demoralize those people who believe in freedom overseas, and it will create strength among the Communist dictators to hold power, if they think those words about human rights were nothing more than word confetti for the American people.

No, today the U.S. Congress is going to act. This piece of legislation is the first of many that will prove to the world that America still is the beacon of hope and justice for all the oppressed people of the world. When it comes down to the bottom line, the American people are serious when we talk about freedom and justice, and that those people around the world who believe in freedom and justice, they will be our friends. We are on their side, and not the side of the oppressor.

Mr. Speaker, there is a relationship between peace, prosperity, and liberty. Let us stand for liberty today, and we will have peace and we will have prosperity in the long run. If we do not, it will hurt America.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, I thank the distinguished ranking member and my good friend, the gentleman from Indiana [Mr. HAMILTON], for yielding me the time.

Mr. Speaker, I rise in strong support of the President's policy of constructive engagement, I rise in strong support of MFN for China, and I rise in very strong support of continuing to have a pillar of our foreign policy be constructed on human rights.

I therefore endorse the amendment offered by the gentlewoman from Florida [Ms. ROS-LEHTINEN], which will authorize $2.2 million for each of the next 2 years to help monitor political repression in China, and show to Americans, to the Chinese, and the people around the world that we are indeed devoted and dedicated to human rights practices being greatly improved in China.

I do want to say that there are some concerns that I have with some parts of the underlying language in this bill. For instance, the amendment would extend the time for congressional consideration of the President's certifications from 30 days to 120 days of continuous session.

That 120 days of continuous session may, in fact, make it very difficult, according to the administration and the President's State Department, for us to then engage with the Chinese in these congressional considerations of the President's recommendations on nuclear nonproliferation and business arrangements in China.

But I do want to say my strong support for the gentlewoman's underlying amendments, her commitment to human rights, the United States' commitment to human rights.

We come to the exchange that the President had with Jiang Zemin right down the street at the White House, where a press reporter asked, how do you both see what happened in Tiananmen Square? Jiang Zemin said, in effect, that this threatened their national security and their actions were, therefore, legitimate.

President Clinton, standing right next to him, said he strongly disagreed with what took place in Tiananmen Square, that they had very different views on human rights, and that they should continue a constructive engagement, but we should continue to see big, big changes in human rights, in nuclear nonproliferation policy, in trade areas, in political repression; in us now allowing three people to be sent to China now, three of our religious leaders, to help try to open up China, and also, Bishop Su, a Catholic, was recently released from imprisonment in China; small steps, not enough. This amendment by the gentlewoman will certainly help. I strongly support it.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, let me just rise in strong support of this great legislation, and commend the gentlewoman from Florida, [Ms. ILEANA ROS-LEHTINEN], for sponsoring this bill, and for her steadfast support of freedom around this world, and especially in China.

Mr. Speaker, as I alluded to in my remarks on the rule, this bill is really the least we can do to fight inhumane repression in Communist China.

By increasing funding the number of State Department human rights monitors in and around China, we will be much more able to get a true picture of what is happening in that vast country.

And we already know some of that.

We know that hardly a day goes by without reading of yet another act of aggression, another act of duplicity, or another affront to humanity committed by the dictatorship in Beijing.

Consider human rights: The same people who conducted the massacre in Tiananman Square, and the inhumane oppression of Tibet, have been busily eradicating the last remnants of the democracy movement in China.

According to the U.S. State Department's annual human rights report, and I quote: "Overall in 1996, the authorities stepped up efforts to cut off expressions of protest or criticism. All public dissent against the party and government was effectively silenced by intimidation, exile, the imposition of prison terms, administrative detention, or house arrest."

I emphasize the words "stepped up," Mr. Speaker. Human rights in China are getting worse.

China has also ramped up its already severe suppression of religious activity.

That is why we need this bill, Mr. Speaker.

Mr. Speaker, I am glad that we were able in the Rules Committee to self execute some excellent amendments to this bill by members of both parties.

Mr. ABERCROMBIE and Mr. GILMAN are to be commended for bringing the subject of China's humiliating policies in Tibet to the fore with their amendments.

And LINDA SMITH'S amendment condemning China's practice of harvesting organs from prisoners sheds light on yet another example of the odious nature of this regime.

This bill deserves unanimous support.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 4 minutes to our colleague, the gentlewoman from Washington [Mrs. LINDA SMITH], who is the author of the amendment in our bill against the harvesting and selling of organs of political prisoners in China.

Mrs. LINDA SMITH of Washington. Mr. Speaker, I rise today in support of this bill, called the Political Freedom in China Act of 1997, but I would especially like to commend its author. This is not a fun thing to talk about, but she has worked very hard to bring it to the floor today.

□ 1800

Mr. Speaker, included in the Political Freedom in China Act is a provision from several of us in the House. It is House Concurrent Resolution 180, which was originally introduced by the gentlewoman from California [Ms. PELOSI], the gentleman from New York [Mr. GILMAN], the gentleman from New York [Mr. SOLOMON], the gentleman from Illinois [Mr. HYDE], the gentleman from New Jersey [Mr. SMITH], the gentleman from Virginia [Mr. WOLF], and the gentleman from California [Mr. COX], chair of the Republican Policy Committee, as well as [Mr. WELDON], the gentleman from Kansas [Mr. TIAHRT], and the gentleman from Connecticut [Mr. GEJDENSON].

This language expresses the sense of Congress that the Chinese Government should be condemned for its practice of executing prisoners and selling their organs for transplant. It also says that any Chinese official directly involved in these executions and operations should be barred from entering the United States ever.

Finally, it calls upon U.S. officials to prosecute those who are illegally marketing and selling these organs in the

United States. Wealthy Americans are reported to be paying $30,000 and then travel to China, where they receive the kidney of an executed prisoner at a special hospital operated by the People's Liberation Army.

Mr. Speaker, while reports of prisoners being executed have gone on, these reports, for several years, it was not until just a month ago that there was a broadcast by "Primetime Live," an ABC program, that brought the issue into focus.

I am going to submit for the RECORD a copy of the transcript. This will show what we saw on the program, and I would like it to be a part of the CONGRESSIONAL RECORD.

It showed the People's Liberation Army preparing in hospitals for the prisoners. It showed the prisoners being executed as guards and soldiers repositioned the guns at the base of their neck to be assured that when they were executed there were no organs destroyed. Then it showed the interview of several people who had received or been a part of the operations or the sale of the organs in the United States. We have received a letter from the head of the FBI, Director Louis Freeh of the FBI, stating that he is fully committed to aggressively investigate this, and for this we commend him.

But this act fits very well together because it says that we are going to spend money on China. We are going to spend $2.2 million for the next 2 years so the State Department can look into these issues. Right now the Chinese Government denies it in spite of the facts. But this bill will carry people into China and require that light be shined on this atrocious practice.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. GEPHARDT], the distinguished minority leader.

Mr. GEPHARDT. Mr. Speaker, I rise today to speak about an issue of values, an issue where there is a clear distinction between right and wrong and where we can stand on the right side of history.

The United States serves as the beacon of liberty in our world. We are a nation founded on ideals, the idea that every person, from whatever racial or ethnic or religion or belief, is endowed by God with inalienable rights, the right of life, the right of liberty. We must never forget this.

Americans have shed blood on five continents in support of these ideas. Americans have expended extensive resources in support of these ideas. These are not ideas that Americans take lightly or ideas that we can just discard. These ideas are powerful enough to cause people to risk their lives and have caused people to give up their lives.

It has become fashionable to keep the Declaration of Independence folded up inside our suit pockets for use on certain occasions, Fourth of July parades, Bicentennial celebration, political campaigns. It is not something to keep folded up or hidden away. It is something to wear on our sleeves, to remember and to rededicate ourselves to. It is not for rhetorical flourishes and empty celebration but for inspiration for our actions and our deeds.

We must not be willing to keep the ideas in that sacred text folded up and in a drawer in order to not offend our important foreign visitor from the Republic of China.

The proper time to be talking about this subject would have been 2 weeks ago before President Jiang Zemin left our country. We should have spoken out on this floor prior to the President's visit, at a time when 1 billion people on the other side of the world were craning their necks to listen.

We had an opportunity to make it perfectly clear that while we put great importance on having a cordial and productive relationship with the people of China, we will never forget that our Nation's bedrock principles are not relative. The freedoms that Thomas Jefferson wrote of over 200 years ago are universal and timeless. They are absolute. If Albert Einstein were here today, a man who fled Nazi tyranny to America, I know that he would say that those laws of freedom are as absolute as any theory of physics.

We should not have to trade away our conscience with our commerce. We must pursue a policy of active engagement on a whole range of issues, not downplay our differences.

I think the President of China was very happy with his reception in this country. From his perspective, the trip was a total success. He was able to put on a tricornered hat in Williamsburg, the State where Jefferson formulated his vision of human rights, without facing any strong challenge to the undemocratic and brutal rule of the Chinese Communist government. He was able to put forth his preposterous theory about the relativity of human rights and call the issue of Tibet an internal matter.

Well, we should not be happy with the fact that he is happy over his trip to the United States, and neither should any American who believes that our bedrock ideals are absolute, eternal, and paramount to issues of commerce.

Human rights is at the core of our bedrock ideals. That is why I am speaking about this bill. Human rights is just one of many issues that we need to debate and deal with concerning our relationship with China. The list is long: Weapons proliferation, forced abortion, religious persecution, organ transplants, democracy in Hong Kong, Tibet, trade, and others. The bill is just one step down a very long road that we must take if we want to get to the point where the United States and China have truly normal relations.

I urge all of my colleagues to cast a proud vote for H.R. 2358, to authorize additional funding for human rights monitoring in China. Wei Jingsheng, one of the most prominent imprisoned Chinese dissidents, has had his writings from prison published in a book entitled "The Courage to Stand Alone." He has been in prison for the crime of advocating human rights and democracy in China, nothing more radical or outlandish than that. Listen to what he has to say about human rights.

He said: Human rights themselves have objective standards which cannot be subjected to legislation and cannot be changed by the will of the Government. He said: They are common objective standards which apply to all governments and all individuals, and no one is entitled to special standards.

Let us today hold the Chinese Government to the same standards we hold every country in the world to. Let us not make a special dispensation for this country because of the fact that we think there are 2 billion eyes to watch American movies or 1 billion mouths to drink American soft drinks.

When democracy comes to China, let the record show that America firmly and constantly stood and argued for the cause of human rights and freedom. When the day of reckoning comes, when freedom rings out throughout that great land, let people say, America stood for the cause of right; Americans did not let their economic self-interest blind them in our cause.

I urge Members to join with me in voting for this bill to honor the Jeffersonian legacy and all those who sacrificed their lives for it, to refute the belief of the Chinese Government that we are not serious about human rights, and to make sure that Wei and others do not stand alone, that every person in the United States stands beside them every day.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. SALMON].

Mr. SALMON. Mr. Speaker, I think the American people have been treated to a really special opportunity today because we have been able to see Members from virtually across the political spectrum in this place come together on such a crucial issue, to express care and concern about one of the most fundamental rights that we hold, and that is the ability to worship according to the dictates of your conscience and to speak out according to your beliefs. I am really pleased to be here today to support this piece of legislation.

The 21-gun salute is over. The state dinner is over. The press events at Independence Hall in Colonial Williamsburg are over. China wanted to achieve a new image in the West as a result of this summit, but Americans had a different plan in mind. Through

their protests, they sent a different message to the Chinese leadership.

It reminds me of the message that President Reagan delivered to Mikhael Gorbachev in Geneva in 1958. Natan Sharansky tells the story in his wonderful book "Fear No Evil." He says Reagan told Gorbachev that the Soviet Union would not change its image in the world until he let Sharansky go.

So it is with China. The photos at the White House or at Harvard will not give China the respect and the superpower status that they seek. Rather, freeing Chinese political prisoners, freeing Wei Jingsheng and Wang Dan, freeing other Chinese who are in prison merely for voicing their opinions or worshiping their God, in sum, only by ending the laogai can the Chinese leadership achieve world respect, status, and, one day, admiration. Until then, we stand not with the Government of China but we stand with the people of China.

I yield to the gentleman from California (Mr. Dreier).

Mr. DREIER. Mr. Speaker, I would like to congratulate my friend, the gentleman from Arizona [Mr. SALMON], for his leadership of one of the most brilliant parts of this measure, taking the Helsinki concept, the CSCE concept on human rights, and applying that here. And working with my friend, the gentleman from Illinois [Mr. PORTER], and others, we have gone a long way in this measure.

The NED provisions which my friend from Florida mentioned are important, and getting the business community focused on business, and getting our Government to focus on this human rights issue is very, very helpful. I would like to congratulate my friend.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes and 30 seconds to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I want to congratulate all of the Members who came together to find our common ground to speak out for promoting human rights and freedom in China and Tibet. I particularly want to commend the gentlewoman from Florida [Ms. ROS-LEHTINEN] for her initiative in presenting this very important legislation that we have before us which would provide funding to increase the monitors to monitor human rights violations in China.

Mr. Speaker, those who oppose some of the efforts that we have been putting forth to promote human rights in China have said that our efforts will isolate China, that we want to isolate China. Nothing could be further from the truth.

I have the privilege of representing San Francisco. A large number of people in my district are Chinese Americans. They are just like the rest of Americans, they are not a monolith. They all do not agree on the tactics of using MFN, but they all agree that a freer China will make the world safer, and that is something that we all must work and strive for.

That is why I was so very disappointed last week when, in preparation for Jiang Zemin's visit, President Clinton, in his speech laying out his plan for U.S.-China relations, put forth six areas of profound interest between our two countries: the environment, trade, fighting narcotics, et cetera. But he did not include promoting a freer China or human rights in China or promoting democratic freedoms as one of those areas of profound interest.

I think the last week has demonstrated, with the protests, et cetera, that although that might not have been a priority in the President's speech, it is a priority for the American people. And the Ros-Lehtinen legislation today will help us promote human rights in China.

□ 1815

The administration, instead, chose to roll out the red carpet to the head of the regime that rolled out the tanks in Tiananmen Square. They gave a 21-gun salute to the leader of the military that proliferates weapons of mass destruction and brutally occupies Tibet. And they toasted at a dinner, they toasted the man who controls the torture of Wei Jingsheng and many other political prisoners of conscience and religious prisoners, as well.

When President Jiang was here, some of us had the opportunity to meet with him. And in that meeting, he denied that there was any political repression in China, that there was not any harvesting of organs for profit, it was just a rumor, when that is well documented, that there is religious freedom clearly blossoming in China. And I presented him something that I will refer to later, the religious freedom legislation, a letter from Ignatius Cardinal Kung asking him to free the Catholic bishops who have been sent to prison or to labor camps. He denied categorically that China had every proliferated weapons of mass destruction.

While President Jiang was in the state of denial and calling all of this just rumor, political prisoners were suffering in China. We must monitor that. While he was denying that this was taking place, prisoners of conscience were suffering in China. We want the message to go out to them that their suffering and their courage and their determination to promote a freer China is shared by Americans who promote Democratic values throughout the world. And this additional funding for monitoring will help to document, so that the American people will know and that we can say to the president when he denies it is happening, President Jiang, who denies it happens, we know and the prisoners know that we care about them.

I urge my colleagues to support this legislation.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 4½ minutes to the gentleman from California [Mr. COX], who is the architect of the package of bills before us today and tomorrow stating the policy of the United States Congress regarding China's abuses.

Mr. COX of California. Mr. Speaker, I thank the gentlewoman from Florida [Ms. ROS-LEHTINEN], author of the bill, for yielding me time.

It has been a pleasure to work with my colleagues in the majority and minority parties on such an important measure that is not just a sense of the Congress resolution, that does not just express outrage, it is not just a cry of pain, but rather, that does something, something within our control. We can, and we will as a result of this legislation, keep track of what is going on in the People's Republic of China as never before.

As my colleague the gentlewoman from California [Ms. PELOSI] has just pointed out, when President Jiang visited with us and when we breakfasted here with him in the Capitol, he simply denied that there were human rights problems in the People's Republic of China. He told a nationwide TV audience, "China does not feel that it has done anything wrong in the field of human rights." And yet, we know from the Clinton administration's report, which has been cited several times on the floor during this debate, that exactly the opposite is true.

Not only has the human rights situation not been improving as a result of or in connection with or coincidence with our policy of engagement, it has been getting worse. Quoting, from the Clinton State Department's report, "The authorities stepped up efforts to cut off expressions of protest or criticism. All public dissent against the party," that is the Communist Party, the only party permitted in the People's Republic of China, "and the Government was effectively silenced."

We are discussing this legislation and the need for it immediately in the wake of President Jiang's visit. And it is fair to ask whether anything happened at the summit that militates now against this initiative or whether this initiative will jeopardize any of the summit's accomplishments. That requires us to pierce the fog of the summit's atmospherics and realistically assess its concrete results.

In this respect, the remarks of my colleagues who spoke immediately prior to me make it very, very clear that, yes, President Jiang, just as conventional wisdom holds, had a successful summit. He stuck to his agenda. He got his way. But the people of China, particularly the political prisoners of China, particularly those few whose human rights cases have been so visibly raised and so consistently raised by the United States that we expected perhaps in the glow of the summit they

might win their release, got precisely nothing. For Wang Dan, for Wei Jingsheng, this was not a successful summit at all.

Wei Jingsheng, whom some have called the father of Chinese democracy, was once, just like solidarity leader Lech Walesa, an electrician. But this son of a Communist Party official has spent most of his adult life in Communist Chinese prisons and reeducation camps.

In 1978, Wei posted his essays on freedom, his writings on freedom, written in large characters, on a stretch of masonry that became known as Democracy Wall. And in return, the Communist government sentenced him to 14 years in some of Communist China's worst prisons. Just 6 months before his final year in confinement, he was briefly released on the eve of the International Olympic Committee's deciding whether to let Beijing host the year 2000 Olympics. When the People's Republic of China lost its Olympic bid, Wei was immediately arrested again.

For nearly 2 years after that, he was held in secret detention without any specific charges. And finally, in 1996, Wei Jingsheng was given a show trial on shamelessly straightforward charges of writing in behalf of democracy. The Communist authorities kept the trial closed to the public and the press and even denied him the legal counsel offered by two United States Attorneys General, one a Democrat, Nicholas Katzenbach and the other a Republican, Richard Thornburgh.

Today, Wei Jingsheng is 46-years-old. He suffers from heart disease and arthritis at this early age, he is my age, that caused him debilitating back pain. The last time his family saw him, he was unable to keep his head upright. As part of a campaign to break his spirit, the Communist authorities have cut off the heat to his solitary confinement cell in winter, kept him under lights to deny him sleep, and refused him medical attention.

This is the kind of abuse that we are after in this legislation. This is the reason that the Ros-Lehtinen bill is so important and the reason I am so proud to join with my colleagues, Republican and Democrat, in support of this legislation.

Mr. HASTINGS of Florida. Mr. Speaker, we continue to reserve our time in light of the fact that there may be additional speakers. Perhaps the gentlewoman from Florida [Ms. ROS-LEHTINEN] will continue to yield time.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 1½ minutes to our colleague the gentleman from Florida [Mr. SCARBOROUGH].

Mr. SCARBOROUGH. Mr. Speaker, I thank the gentlewoman from Florida [Ms. ROS-LEHTINEN] for yielding me the time and also for addressing such an important issue as human rights in China.

I heard the gentleman from California [Mr. COX] talk about Wei being sent to jail and brutally tortured for writing on behalf of democracy. This past week, I had the thrill of meeting Harry Wu, one of the great figures, along with Wei, fighting for democracy in the latter half of the 20th century. He characterized today's so-called engagement policy as basically no different from the appeasement policy in Munich.

> We are feeding a communist giant. When you are talking about a communist giant, you have to know that this is a military giant. Forty-seven years ago we had a debate, who lost China? Pretty soon we will have another debate, who rebuilt communist China?

We have got to step forward with the moral courage and recognize once and for all that the greatest exports that will ever come from the United States of America are not military hardware or nuclear technology, but are the ideals of freedom, Jeffersonian democracy and the things that have made America great for over 200 years.

I hope today is a starting point where Republicans and Democrats, conservatives and liberals, can come together on this most vital issue of human rights in China and across the globe. We have a great opportunity.

A.M. Rosenthal, writing in the New York Times, said,

> After World War II, much of the Western left edged off from the fight for human rights in communist countries. Conservatives looked away almost everywhere else. The losers were the people in the cells.

I hope that both sides can understand that we need to fight for freedom regardless of whether we are conservatives or liberals.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

As one who has visited China three times this year, I join my colleagues in allowing that this is an appropriate measure for us to undertake. Because, clearly, there are matters ongoing that are vitally in need of our continuous observation, our continuous analysis, our continuing observation from the standpoint of what is necessary for us as legislators to undertake, and also to be able to assist in allowing that the State Department, through its actions, are able to undertake those things that are necessary to analyze the human rights violations and report them to us so that we may take appropriate action.

In that sense, Mr. Speaker, I stand along with our colleagues who have offered this measure in strong support of saying in the great hopes that it will bring us to a point whereby we may be in a better position when we are speaking with reference to United States-China relations.

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

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 1½ minutes to our colleague, the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I rise in support of H.R. 2358, to provide for improved monitoring of human rights violations in the People's Republic of China. I compliment my colleague from Florida [Ms. ROS-LEHTINEN] for her leadership in this issue.

I especially support that amendment that calls on the People's Republic of China to stop harvesting and transplanting organs from prisoners. The organ harvesting program in China has meant millions of dollars to the Chinese military. The Chinese Government says organ harvesting involves criminals who voluntarily consent. The facts show otherwise. China's assertion that these are the facts makes a mockery of the international principles adopted after Nazi medical experiments were uncovered and outlawed.

No other country in the world at this time is known to use the organs of prisoners except for China and to take them in an involuntary fashion. They appear to have turned a chilling execution of thousands of people who did not even commit capital crimes into a multimillion dollar black market of a kind the world has never seen.

Accordingly, others have joined me in Congress to write to President Clinton and Secretary of State Albright noting that 4,000 people a year who are reportedly executed in China for committing minor crimes and they go from arrest to execution in order to harvest their organs for sale on the black market. This is not justice. This is murder for profit.

I hope my colleagues would join me in supporting the gentlewoman from Florida [Ms. ROS-LEHTINEN] in this forward-thinking legislation, which is the most important human rights issue that we will face in the 105th Congress. This is a bipartisan piece of legislation that should enjoy support of both sides of the aisle.

I would also ask my colleagues to join me in signing a letter to the Chinese Ambassador asking him to take swift action against this practice of harvesting organs from prisoners.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Speaker, I thank the gentleman from Florida [Mr. HASTINGS] for so kindly yielding me the time.

Let me thank the gentlewoman from Florida [Ms. ROS-LEHTINEN], the gentleman from New York [Mr. SOLOMON], the gentleman from California [Mr. DRIER], and so many of my colleagues, including the gentleman from Arizona [Mr. KOLBE], the gentleman from Arizona [Mr. SALMON], the gentleman from California [Mr. MATSUI], the gentleman from New Jersey [Mr. SMITH], and the

gentleman from New York [Mr. GILMAN], all who have participated in creating some of the concepts that have been embodied in this legislation.

We began meeting earlier this year, convinced that the annual debate on MFN had ceased to provide any positive results in terms of China policy and desiring to fashion a package of tools that were better equipped to address specific problems that we saw in U.S. policy toward China and better geared toward promoting the values that we hoped to see take root in that country. These ideas have been mostly incorporated in this legislation and I think will go a long way toward getting a true engagement with China, not just a debate within the Congress, but a true engagement that has the potential of truly changing Chinese society.

It represents a great step forward in changing the nature of congressional discussion of U.S.-China policy. It makes efforts that mark a new and more mature debate on the important policy and the impact of our relations with China. I have been and continue to be an outspoken critic of those Chinese government policies and actions which constrain the people of China or threaten U.S. interests.

An abysmal human rights record, a belligerent attitude toward neighboring countries, a penchant for disregarding obligations under domestic and international law, a widespread and endemic system of corruption and cronyism, a willingness to arm rogue regimes with weapons of mass destruction, these are the characteristics of the Chinese regime that disturb and alarm the Congress and the American people.

□ 1830

As I said before and set out with my colleagues to do with H.R. 2195, Congress must address these issues with ideas and options which look to the specific problem and seek an appropriate solution. Efforts to withdraw MFN trading status from China do not meet these goals. It is a blunt instrument that is not directly related to the problems we seek to address, and most significantly, with the Senate and the President opposed, MFN would never be withdrawn in any event, and MFN withdrawal is therefore what I consider to be a dead-end policy option which will never actually effect change in Chinese society.

The package of bills before Congress tonight has the potential to do so and I believe should be commended to every Member. I believe that the committee of jurisdiction, International Affairs, has done an excellent job in fashioning this package. I commend this effort and everyone who has been involved in it. I am proud to stand on the floor of the House today and send a strong message that Congress cares about American values and about promoting those values abroad.

By increasing funding for democracy activities, expanding monitoring of human rights abuses, intensifying efforts to broadcast information into China, denying visas to Chinese who flaunt international law or American values, expressing our support for the free and democratic government of Taiwan, promoting contact between agents of change in Chinese society and their American counterparts, and expecting United States businesses in China to be a force for positive change, we are directly addressing these problems with pro-active solutions. We are taking concrete steps to promote American values that have a proven track record of success—democratic self-governance, rule by laws created with the consent and active participation of the people, freedom and individual liberties.

Today, we will begin in a new debate on China. I am hopeful that it will yield positive results on all sides. I urge all of my colleagues to support H.R. 2358 and the rest of this legislative package.

While it is not perfect it is an important step and one that we must take if we hope to welcome the day that China becomes part of the community of peaceful, democratic, law-abiding nations. That is a day all Americans—and I suspect, most Chinese—look forward to.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. SMITH], who has been the leader on the Subcommittee on International Operations and Human Rights, talking about the many abuses of the Chinese regime, especially in relation to Chinese slave products.

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentlewoman for yielding me this time. I want to congratulate the distinguished gentlewoman for this legislation and her strong human rights leadership in this House.

H.R. 2358, Mr. Speaker, addresses the important question as to whether the cornerstone of our foreign policy should be the promotion of universally recognized human rights. Looking at the State Department budget, and my subcommittee oversees on the authorizing side the State Department budget, we see that the Bureau of Democracy, Human Rights and Labor has 52 employees and a budget of just over $6 million. By way of contrast, the Public Affairs Office is about twice as large, with 115 employees and a budget of over $10 million. Even the Protocol Office has 62 employees, 10 more employees than the whole Human Rights Bureau. Each of the six regional bureaus has an average of 1,500 employees. These are the bureaus the Human Rights Bureau sometimes has to contend with in ensuring that human rights is accorded its rightful priority against competing concerns, and they have a combined budget of about $1 billion, or about 160 times the budget of the Human Rights Bureau.

This gross disparity in resource allocation is not only a poignant symbol of the imbalance in our foreign policy priority, it is also an important practical consequence. It has practical consequences. For instance, Washington officials from the regional bureaus develop their expertise by taking frequent trips to the regions in which they specialize. Officials in the Human Rights Bureau, however, below the rank of Deputy Assistant Secretary almost never have the budgets for such trips.

It is an unfortunate fact of life that we usually get what we pay for, and it appears that the American taxpayers are paying for more State Department protocol and public relations and less for human rights. By adding $2.2 million in each of the next 2 fiscal years for monitoring human rights in the People's Republic of China, this bill will help to redress the terrible imbalance in the current State Department budget.

Let me also point out, and I appreciate the earlier comments of the distinguished gentleman from Missouri [Mr. GEPHARDT], the minority leader, when he quoted from Wei Jingsheng, that great human rights champion in the People's Republic of China, who today is languishing in a gulag in Laogai because of his strong beliefs. I met with Wei when he was let out to try to procure the Olympics 2000 for the Chinese dictatorship. They thought that symbolic gesture would garner that for them. He was only out for a couple of weeks, several weeks. I met with him, talked to him for about 3 hours. Two weeks later or so he met with Assistant Secretary of State for Human Rights and Democracy John Shattuck. The next day after meeting with the point person for the Clinton administration on human rights, Wei Jingsheng was grabbed off the streets and thrown into prison, and he is there now, unfortunately suffering. We know that he has been beaten. At one point he was beaten so bad he could not even raise his head, and his sister and others who care deeply for him fear for his life.

We need greater monitoring. We need more surveillance to know what is going on. One or two people designated in Beijing or Shanghai or elsewhere is not adequate to the test.

Let me also say I am very appreciative to the gentlewoman from Washington, Mrs. LINDA SMITH, for her language that she has added to this bill with regard to the organs that are used from executed prisoners. Let me just say we have had two hearings on that in my subcommittee. It is a horrific reality. We need to rein in on it, and we need, I think, do everything possible to shut down that gruesome process.

Mr. HAMILTON. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this bill authorizes $2.2 million for each of the next 2 years to support U.S. Embassy and consulate personnel to monitor political repression in China. I think it is a constructive bill. This is one of the bills in this

package of nine that I will support. I think it sends the Chinese a signal that we care very deeply about human rights, that human rights will be a major component in our relationship with China.

I will tell my colleagues that the administration has some reservations about this bill. They consider it duplicative and unnecessary, but I do think it is a constructive, positive bill. I commend the gentlewoman from Florida for sponsoring it and pushing it forward and for others who have spoken in support of it. I intend to vote for this bill. I urge my colleagues to do the same.

Mr. Speaker, I yield back the balance of my time.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I thank the gentlewoman for yielding me this time and for her leadership and all my colleagues who have worked so hard to see that we not only export goods from this country, but that we export goodness and morality. De Tocqueville said America is great because America is good.

Somewhere in China, there are people just like the person that the gentleman from New Jersey [Mr. SMITH] just described who are in cramped prison quarters, some of whom have been tortured, some of whom are right now undergoing physical pain. The administration said we should engage with China to see to it that we move China from this repressive situation to one in which people are allowed to dissent without being incarcerated, without being hurt, without being subdued by the military force.

This is engagement. It is not right to ask a businessman who is about ready to close a business deal at the same time to bring up the problem that a dissident has in a particular prison. He is not going to do that. He needs to close a deal, he needs to get the check, he needs to get the money. It is important to have personnel who are assigned to this monitoring task solely, who can really focus and really specify. This is an excellent bill. I support it fully.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentlewoman from Florida [Ms. ROS-LEHTINEN] is recognized for 1 minute.

Ms. ROS-LEHTINEN. Mr. Speaker, this bill does more than send a message to the repressive Chinese regime. It puts respect for human rights at the forefront of our discussions with Chinese officials. It forces our own Government to recognize that these values that we hold so dear and which have helped in forging our democracy, which are free speech, freedom to worship, freedom of assembly, those values will be part, an important part, an essential part of our foreign policy.

We cannot continue to sweep these issues of the violations of human rights aside merely because they are uncomfortable for us to discuss with the Chinese. If we ignore these violations, the political dissidents, the opposition in China, will suffer even more oppression. Let us be their voice today. Let us celebrate democracy, human rights and freedom for the Chinese people by supporting this bill, and indeed the entire package of bills before us.

In summation, I ask that we do what is right; what is just; what we know we must do. I ask that you support H.R. 2358.

Others may choose to ignore the pleas and cries of anguish of the Chinese people, but the United States Congress must not.

The United States Congress must send a clear message to the Chinese regime and to the world that it will defend the rights of all people to be free of oppression, of subjugation, of persecution.

The U.S. Congress must stand firm in the face of dictators and declare its support for those who cannot speak for themselves. The United States Congress must stand up to China's Communist regime—not just with rhetoric, but with concrete actions.

We must tell the Chinese regime that the United States Congress will not sit on the sidelines any longer; that we are ready to take the necessary steps to help being an end to the atrocities and violations of human rights and basic liberties.

H.R. 2358 is the tool. It is the action supporting the message.

To summarize, H.R. 2358 assigns new diplomats to American embassies and consulates for the exclusive purpose of monitoring human rights in China.

H.R. 2358 denies entry into the United States to any Chinese official found to be involved in the trafficking of human organs from political prisoners in China.

The bill increases the number of legislative days to review the President's required certification that China is complying with the agreement for nuclear cooperation. It would also require a Congressional vote of approval for the certification.

H.R. 2358 requires State Department officials to raise human rights concerns in every meeting with Chinese officials.

Adds $10 million in funding for National Endowment for Democracy projects in China.

Calls on the State Department to issue an annual report on the human rights situation and to establish a Prisoner Information Registry for China.

It supports the continuation of democratic freedoms for the people of Hong Kong.

In essence, H.R. 2358 is a comprehensive bill which includes the contributions of several of my distinguished colleagues. I thank them for their commitment and dedication to the issue of human rights in China, and for their ongoing courage to stand up for what is right.

As you cast your vote, I want you to think of the people of China; think about the political prisoners and the persecuted.

I want you to think about the values that have made this country great—about the sense of humanity that has guided us through the history of the Republic. The United States has a responsibility as the post-cold war leader to set the example for others to follow.

We can set a positive example right now. I urge you to support H.R. 2358.

The SPEAKER pro tempore. All time for general debate has expired.

It is now in order to consider the further amendment specified in part 1–B of House Report 105–379.

AMENDMENT OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. Gilman:

Convert the existing provisions of the bill to a TITLE I, and add at the end the following:

TITLE II—AGREEMENT ON NUCLEAR COOPERATION

(A) AMENDMENT TO JOINT RESOLUTION RELATING TO AGREEMENT FOR NUCLEAR COOPERATION.—The joint resolution entitled "Joint Resolution relating to the approval and implementation of the proposed agreement for nuclear cooperation between the United States and the People's Republic of China (Public Law 99–183; approved December 16, 1985) is amended—

(1) in subsection (b)—

(A) by inserting "and subject to section 2," after "or any international agreement,"; and

(B) in paragraph (1) by striking "thirty" and inserting "120"; and

(2) by adding at the end the following:

"SEC. 2. (a) ACTION BY CONGRESS TO DISAPPROVE CERTIFICATION.—No license may be issued for the export to the People's Republic of China of any nuclear material, facilities, or components subject to the Agreement, and no approval for the transfer or retransfer to the People's Republic of China of any nuclear material, facilities, or components subject to the Agreement shall be given if, during the 120-day period referred to in subsection (b)(1) of the first section, there is enacted a joint resolution described in subsection (b) of this section.

"(b) DESCRIPTION OF JOINT RESOLUTION.—A joint resolution is described in this subsection if it is a joint resolution which has a provision disapproving the President's certification under subsection (b)(1), or a provision or provisions modifying the manner in which the Agreement is implemented, or both.

"(c) PROCEDURES FOR CONSIDERATION OF JOINT RESOLUTIONS.—

"(1) REFERENCE TO COMMITTEES.—Joint resolutions—

"(A) may be introduced in either House of Congress by any member of such House; and

"(B) shall be referred, in the House of Representatives, to the Committee on International Relations and, in the Senate, to the Committee on Foreign Relations.

It shall be in order to amend such joint resolutions in the committees to which they are referred.

"(2) FLOOR CONSIDERATIONS.—(A) The provisions of section 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to joint resolutions described in subsection (b).

"(B) It is not in order for—

"(i) the House of Representatives to consider any joint resolution described in subsection (b) that has not been reported by the Committee on International Relations; and

"(ii) the Senate to consider any joint resolution described in subsection (b) that has not been reported by the Committee on Foreign Relations.

"(c) CONSIDERATION OF SECOND RESOLUTION NOT IN ORDER.—It shall not be in order in either the House of Representatives or the Senate to consider a joint resolution described in subsection (b) (other than a joint resolution described in subsection (b) received from the other House), if that House has previously adopted such a joint resolution.

"(d) PROCEDURES RELATING TO CONFERENCE REPORTS IN THE SENATE.—

"(1) CONSIDERATION.—Consideration in the Senate of the conference report on any joint resolution described in subsection (b), including consideration of all amendments in disagreement (and all amendments thereto), and consideration of all debatable motions and appeals in connection therewith, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report.

"(2) DEBATE ON AMENDMENTS IN DISAGREEMENT.—In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment to any amendment in disagreement shall be received unless it is a germane amendment.

"(3) CONSIDERATION OF VETO MESSAGE.—Consideration in the Senate of any veto message with respect to a joint resolution described in subsection (b), including consideration of all debatable motions and appeals in connection therewith, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.".

The SPEAKER pro tempore. Pursuant to House Resolution 302, the gentleman from New York [Mr. GILMAN] and the gentleman from Indiana [Mr. HAMILTON] each will control 15 minutes.

The Chair recognizes the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I yield 7½ minutes to the gentleman from Massachusetts [Mr. MARKEY] and ask unanimous consent that he may be permitted to yield that time to other Members.

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

There was no objection.

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

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, the President has announced his intention to submit to Congress the certification necessary to implement the 1985 United States-China Nuclear Cooperation Agreement, thereby enabling the People's Republic of China to obtain United States nuclear technology. No United States President, not President Reagan nor Bush, and until now not President Clinton, has made such a certification. Why? Because Communist China's nuclear, chemical, biological and missile proliferation makes it the Wal-Mart of international commerce. China's record is not only reprehensible, it mocks repeated assurances to our Nation that it would stop proliferating to countries such as Pakistan and Iran.

In that regard, I urge all Members to examine the compendium I am placing in the RECORD, a compendium dated November 4, 1997, detailing China's nuclear nonproliferation promises from 1981 through 1997. Yet despite promises and subsequent violations of those promises, the Clinton administration is willing to open the door to China for critical United States nuclear assets.

Moreover in the wake of last week's summit, we have heard nothing that gives us confidence that the Chinese are willing to provide ironclad, enforceable assurances that any promises with regard to the transfer of nuclear technology to Iran would be kept.

Permit me, Mr. Speaker, to describe the possible shortfalls in the agreement negotiated by the Clinton administration in order to begin nuclear commerce with China. The Chinese have pledged only to halt new nuclear cooperation with Iran, thereby allowing continued cooperation between China and Iran on at least two existing contracts. Moreover, a possible loophole in the Chinese pledge could permit the resurrection of a contract that has been suspended, but not canceled, to build a uranium enrichment facility in Iran since that contract would not fall into the category of any new nuclear cooperation.

The administration made no headway with the Chinese on conditioning nuclear cooperation with Pakistan or with any other country besides Iran, and the administration did not secure any agreement with China that would halt the transfer of nuclear-capable missiles to Iran or to other countries.

Mr. Speaker, because of these and other concerns, I have joined with the distinguished gentleman from Massachusetts [Mr. MARKEY] to introduce this amendment which achieves two important goals. It extends from 30 to 120 days the time for Congress to review the President's certification to China. It also establishes expedited procedures in the House and Senate for consideration of a resolution of disapproval of that certification or further modifications to the 1985 agreement should that prove necessary. Our legislation ensures that the Congress has adequate time to examine China's record of compliance with its nonproliferation commitments, particularly its pledge to provide no new nuclear assistance to Iran and to take appropriate legislative action if that is deemed necessary.

Mr. Speaker, we stand at a critical juncture with respect to our nonproliferation policy toward China. Implementing a nuclear cooperation agreement is not a step that should be taken lightly with any nation. With China, it is vital that we get it right the first time. Accordingly, I urge my colleagues to adopt this amendment and to adopt the underlying bill.

Mr. Speaker, the text of the compendium referred to in my remarks is as follows:

"The question of assurance does not exist. China and Iran currently do not have any nuclear cooperation . . . We do not sell nuclear weapons to any country or transfer related technology. This is our long-standing position, this policy is targeted at all countries." Foreign Ministry spokesman Shen Guofang, Los Angeles, 11/2/97, Reuters, 11/3/97.

"We don't have to take it on faith . . . We received clear-cut, specific assurances." Senior US official, AFP, 10/31/97 (referring to China's vow not to commence new nuclear cooperation with Iran.)

"China will . . . not help other countries develop nuclear weapons. At the same time, China also holds that *prevention of nuclear proliferation should not affect international cooperation on the peaceful use of nuclear energy*. The US administration is clear on this point and so is the international community." Foreign Ministry spokesman Tang Guoqiang, Beijing, 10/30/97, Ta Kung Pao, 10/31/97 (emphasis added).

"President Jiang and I agreed that the United States and China share a strong interest in stopping the spread of weapons of mass destruction and other sophisticated weaponry in unstable regions and rogue states; notably, Iran. I welcome the steps China has taken and the clear assurances it has given today to help prevent the proliferation of nuclear weapons and related technology." President Bill Clinton, press conference, Washington, D.C., 10/29/97.

"In May 1996, China committed *not to provide [unsafeguarded nuclear] assistance* to . . . Pakistan or *anywhere* else. We have monitored this pledge very carefully over the course of the last 16, 18 months, and the Chinese appear to be taking their pledge very seriously. We have no basis to conclude that they have acted inconsistently with this May 1996 commitment. Also, the Chinese have provided assurances with respect to nuclear cooperation with Iran. What *they have assured us is that they . . . are not going to engage in new nuclear cooperation with Iran*, and that they will complete a few existing projects, and these are projects which are not of proliferation concern. They [will] complete them within a relatively short period of time . . . the assurances we received are . . . sufficiently *specific and clear* to meet the requirements of our law and to advance our national security interests, and they are in the form of writing. They're written, confidential communications . . . I would call them *authoritative, written communications* . . . Today was when the final exchange took place . . . We will make [them] available to members of Congress in confidence, because these are confidential diplomatic communications, an opportunity to read and judge for themselves these written assurances that we've been given . . . [Q] assurances specifically—different countries, specifically, say, Iran, Pakistan? . . . [A] Yes, just Iran . . . they have safeguarded peaceful nuclear cooperation with both *Pakistan and India*, and they told that at this particular point,

they're not prepared to suspend those projects . . . The President made very clear to him that this was an essential requirement; we needed to have this assurance on Iran, or there could be no certification . . . [Q] Who is the assurance addressed to? [A] We're not going to discuss the . . . specifics of the issue. [Q] Is it in a letter, though, that's addressed to someone in particular in the U.S. government? [A] It's an authoritative, written communication." Senior Administration Official, press briefing, The White House, 10/29/97, emphasis added.

"We have received assurances from the Chinese that they will not engage in any new nuclear cooperation with Iran, and that the existing cooperation—there are two projects in particular—will end. That is the assurance we have received. As to the form of that assurance, we will be discussing that with Congress . . . ". Sandy Berger, National Security Advisor, press conference, 10/29/97.

"The United States and China reiterate their commitment not to provide any assistance unsafeguarded nuclear facilities and nuclear explosion programs." Joint U.S.-China Statement, The White House, 10/29/97.

"China has taken new, concrete steps to prevent nuclear proliferation that threaten the interests of both countries. China has . . . Provided assurances addressing U.S. concerns about nuclear cooperation with Iran . . . ". White House Fact Sheet, "Accomplishments of US/China Summit." 10/29/97.

". . . I think we have reached a point where we're satisfied that we have the assurances that we need to have that China is not engaging, will not engage in assistance to states developing nuclear weapons, which would enable the President to go forward with the Peaceful Nuclear Energy Agreement of 1985." Senior White House official, press conference, Washington, D.C., 10/29/97.

"China adopts a cautious and responsible attitude toward nuclear exports. It has never transferred nuclear weapons or relevant technology to any other country. China's stand against nuclear weapons proliferation is consistent with clear-cut; that is, China has consistently opposed nuclear weapons proliferation. It does not advocate, encourage, or engage in nuclear weapons proliferation, nor has it helped other countries develop nuclear weapons. In the meantime, China takes the view that *the fight against nuclear weapons proliferation should not affect international cooperation on the peaceful use of nuclear energy*. The American side is well aware of the Chinese position on that." Foreign Ministry spokesman Tang Guoqiang, Beijing Central Peoples Radio, 10/28/97 (emphasis added).

"I wish to emphasize once again China has never transferred nuclear weapons or relevant technology to other countries, including Iran . . . China has never done it in the past, we do not do it now, nor will we do it in the future." Foreign Ministry spokesman Shen Guofang, Kyodo, 10/21/97.

". . . China adheres to the policy that it does not advocate, encourage or engage in proliferation of nuclear weapons nor assist other countries in developing nuclear weapons. For many years the Chinese Government has exercised strict and effective control over nuclear and nuclear-related export, including exchanges of personnel and information, and has abided by the following three principles: (1) serving peaceful purposes only; (2) accepting IAEA safeguards; (3) forbidding transfer to any third country without China's consent. With regard to any nuclear export, the recipient government is always requested to provide to the Chinese side an assurance in writing to acknowledge the above three principles and the export can proceed only after approval by relevant Chinese authorities . . . [regulations] strictly prohibit any exchange of nuclear weapons related technology and information with other countries . . . No [Chinese] agency or company is allowed to conduct cooperation or exchange of personnel and technological data with nuclear facilities not under IAEA safeguards . . . [these] regulations are applicable . . . also to all activities related to nuclear explosive devices . . . the Chinese side wishes to emphasize that *the prevention of nuclear proliferation should in no way affect or hinder the normal nuclear cooperation for peaceful uses among countries, let alone be used as an excuse for discrimination and even application of willful sanctions against developing countries*. The prevention of nuclear proliferation and peaceful uses of nuclear energy constitute the two sides of one coin . . . this is the consistent policy of China." Ambassador Li Changhe, Statement at Meeting of Zangger Committee, Vienna, 10/16/97 (emphasis added).

"China's position on nuclear proliferation is very clear . . . It does not advocate, encourage, or engage in nuclear proliferation, nor does it assist other countries in developing nuclear weapons. It always undertakes its international legal obligations of preventing nuclear proliferation . . . China has always been cautious and responsible in handling its nuclear exports and exports of materials and facilities that might lead to nuclear proliferation." Statement by Foreign Ministry spokesman Cui Tiankai, Beijing, Xinhua, 9/15/97.

"The state highly controls nuclear exports and strictly performs the international obligation on nonproliferation of nuclear weapons it has undertaken. The state does not advocate, encourage and engage in proliferation of nuclear weapons, and does not help other countries develop nuclear weapons. Nuclear exports are used only for peaceful purposes and are subjected to International Atomic Energy Agency's guarantee and supervision . . . The state prohibits assistance to nuclear facilities not subject to International Atomic Energy Agency's guarantee and supervision, and does not engage in nuclear exports or personnel and technological exchanges and cooperation with them." Regulations of the PRC on Control of Nuclear Exports, Xinhua, 9/11/97.

"Our country . . . has followed the policy of not advocating, not encouraging, and not engaging in the proliferation of nuclear weapons, and not helping other countries to develop nuclear weapons . . . all relevant agencies and units engaged in the activities of foreign economic trade must thoroughly implement our country's policy on nuclear exports; that is, not advocating, encouraging, or engaging in the proliferation of nuclear weapons and not helping other countries develop nuclear weapons; only using nuclear export items for peaceful purposes, accepting the International Atomic Energy Agency's safeguards and supervision, and not allowing the transfer of such items to third countries without our country's permission; and not giving assistance to the nuclear facilities of those countries that have not accepted the safeguards and supervision of the International Atomic Energy Agency . . . Nuclear material, nuclear installations and related technology, non-nuclear material used for reactors, and nuclear-related dual-use installations, material, and related technology . . . may not be supplied to or used by nuclear facilities that have not accepted the International Atomic Energy Agency's safeguards and supervision. No unit or corporation is allowed to cooperate with nuclear installations that have not accepted the system of safeguards and supervision of the International Atomic Energy Agency, nor are they allowed to engage in exchanges of professional scientific and technical personnel and technological information . . ." Chinese State Council Circular No. 17, Beijing, 5/27/97 (translated by CRS).

". . . we have absolutely binding assurances from the Chinese, which we consider a commitment on their part not to export ring magnets or any other technologies to unsafeguarded facilities . . . The negotiating record is made up primarily of conversations, which were detailed and recorded, between US and Chinese officials." Under Secretary of State Peter Tarnoff, congressional testimony, 5/16/96.

"Last week, we reached an understanding with China that it will no longer provide assistance to unsafeguarded programs . . . senior Chinese officials have explicitly confirmed our understanding the Chinese policy of not assisting unsafeguarded nuclear facilities would prevent future sales, future transfers of ring magnets." Secretary of State Warren Christopher, congressional testimony, 5/15/96.

"Being a signatory of the Nuclear Non-Proliferation Treaty, China strictly abides by its treaty commitments and has never engaged in any activities in violation of its commitments. China's position of opposing nuclear weapons proliferation is constant and unambiguous. China will, as usual, continue to honor its international commitments and play a positive role in maintaining regional and world peace and stability." Foreign Ministry spokesman Cui Tiankai, Zhonggwo Ximven She, 5/15/96.

"China strictly observes its obligations under the treaty and is against the proliferation of nuclear weapons. China pursues the policy of not endorsing, encouraging or engaging in the proliferation of nuclear weapons, or assisting other countries in developing such weapons. The nuclear cooperation between China and the countries concerned is exclusively for peaceful purposes. China will not provide assistance to unsafeguarded and unsupervised Chinese nuclear facilities." Foreign Ministry spokesman, Xinhua, 5/11/96.

"Shen Guofang is an official press officer of the Chinese government and he has said several times that China is not exporting nuclear arms material nor spreading nuclear arms. The Central Intelligence Agency of the United States, the CIA, has accorded to Shen made several mistakes. The claim that China is exporting so-called ring magnets to Pakistan is one of the CIA's mistakes, according to Shen." Interview with Chinese Shen Guofang, YLE Radio, Helsinki, 4/5/96.

"China has never transferred or sold any nuclear technology or equipment to Pakistan . . . We therefore hope the U.S. Government will not base its policy-making on hearsay." Foreign Ministry Deputy Secretary Shen Guofang, Hong Kong AFP, 3/26/96 (after the reported ring magnet sale to Pakistan).

"China, a responsible state, has never transferred equipment or technology for producing nuclear weapons to any other country. Nor, as a responsible state, will China do so in the future." Foreign Ministry spokesman, Xinhua, 2/15/96.

"China is a responsible country. We have not transferred, nor will we transfer to any country, equipment or technologies used in

manufacturing nuclear weapons. As a signatory to the nuclear weapons non-proliferation treaty, China scrupulously abides by the treaty concerning international legal obligations toward the prevention of nuclear weapons proliferation, and it does not advocate, encourage or engage in nuclear proliferation. While engaging in cooperation with other countries for the peaceful use of nuclear energy, China strictly abides by China's three principles on nuclear exports and accepts the safeguards and supervision of the International Atomic Energy Agency." Foreign Ministry spokesman Shen Guofung, Xinhua, 2/15/96.

"Foreign Ministry spokesman Shen Guofang today denied reports that China has transferred nuclear technology to Pakistan. He said that China carries out normal international cooperation with Pakistan and some other countries on the peaceful use of nuclear energy. The legitimate rights and interests of all countries in the peaceful use of nuclear energy should also be respected. China has constantly adopted a prudent and responsible toward the export of nuclear energy. It is totally groundless to say that China has transferred nuclear technology to Pakistan." Foreign Ministry spokesman Shen Guofang, as reported in *Ta Kung Pao*, 2/9/96 (follows 2/8/96 *Washington Times* story about China's transfer of ring magnets to Pakistan's unsafeguarded uranium enrichment plant).

"China has constantly stood for . . . pursuing a policy of not supporting, encouraging or engaging in the proliferation of nuclear weapons and assisting any other country in the development of such weapons . . . Since 1992 when [China] became a party to the [nuclear Non-Proliferation] treaty, it has strictly fulfilled its obligations under the Treaty, including the obligation to cooperate fully with the IAEA in safeguard application. China follows three principles regarding nuclear exports: exports serving peaceful purposes only, accepting IAEA safeguards . . . Only specialized government-designated companies can handle nuclear exports and in each instance they must apply for approval from relevant governmental departments. All exports of nuclear materials and equipment will be subject to IAEA safeguard. China has never exported sensitive technologies such as those for uranium enrichment, reprocessing and heavy water production." Information Office of the State Council of the PRC White Paper: "China: Arms Control and Disarmament", *Beijing Review*, 11/27/95.

". . . there isn't any nuclear cooperation between China and Iran that is not under the safeguard of the International Atomic Energy Agency." Foreign Ministry spokesman Chen Jian, Xinhua, 9/26/95.

". . . China as a State Party and particularly as a developing country with considerable nuclear industrial capabilities, strictly abides by the relevant provisions of the NPT to ensure the exclusive use [of such capabilities] for peaceful purposes . . .". Ambassador Sha Zukang, NPT Extension Conference, at UN, 1/23/95.

"China does not engage in proliferation of weapons of mass destruction . . ." Foreign Minister Qian Qichen, AP newswire, 10/4/94.

"China is a signatory to the Nuclear Nonproliferation Treaty. We do not support or encourage nuclear proliferation, this has been a consistent position." Premier Li Peng, Beijing Central Television Program One, 3/22/94.

"[T]he Chinese government has consistently supported and participated in the international communities efforts for preventing the proliferation of nuclear weapons." Ambassador Hou Zhitong, address to the U.N. General Assembly, 10/21/92.

"[China] supports non-proliferation of nuclear weapons and other weapons of mass destruction." Foreign Minister Qian Qichen, at the U.N. Conference on Disarmament and Security Issues in the Asia-Pacific Region, 8/17/92.

"The reports carried by some Western newspapers and magazines alleging that China has provided Iran with materials, equipment, and technology that can be used to produce nuclear weapons are utterly groundless." Foreign Ministry spokesman, Xinhua, 11/4/91.

"China has always stood for nuclear nonproliferation, neither encouraging nor engaging in nuclear proliferation." Premier Li Peng, Xinhua, 8/10/91.

"The Chinese Government has made it clear that it adheres to a nuclear nonproliferation policy. This means that China does not support, encourage, or engage in nuclear proliferation. We said so and have done so, too." Premier Li Peng, interview with Iranian and Chinese journalists, *Renmin Ribao*, 7/10/91.

"China has struck no nuclear deals with Iran . . . This inference is preposterous." Chinese embassy official Chen Guoqing, rebutting a claim that China had sold nuclear technology to Iran, letter to *Washington Post*, 7/2/91.

"The report claiming that China provides medium-range missiles for Pakistan is absolutely groundless. China does not stand for, encourage, or engage itself in nuclear proliferation and does not aid other countries in developing nuclear weapons." Foreign ministry spokesman Wu Janmin, Zhongguo Ximwen She, 4/25/91.

"China's position is clear cut, that is, China won't practice nuclear proliferation. Meanwhile we are against the proliferation of nuclear weapons by any other country. . .". Premier Li Peng, Xinhua, 4/1/91.

". . . the Chinese Government has consistently supported and participated in the international community's efforts for preventing the proliferation of nuclear weapons." Ambassador Hou Zhitong, Xinhua, 10/24/90.

"China seeks a policy of not encouraging or engaging in nuclear proliferation and not helping any country develop the deadly weapons." Ambassador Hou Zhitong, Xinhua, 9/12/90.

"China has adopted a responsible attitude [on nuclear cooperation], requiring the recipient countries of its nuclear exports to accept IAEA safeguards and ensuring that its own nuclear import is for peaceful purposes." Foreign Minister Qian Qichen, Xinhua, 2/27/90.

"China does not advocate, or encourage, or engage in nuclear proliferation and would only cooperate with other countries in the peaceful application of nuclear energy." Foreign Minister Qian Qichen, Renmin Ribao, 9/15/89.

"China, though not a [NPT] signatory, has repeatedly stated that it abides by the principles of nuclear nonproliferation." Xinhua, 5/9/89.

"As everyone knows, China does not advocate nor encourage nuclear proliferation. China does not engage in developing or assisting other countries to develop nuclear weapons." Foreign Ministry spokesman, Beijing radio, 5/4/89.

"The cooperation between China and Pakistan in the sphere of nuclear energy [is] entirely for peaceful purposes. The relevant agreements signed between the two countries consist of specific provisions guaranteeing safety. The allegations that China has been assisting Pakistan in the field of nuclear weapons . . . are completely groundless . . .". Foreign Ministry spokesman Li Zhaoxing, Beijing Radio, 1/19/89.

"[Secretary of Defense Frank] Carlucci said Chinese leaders emphasized that they would never sell nuclear weapons to foreign nations. . .". Washington Post, 9/8/88.

"China does not advocate or encourage nuclear proliferation, nor does it help other countries develop nuclear weapons." Vice Foreign Minister Qian Qichen, Beijing Review, 3/30/87.

"The State Department and its allies insist that the negotiators made no such concessions. They argue that despite the text of the [US/China nuclear] agreement, they have obtained private assurances from the Chinese that Beijing will cooperate with unwritten American expectations. In particular, the chief American negotiator, Special Ambassador Richard T. Kennedy, has prepared a classified 'Summary of Discussions,' in which he asserts that the Chinese have provided further pledges to reform their nuclear export policies. Touting these unwritten, unofficial assurances, he claims that the China pact would not compromise our vigilance against the spread of nuclear weapons." The New Republic, 11/25/85, p. 9.

"Since that time [1983], we have received assurances from them [the Chinese government] and we have seen nothing, and there is no evidence, that indicates that they are not abiding by the assurances that they have provided us." Deputy Assistant Secretary of State James R. Lilley, congressional testimony, 11/13/85.

"The People's Republic of China has clearly indicated that it shares our concerns about any nuclear weapons proliferation. . .". Secretary of Energy John S. Herrington, congressional testimony, 10/9/85.

"The Chinese made it clear to us that when they say they will not assist other countries to develop nuclear weapons, this also applies to all nuclear explosives . . . We are satisfied that the [nonproliferation] policies they have adopted are consistent with our own basic views." Ambassador Richard Kennedy, Department of State, congressional testimony, 10/9/85.

"The Chinese have also made a number of high-level policy statements, and I would emphasize that these were high-level policy statements and not mere toasts tossed off in haste and casually. These clearly set forth their position that they are opposed to the spread of nuclear weapons and do not assist or encourage others to develop weapons." Assistant Secretary of State Paul Wolfowitz, congressional testimony, 10/9/85.

"Since negotiations began on the proposed agreement, China has made significant new statements on its nonproliferation policy . . . These statements show that China is opposed to the spread of nuclear explosives to additional countries." Ambassador Richard Kennedy, Department of State, congressional testimony, 9/12/85.

"The People's Republic of China has clearly indicated that it shares our concerns about any nuclear weapons proliferation . . ." Assistant Secretary of Energy George Bradley, congressional testimony, 9/12/85.

"The Chinese know that nuclear cooperation with us rests on their strict adherence to basic nonproliferation practices discussed and clarified at such great length." ACDA Assistant Director Norman A. Wulf, congressional testimony, 9/12/85.

"Our contacts with the Chinese . . . have demonstrated clearly that they appreciate the importance we attach to nonproliferation. We are satisfied that the policies they have adopted are consistent with our own basic views." Ambassador-At-Large Richard Kennedy, congressional testimony, 7/31/85.

"Over these past two years, the Chinese Government has taken a number of important nonproliferation steps. First, it made a pledge that it does 'not engage in nuclear proliferation' nor does it 'help other countries develop nuclear weapons'. The substance of this pledge has been reaffirmed several times by Chinese officials both abroad and within China. In fact, China's Sixth National People's Congress made this policy a directive to all agencies of that large and complex government. As such, it constitutes a historic and positive change in China's policies." ACDA Director Kenneth Adelman, congressional testimony, 7/31/85.

"Energy Department sources said a key part of the administration's presentation to Congress would be a classified summary of a meeting between Li Peng and special US ambassador and nuclear negotiator Richard T. Kennedy in Peking in June. Kennedy was said to have 'nailed down' Chinese assurances that they will work to halt the spread of atomic weapons and will abide by all US safeguard requirements. The sources said Kennedy wrote the summary and 'showed it to the Chinese, and they said it's consistent with the way they view their policies.' Sen. Alan Cranston (D–Calif.) said he was promised that written assurances of the Chinese position would be included in the nuclear agreement package." "US and China Sign Nuclear-Power Pact," Washington Post, 7/24/85.

"A long-dormant nuclear cooperation agreement with China apparently has been rejuvenated by new written assurances from China on its commitment to control the spread of nuclear weapons, accorting to Senate and administration officials." "US-China Nuclear Pact Near: New Assurances Said Received on Control of Weapons," Washington Past, 7/22/85.

"Discussions with China that have taken place since the initialling of the proposed [nuclear] Agreement have contributed significantly to a shared understanding with China on what it means not to assist other countries to acquire nuclear explosives, and in facilitating China's steps to put all these new policies into place. Thus, ACDA believes that the statements of policy by senior Chinese officials, as clarified by these discussions, represent a clear commitment not to assist a non-nuclear-weapon state in the acquisition of nuclear explosives." ACDA, "Nuclear Proliferation Assessment Statement," submitted to Congress on 7/24/85 with the US/China Agreement for Cooperation, 7/19/85.

"China is not a party to the NPT, but its stance on the question is clear-cut and above-board . . . it stands for nuclear disarmament and disapproves of nuclear proliferation . . . In recent years, the Chinese Government has more and more, time and again reiterated that China neither advocates nor encourages nuclear proliferation, and its cooperation with other countries in the nuclear field is only for peaceful purposes". Ambassador Hc Qian Jiadong, speech given at the Conference on Disarmament in Geneva, 6/27/85 (quoted by Amb. Richard Kennedy in congressional testimony, 7/31/85).

"I wish to reiterate that China has no intention, either at the present or in the future, to help non-nuclear countries develop nuclear weapons . . . China's nuclear cooperation with other countries, either at present or in the future, is confined to peaceful purposes alone." Vice Premier Li Peng, Xinhua, 1/18/85.

"We are critical of the discriminatory treaty on the nonproliferation of nuclear weapons, but we do not advocate or encourage nuclear proliferation. We do not engage in nuclear proliferation ourselves, nor do we help other countries develop nuclear weapons." Premier Zhao Ziyang, White House state dinner on 1/10/84, Xinhua, 1/11/84 (note: a US official later said that "These were solemn assurances with in fact the force of law," AP, 6/15/84).

"China does not encourage or support nuclear proliferation." Vice Premier Li Peng, Xinhua, 10/18/83.

"Like many other peace-loving countries, China does not advocate or encourage nuclear proliferation, and we are emphatically opposed to any production of nuclear weapons by racists and expansionists such as South Africa and Israel." Yu Peiwen, head of Chinese delegation to Conference on Disarmament in Geneva, Xinhua, 8/4/81.

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

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

□ 1845

Mr. Speaker, I rise in opposition to this amendment. The Gilman-Markey amendment does two things, both of which I think retroactively move the goalposts in our nonproliferation negotiations with China.

The first thing it does, as the distinguished gentleman from New York said, is to extend the time for congressional consideration of the President's considerations from 30 to 120 days of continuous session. The second thing that it does is to provide for expedited procedures for consideration of a congressional joint resolution of disapproval.

Now what we have here is a statutory framework that we have had in existence for a number of years that sets out the procedure to be followed in these nonproliferation negotiations with China. As we come, so to speak, to the fourth quarter of the game, we are suddenly moving the goalposts, and I just do not think that is a good thing for us to do. The amendment retroactively moves the goalposts in our nonproliferation negotiations with China.

Now the second thing I think this amendment does is to delay the dialog with China. I think this amendment, even though it is couched in procedural terms, places at risk our ability to persuade the Chinese to move in our direction on a whole range of issues that separate our two countries. China is inevitably going to see this amendment as part of an attempt to delay or to defeat the President's certification regarding the United States-China nuclear agreement, and I do not think it is too difficult to guess how the Chinese will respond. Beijing will suspend its current nonproliferation dialog with us and thereby make further progress on these important issues virtually impossible.

The third point I would make is that I think current law, with the 30-day provision of continuous session, provides ample time to review the certification of the President. That review period will not expire under current law until February, and what that does is give us 4 months to review the certification.

So although on the surface this is a procedural amendment seeking more time and seeking an expedited procedure, I think in fact it will have deleterious impact on the substance of the matter. I do not think we should try to prejudge the nuclear agreement, we should judge it on its merits. There is a lot of inquiry that has to be made with respect to it. I think those inquiries can be made within the 4-month period, and I do not think it is wise for the United States to put into law a framework, announce that to the world, so to speak, put that before the Chinese over a period of many years, and then, as we come to the final part of the consideration with the President's certification, suddenly say, we are changing the rules of procedure. That is not the way a responsible power should act.

I urge that this amendment be defeated.

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

Mr. MARKEY. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in favor of the Gilman-Markey amendment. We are all familiar with China's past proliferation record. Over the years, China has been the Wal-Mart of weapons of mass destruction for countries such as Iran and Pakistan. Over the years, China has perfected the game of promising the United States that it would stop its nuclear garage sales with a nudge and a wink to the Ayatollahs of the world. Last week, China scored the winning point in its game of nuclear "trick or treat." It got to take the treat and to play the trick. They got the treat of U.S. nuclear exports and the trick of assisting Iran and Pakistan to build the so-called Islamic bomb.

The President has announced that he will certify the 1985 nuclear cooperation agreement with China, claiming that China has been sufficiently moving forward and becoming a responsible member of the international nonproliferation community and is therefore deserving of access to American nuclear technology.

However, it was only this past June that the CIA had this to say about China: During the last half of 1996, China was the most significant supplier of weapons of mass destruction-related goods and technology to foreign countries. The Chinese provided a tremendous variety of assistance to both Iran

and Pakistan's ballistic missile programs. Pakistan was very aggressive in seeking out equipment, material, and technology for its nuclear weapons program, with China as its principal supplier. China has repeatedly pledged to curb its habit of providing nuclear missile, chemical, and biological weapons to countries such as Iran and Pakistan, but China has repeatedly broken its pledges.

The nuclear cooperation agreement was negotiated in 1985, but it has not been implemented because no President has been able to meet the congressionally mandated conditions associated with its implementation which include Presidential certification that China has become a responsible member of the international nonproliferation community. I do not believe that this was the case in 1985, and I do not believe that it is now.

A 1985 AP story about the agreement pointed out that the Reagan administration had relied upon a verbal statement sealed by a champagne toast to conclude the agreement, and we all know how well China lived up to that solemn pledge. And now we find ourselves in what might be an identical situation. The administration says it got some verbal nonproliferation commitments from China and some written commitments that no one has yet seen.

What has been made public about China's nonproliferation commitment seems to have some problems. One, the agreement only prevents new nuclear cooperation with Iran's nuclear weapons programs and allows continued cooperation between China and Iran to take place in at least two nuclear contracts.

The agreement appears to have a loophole that could allow the resurrection of a currently suspended but not canceled contract to build a uranium enrichment facility in Iran since that contract would not fall into the category of new nuclear cooperation.

The agreement does not condition nuclear cooperation with Pakistan or any other country besides Iran.

The agreement does not contain provisions that would halt the transfer of nuclear-capable missiles to Iran or other countries.

Now perhaps once Congress gains access to all the information, we will decide that the promises that have been made are sufficient. On the other hand, after we hold hearings, review the documents, and have some time to observe China's behavior, we may come to the conclusion that the agreement contains empty or insufficient promises, and we may want to do something about it.

The gentleman from New York [Mr. GILMAN] and I have made this amendment to give Congress the additional time it is going to need in order to make this agreement, ultimately carefully fashioned to advance the goals which Congress has been trying to protect which this country has been advancing in the years ahead. I hope that all Members of the Congress can support us this evening in sending this very important message.

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

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

Mr. BERMAN. Mr. Speaker, I rise both in support of the underlying bill which I think is a very sensible effort to augment our ability to ascertain the human rights situation in China by strengthening our on-the-ground operations there and the Gilman-Markey amendment which, to me, without prejudicing what our decision would be, enhances Congress' ability and the administration's ability to ensure that the representations and commitments made by the Chinese in the area of nuclear proliferation are being implemented and forced by expanding the time in which Congress has to review and decide whether to allow or disapprove of the agreement which has been certified.

China's past record of abiding by its international commitments not to aid the proliferation of weapons of mass destruction is not a good one. Congressional skepticism about Chinese promises is clearly warranted. There is time to consider the agreement, and the extension of that time and the expedited procedure which would allow a decision to be implemented without the threat of filibuster or delay in the other body is very critical in reducing the skepticism and reinforcing congressional support for the agreement should the record of implementation bring us to that conclusion.

So for that reason, I think both the Chinese and the administration should welcome this. This gives us a greater time to determine if, in fact, it is true that the representations made have been kept, the commitments made with respect to export controls and the implementation of a meaningful export control regime are being followed through.

By reducing our concern, it leads people to come to a fact-based conclusion by adding to the time we have to look at it. My fear is that if the existing law remains in place, we will be rushed into a decision, we will be forced to make decisions based on the past record rather than the present record, and so I think the gentleman from New York [Mr. GILMAN] and the gentleman from Massachusetts [Mr. MARKEY] have an excellent amendment here, and I urge the body to adopt it.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. ROHRABACHER], a member of our committee.

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of the Gilman-Markey amendment.

I was in Cambodia not too long ago with a United States team of military personnel trying to clear out mines in Cambodia, and they told me that there was a new mine that they were having trouble teaching the Cambodians how to get rid of, how to defuse, because it was a smart mine, and eventually that mine exploded in the hands of someone trying to defuse it. It was designed to kill Americans or anyone else trying to defuse mines. When they opened it up, what did they find? They found a chip from Motorola, a Motorola chip that was designed specifically to make it impossible to defuse these mines without the loss of American military personnel.

We need control of our technology when it is going into the hands of vicious dictatorships like we find in the mainland in China. If we do not impose these restrictions on technology or just handle this issue with care, it is going to come back and haunt us. It is going to hurt our national security, and Americans will be dead if we do not take the proper care.

That is what the Gilman-Markey amendment is all about. That is why I support the Gilman-Markey amendment.

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

Mr. PALLONE. Mr. Speaker, I rise in support of the Gilman-Markey amendment.

Mr. Speaker, last month I called on the administration not to certify that China has stopped its exportation of nuclear technology to unregulated countries, and I wrote to President Clinton urging that the administration halt preparations to recertify China and spoke out against it here in the House.

Mr. Speaker, granting certification to China now is the wrong thing to do, given China's record of exporting nuclear technology. The recent action by the Chinese premier to sign regulations limiting nuclear exports pales in comparison to Chinese actions of the past 12 years which argue for continued prudence and vigilance.

I am particularly concerned about Beijing's pattern of transferring ring magnets, an important component for building nuclear weapons for a Pakistani nuclear facility. I am concerned that the administration appears to be giving insufficient consideration to China's recent transfer of nuclear technology to unregulated nuclear facilities in Pakistan.

The administration will be granting certification despite CIA findings that the Chinese have sold 5,000 ring magnets to Pakistan for its uranium enrichment facilities, and ring magnets can be used in the building of nuclear weapons. The administration is apparently willing to ignore China's

continued support of Pakistan's commitment to build a plutonium production reactor and a plutonium reprocessing plant. These facilities are essential for a nuclear weapons program, and despite the protests of United States lawmakers, China continues to assist Pakistan in building a sophisticated nuclear arsenal. Unfortunately, this arsenal is not subject to international inspection.

Furthermore, the administration continues to look the other way as China continues to export technology and ballistic missile components to Pakistan, a country that is not a member of the International Atomic Energy Agency and bans investigators from several of its nuclear facilities.

Mr. Speaker, clearly, there is a lot of skepticism and many unanswered questions about granting the certification. Let us pass this common sense, the Gilman-Markey neutral resolution, so that our decision is based on the complete review of the terms of the agreement and not just rush into rubber-stamping an agreement that we may later come to regret.

□ 1900

Mr. HAMILTON. Mr. Speaker, I yield 4 minutes to the distinguished gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the distinguished gentleman for yielding me this time, even though I am not in agreement with his position, but I appreciate his generosity.

Mr. Speaker, I rise in strong support of the Gilman-Markey amendment to the underlying bill of the gentlewoman from Florida [Ms. ROS-LEHTINEN]. I support that bill, as well as this amendment.

This is probably the most important issue that we will debate on this whole China issue in the House. I certainly care about promoting democratic freedoms in China, and I am very concerned about the $50 billion trade deficit that we will suffer this year with China. But even if those two issues were not a factor in our U.S.-China relationship, the issue of the proliferation of weapons of mass destruction is the most serious issue that we in the Congress have to deal with. It is about nothing short of the safety of the world.

I am afraid that the President's move to certify that China is in accord with the cooperative agreements on the nuclear accords is just a fiction, and I believe that it is very necessary for Congress to take a very close look at what the Chinese have promised and what the prospects are for their keeping their promises, because indeed the law on proliferation and certification calls for performance before a country can receive certification, and President Clinton is intending to give certification on the basis of promises.

My colleagues have reviewed some of the promises made by China and promises not kept by China, and I would be happy to share the pages and pages and pages of unkept promises on the subject of proliferation, but I will just refer to one in particular.

On May 11, 1996, the Chinese pledged that "China will not provide assistance to unsafeguarded nuclear facilities." The end of that year, December 1996, the CIA's assessment on China's nonproliferation record stated, "During the last half of 1996, China was the most significant supplier of weapons of mass destruction and technology to foreign countries. The Chinese provided a tremendous variety of assistance to both Iran and Pakistan's ballistic missiles programs. Pakistan was very aggressive in seeking out equipment, material and technology for its nuclear weapons program, with China as its principal supplier."

That was 6 months after the pledge.

Then, this year, in talking about the certification, President Clinton said, after the CIA, in an unclassified report to Congress, revealed that, President Clinton said, "China has lived up to its pledge not to assist unsafeguarded nuclear facilities in third countries and is developing a system of export controls to prevent the transfer of sales of technology and weapons of mass destruction, but China still maintains some troubling weapons relationship."

That last sentence is fraught with meaning because it covers a very vast array of violations by China, but China still maintains some troubling weapons supply relationships. That means they are still proliferating weapons of mass destruction.

President Clinton said that only a short while after the Office of Naval Intelligence Report on Worldwide Maritime Challenges, March 1997, stated, and this is blown up for the review of my colleagues,

> Discoveries after the Gulf War clearly indicate that Iran maintained an aggressive weapons of mass destruction procurement program. A similar situation exists today in Iran, with a steady flow of materials and technologies from China to Iran. This exchange is one of the most active weapons of mass destruction programs in the Third World and is taking place in a region of great strategic interest to the United States.

I just want to close by saying, when we asked President Jiang in the breakfast, the famous breakfast meeting, has China engaged in the proliferation of weapons of mass destruction; well, we know they have, but: please comment on China's proliferation, he deferred to his foreign minister who stood up and said China has never proliferated any nuclear technology, has never proliferated any nuclear technology; never.

So when we base our policy on promises by China, I think we have to look at the record. The Congress needs the additional time to review that. I urge my colleagues to support the Gilman-Markey amendment.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Oregon [Mr. DEFAZIO].

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from Oregon [Mr. DEFAZIO].

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Oregon [Mr. DEFAZIO] is recognized for 2 minutes.

Mr. DEFAZIO. Mr. Speaker, I thank my colleagues for yielding me this time.

I think the gentlewoman from California [Ms. PELOSI] was most eloquent on this issue. The bottom line here is that the President, under pressure from a failing U.S. nuclear industry, because there has not been a new nuclear plant constructed in the United States in more than a dozen year, and none are proposed, is being pressured to transfer critical nuclear technology to China, a country that has a long-term documented record of transferring technology for weapons of mass destruction to rogue states. China has broken all of its past promises in this area.

But now, now, things are different, things are very different. They have signed a new agreement. Here it is. Oh, we cannot see it. Well, neither can I. It is a secret agreement. Now, they broke the written agreements, they broke the verbal agreements, all done publicly, but now they have signed this, this secret agreement here, my colleagues can see, it is quite lengthy, saying that they will not do it again, under certain conditions unspecified to certain nations, which are specified.

Now, I do not think that Congress can review this lengthy document in only 30 days and determine whether or not China has complied with all of the conditions of the secret document which we cannot see. I think it will take us a little bit longer. So I am suggesting that our colleagues should support this amendment.

Mr. Speaker, 120 days is not too long to certify whether or not China is really complying with conditions that we would like to see for a country to whom we are going to transfer critical nuclear technology, because I tell my colleagues, if we transfer that technology and it is misused, it will seem like a lifetime to people who voted to allow the Chinese to have that technology to transfer to America's enemies around the world.

So support this amendment. It is reasonable that Congress should have 120 days before the United States takes this unprecedented step.

Mr. HAMILTON. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Indiana [Mr. HAMILTON] has 4 minutes, and the gentleman from New York [Mr. GILMAN] has 2 minutes.

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

I understand he wants an additional minute.

Mr. GILMAN. Mr. Speaker, I yield 2 additional minutes to the gentleman from California [Mr. COX].

Mr. HAMILTON. Mr. Speaker, I have the right to close?

The SPEAKER pro tempore. The gentleman from Indiana [Mr. HAMILTON] has the right to close.

The gentleman from California [Mr. COX] is recognized for 3 minutes.

Mr. COX of California. Mr. Speaker, I thank both gentlemen for yielding time.

The 1954 Atomic Energy Act is at bottom what we are discussing here and requires a joint resolution of Congress before any nuclear-related trade between an United States company or the United States Government and any other country, so Congress has to act. Senator GLENN amended this law in 1978 with the Nuclear Nonproliferation Act, and that law forbids nuclear-related exports to any country that, after March 10, 1978, assisted, encouraged or induced any non-nuclear Nation to engage in nuclear activities. That includes civilian nuclear activities.

On December 16, 1985, Congress passed a joint resolution prospectively approving a U.S.-People's Republic of China nuclear sale, provided that prior to the implementation of that agreement the President certifies that the People's Republic of China is a member in good standing of the community of nonproliferating nations.

As my colleagues have heard from all that has gone before, the People's Republic of China takes the view that we do not do it, we do not proliferate, and in any case, we will not do it anymore. They have, in fact, been proliferating, and they have been doing it all the way up to the present time.

Mr. Speaker, this is the report of the Director of Central Intelligence to Congress dated June 1997, and what it says, it has been quoted in this debate previously, is that China was the primary source of nuclear-related equipment and technology to Pakistan and a key supplier to Iran during the reporting period. Incidentally, Iran also obtained considerable chemical weapons-related assistance from China in the form of production equipment and technology. The Chinese Foreign Minister told us at our breakfast here just a few days ago with President Jiang Zemin and the Foreign Minister that China has never done these things. So we cannot accept their assurances, and yet that is all we have.

The Presidential certification required by law is based on a prospective promise, a piece of paper, even though we know that what they are telling us today that they have not done in the past is untrue. China has a huge credibility gap.

The assertion by China's foreign ministry that China would refuse to provide America with assurances on nuclear cooperation with Iran since China was not engaged in such cooperation which led up to the summit are an indication of what we are up against. This bill, this amendment to the bill, does nothing more than give Congress adequate time to discharge its responsibility, which we have had since 1954.

In the circumstances, since China's cooperation is going to be entirely prospective, it is utterly reasonable, and I urge the support of my colleagues for this very reasonable amendment.

Mr. HAMILTON. Mr. Speaker, I yield myself the balance of the time.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. HAMILTON] is recognized for 3 minutes.

Mr. HAMILTON. Mr. Speaker, first of all, let me simply say that a number of my colleagues here have expressed their very deep concern about this certification that the President will make. I share that concern. They have expressed a lot of suspicions about Chinese conduct on proliferation over a period of years. I also share that concern. They are quite right, those who support this amendment, to be deeply concerned about it. They have pointed to instances where China has not kept its word, and I appreciate that.

But I also want to point out here that this Congress in 1985 adopted a framework by which we would consider certifications. We passed that law. We adopted the framework, and now, let it be clear that at the last minute, we are changing the rules of the game. We are doing exactly what we accused the Chinese of doing. We are changing the rules of the game.

I do not think that is the way a responsible power should act.

We passed a law, 30 days for certification for review. It did not have the expedited procedures in it that this amendment adopts.

I know I am whistling in the wind here because this amendment will be adopted overwhelmingly, but I simply want to point out to my colleagues that we passed a law, we provided the framework, now we are trying to change that framework at the very end of the game. The Chinese have a right to complain about that.

Mr. SOLOMON. Mr. Speaker, I rise in strong support of this amendment by Mr. GILMAN and Mr. MARKEY.

Mr. Speaker, I just have to say, last week we were treated to a farce. I am just aghast that this administration would, presumably with a straight face, send a certification over to this Congress that Communist China is a responsible partner in nuclear nonproliferation.

What is a paper promise against hard historical facts? And the facts are that China is one of the most irresponsible proliferators in the world.

Mr. Speaker, this responsible amendment doesn't kill any planned nuclear deal with China. It simply gives the people's Representatives a little more time to review the process. It would be irresponsible and dangerous to vote no and I urge an "aye" vote.

Mr. HAMILTON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. GILMAN].

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

Mr. GILMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Without objection, the Chair will reduce to 5 minutes the time for any electronic vote on passage without intervening business or debate, other than engrossment or third reading.

There was no objection.

The vote was taken by electronic device, and there were— yeas 394, nays 29, not voting 10, as follows:

[Roll No. 579]

YEAS—394

Abercrombie	Clayton	Frank (MA)
Ackerman	Clement	Franks (NJ)
Aderholt	Clyburn	Frelinghuysen
Allen	Coble	Frost
Andrews	Coburn	Furse
Archer	Collins	Gallegly
Armey	Combest	Ganske
Bachus	Condit	Gejdenson
Baesler	Conyers	Gekas
Baker	Cook	Gephardt
Baldacci	Cooksey	Gibbons
Ballenger	Costello	Gilchrest
Barcia	Cox	Gilman
Barr	Coyne	Goode
Barrett (NE)	Cramer	Goodlatte
Barrett (WI)	Crapo	Goodling
Bartlett	Cummings	Gordon
Barton	Cunningham	Goss
Bass	Danner	Graham
Bateman	Davis (FL)	Granger
Becerra	Davis (IL)	Green
Bentsen	Davis (VA)	Greenwood
Berman	Deal	Gutierrez
Berry	DeFazio	Gutknecht
Bilbray	DeGette	Hall (OH)
Bilirakis	Delahunt	Hansen
Bishop	DeLauro	Harman
Blagojevich	DeLay	Hastert
Bliley	Dellums	Hastings (WA)
Blumenauer	Deutsch	Hayworth
Boehlert	Diaz-Balart	Hefley
Boehner	Dickey	Hefner
Bonilla	Dicks	Herger
Bonior	Dixon	Hill
Bono	Doggett	Hilleary
Borski	Doolittle	Hilliard
Boswell	Doyle	Hinchey
Boucher	Duncan	Hinojosa
Boyd	Dunn	Hobson
Brady	Edwards	Hoekstra
Brown (FL)	Ehlers	Holden
Brown (OH)	Ehrlich	Hooley
Bryant	Emerson	Horn
Burr	Engel	Hostettler
Burton	Ensign	Hoyer
Buyer	Eshoo	Hulshof
Callahan	Etheridge	Hunter
Calvert	Evans	Hutchinson
Camp	Everett	Hyde
Campbell	Ewing	Inglis
Canady	Farr	Istook
Cannon	Fattah	Jackson (IL)
Cardin	Fawell	Jackson-Lee (TX)
Carson	Filner	Jefferson
Castle	Foley	Jenkins
Chabot	Forbes	John
Chambliss	Fossella	Johnson (WI)
Chenoweth	Ford	Johnson, E. B.
Christensen	Fowler	Johnson, Sam
Clay	Fox	

Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kucinich
LaFalce
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Rivers
Rodriguez
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Sherman
Shimkus
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NAYS—29

Bereuter
Blunt
Brown (CA)
Crane
Dingell
Dooley
Dreier
English
Fazio
Foglietta
Gillmor
Hall (TX)
Hamilton
Hastings (FL)
Houghton
Johnson (CT)
Kennelly
Kolbe
LaHood
Manzullo
Meek
Moran (VA)
Payne
Roemer
Sawyer
Shays
Skaggs
Snyder
Stump

NOT VOTING—10

Bunning
Cubin
Flake
Gonzalez
McKinney
Riggs
Riley
Schiff
Schumer
Yates

□ 1936

Mr. KOLBE, Mrs. MEEK of Florida, Messrs. STUMP, HALL of Texas, and FOGLIETTA, Mrs. KENNELLY of Connecticut, and Messrs. SAWYER, SHAYS, and SKAGGS changed their vote from "yea" to "nay."

Mr. JONES and Mr. DAVIS of Florida changed their vote from "nay" to "yea."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. RIGGS. Mr. Speaker, on rollcall No. 579, I was unavoidably detained performing other congressional duties and unable to vote. Had I been present, I would have voted "yes."

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 302, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is the passage of the bill.

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

RECORDED VOTE

Ms. ROS-LEHTINEN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 416, noes 5, not voting 12, as follows:

[Roll No. 580]

AYES—416

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foglietta
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kind (WI)
King (NY)
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker

Wise	Woolsey	Young (AK)
Wolf	Wynn	Young (FL)

NOES—5

Brown (CA)	Kanjorski	Pickett
Dingell	Paul	

NOT VOTING—12

Bunning	Kilpatrick	Schiff
Cubin	Kingston	Schumer
Flake	McKinney	Thune
Gonzalez	Riley	Yates

□ 1945

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. THUNE. Mr. Speaker, on rollcall No. 580, I was inadvertently detained. Had I been present, I would have voted "yes."

PROVIDING FOR CERTAIN MEASURES TO INCREASE MONITORING OF PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA MADE WITH FORCED LABOR

Mr. CRANE. Mr. Speaker, pursuant to House Resolution 302, I call up the bill (H.R. 2195) to provide for certain measures to increase monitoring of products of the People's Republic of China that are made with forced labor, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. HASTINGS). The bill is considered read for amendment.

The text of H.R. 2195 is as follows:

H.R. 2195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Laogai Slave Labor Products Act of 1997".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The People's Republic of China operates and maintains an extensive forced labor camp system—the Laogai.

(2) The Laogai is made up of more than 1,100 forced labor camps, with an estimated population of 6,000,000 to 8,000,000 prisoners.

(3) In one part of the Laogai system, known as laojiao, or reeducation-through-labor, Chinese citizens can be detained for up to 3 years without any judicial review or formal appearance in the judicial system.

(4) The Laogai is an integral sector of the export economy of the People's Republic of China and is engaged in the export to the United States of the goods made by forced labor.

(5) The Government of the People's Republic of China actively promotes the forced labor camps by employing a system of dual names for the camps to deceive the international community.

(6) The United States Customs Service has taken formal administrative action banning the importation of 27 different products found to have been made in the Laogai.

(7) Despite the fact that the People's Republic of China has entered into binding agreements with the United States (the 1992 Memorandum of Understanding on Prison Labor, and the 1994 Statement of Cooperation on the Implementation of the Memorandum of Understanding on Prison Labor) to allow inspections of its forced labor camps to determine the origins of suspected Laogai imports to the United States, the People's Republic of China has frustrated the implementation of these agreements.

(8) The State Department's Human Rights Country Reports in 1995 and 1996 each stated, "Repeated delays in arranging prison labor site visits called into question Chinese intentions regarding the implementation of" the two agreements referred to in paragraph (7).

(9) Concerning the ability of the United States Customs Service to identify Communist Chinese products that originate in the Laogai, Commissioner of Customs George J. Weise stated in testimony before the Senate Foreign Relations Committee on May 22, 1997: "We simply do not have the tools within our present arsenal at Customs to gain the timely and in-depth verification that we need.".

SEC. 3. AUTHORIZATION FOR ADDITIONAL CUSTOMS AND STATE DEPARTMENT PERSONNEL TO MONITOR EXPORTATION OF SLAVE LABOR PRODUCTS BY THE PEOPLE'S REPUBLIC OF CHINA.

There are authorized to be appropriated for monitoring by the United States Customs Service and the Department of State of the exportation by the People's Republic of China to the United States of products made with slave labor, the importation of which violates section 307 of the Tariff Act of 1930 or section 1761 of title 18, United States Code, $2,000,000 for fiscal year 1998 and $2,000,000 for fiscal year 1999.

SEC. 4. REPORTING REQUIREMENT ON EXPORTATION OF SLAVE LABOR PRODUCTS BY THE PEOPLE'S REPUBLIC OF CHINA.

(a) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act and annually thereafter, the Commissioner of Customs and the Secretary of State shall each prepare and transmit to the Congress reports on the manufacturing and exportation of products made with slave labor in the People's Republic of China.

(b) CONTENTS OF REPORT.—Each report under subsection (a) shall include information concerning the following:

(1) The extent of the use of slave labor in manufacturing products for exportation by the People's Republic of China, as well as the volume of exports of such slave labor products by that country.

(2) The progress of the United States Government in identifying products made with slave labor in the People's Republic of China that are destined for the United States market in violation of section 307 of the Tariff Act of 1930 or section 1761 of title 18, United States Code, and in stemming the importation of those products.

SEC. 5. RENEGOTIATION OF THE MEMORANDUM OF UNDERSTANDING ON PRISON LABOR WITH THE PEOPLE'S REPUBLIC OF CHINA.

It is the sense of the Congress that, since the People's Republic of China has substantially frustrated the purposes of the 1992 Memorandum of Understanding with the United States on Prison Labor, the President should immediately commence negotiations to replace the current Memorandum of Understanding on Prison Labor with one providing for effective monitoring of forced labor in the People's Republic of China, without restrictions on which prison labor camps international monitors may visit.

The SPEAKER pro tempore. Pursuant to House Resolution 302, the committee amendment in the nature of a substitute printed in the bill is adopted.

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

H.R. 2195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress makes the following findings:

(1) The United States Customs Service has identified goods, wares, articles, and merchandise mined, produced, or manufactured under conditions of convict labor, forced labor, and indentured labor in several countries.

(2) The United States Customs Service has actively pursued attempts to import products made with forced labor, resulting in seizures, detention orders, fines, and criminal prosecutions.

(3) The United States Customs Service has taken 21 formal administrative actions in the form of detention orders against different products destined for the United States market, found to have been made with forced labor, including products from the People's Republic of China.

(4) The United States Customs Service does not currently have the tools to obtain the timely and in-depth verification necessary to identify and interdict products made with forced labor that are destined for the United States market.

SEC. 2. AUTHORIZATION FOR ADDITIONAL CUSTOMS PERSONNEL TO MONITOR THE IMPORTATION OF PRODUCTS MADE WITH FORCED LABOR.

There are authorized to be appropriated for monitoring by the United States Customs Service of the importation into the United States of products made with forced labor, the importation of which violates section 307 of the Tariff Act of 1930 or section 1761 of title 18, United States Code, $2,000,000 for fiscal year 1999.

SEC. 3. REPORTING REQUIREMENT ON FORCED LABOR PRODUCTS DESTINED FOR THE UNITED STATES MARKET.

(a) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Customs shall prepare and transmit to the Congress a report on products made with forced labor that are destined for the United States market.

(b) CONTENTS OF REPORT.—The report under subsection (a) shall include information concerning the following:

(1) The extent of the use of forced labor in manufacturing products destined for the United States market.

(2) The volume of products made with forced labor, destined for the United States market, that is in violation of section 307 of the Tariff Act of 1930 or section 1761 of the title 18, United States Code, and is seized by the United States Customs Service.

(3) The progress of the United States Customs Service in identifying and interdicting products made with forced labor that are destined for the United States market.

SEC. 4. RENEGOTIATING MEMORANDA OF UNDERSTANDING ON FORCED LABOR.

It is the sense of the Congress that the President should determine whether any country with which the United States has a memorandum of understanding with respect to reciprocal trade which involves goods made with forced labor is frustrating implementation of the memorandum. Should an

affirmative determination be made, the President should immediately commence negotiations to replace the current memorandum of understanding with one providing for effective procedures for the monitoring of forced labor, including improved procedures to request investigations of suspected prison labor facilities by international monitors.

SEC. 5. DEFINITION OF FORCED LABOR.

As used in this Act, the term "forced labor" means convict labor, forced labor, or indentured labor, as such terms are used in section 307 of the Tariff Act of 1930.

Amend the title so as to read: "A bill to provide for certain measures to increase monitoring of products that are made with forced labor.".

The SPEAKER pro tempore. Pursuant to House Resolution 302, the gentleman from Illinois [Mr. CRANE] and the gentleman from California [Mr. MATSUI] each will control 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. CRANE].

GENERAL LEAVE

Mr. CRANE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to include extraneous material on H.R. 2195.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 2195, a bill to authorize $2 million of appropriations for fiscal year 1999 for the U.S. Customs Service to increase the monitoring and interdiction of products made with forced labor.

The funds authorized by H.R. 2195 will allow the Customs Service to enforce two important provisions in the law regarding forced labor products. The Tariff Act of 1930 prohibits the importation of goods, wares, articles, and merchandise which are produced, mined, or manufactured with the use of forced, convict, or indentured labor. Title 18 provides criminal penalties for those who willfully violate these prohibitions.

It has been long-standing U.S. policy to prohibit the importation of merchandise made under conditions of forced labor. To show that there is no doubt about our resolve to enforce this prohibition, H.R. 2195, as amended, would reemphasize U.S. policy by authorizing additional resources for the U.S. Customs Service to identify and interdict products made with forced labor by providing a new mechanism for monitoring compliance with the law and by enhancing enforcement of international agreements.

Customs already has in place teams of special agents on our borders working actively to prohibit the importation of forced labor products. Customs also has 76 special agents and 26 embassies and consular offices abroad, including three attaches assigned to the U.S. Embassy in Beijing. The investigations conducted by these teams have led to criminal proceedings, more than 20 detention orders, and 6 findings of prohibited forced labor importations relating to chain hoists, tea, electric fans, machine presses, zinc-coated wire, artificial flowers, and malleable iron pipe.

H.R. 2195 will authorize additional resources for Customs to conduct these investigations and is consistent with our country's historically strong position on this issue. This approach is consistent with historical U.S. trade policy objectives. And on that basis, I urge my colleagues to support the bill, as amended.

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

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

Mr. Speaker, I rise in support of H.R. 2195, as amended and reported by the Committee on Ways and Means by voice vote. I was a cosponsor of the amendment proposed by the gentleman from Texas [Mr. ARCHER] to authorize an additional appropriation of $2 million in fiscal year 1999 for the Customs Service to monitor importation of products made with forced, indentured, or convict labor.

The bill, as amended, also requires Customs to report to Congress within 1 year on products made with forced labor destined for the U.S. market and on the efforts by Customs to prevent their importation. Importation of products made by convict, forced, or indentured labor in any country is prohibited under trade law in effect since 1980. The issue is not whether the United States permits importation of products made with forced labor. Customs has actively pursued and taken actions against attempted importation of products made with forced labor, including products from China. However, identification, verification, and interdiction of products made with forced labor is not an easy task.

H.R. 2195, as amended, addresses concerns that Customs has insufficient resources to enforce the import prohibition adequately. The bill treats this problem in a balanced, generic way by applying the additional resources through enforcement of existing laws against imports made by forced labor wherever they may originate rather than targeting one country as in the bill as introduced.

Finally, this bill, as amended, expresses the sense of the Congress that the President should determine whether any country with which we have a memorandum of understanding regarding trade involving goods made with forced labor is frustrating the implementation of that memorandum of understanding. If that is the case, the President should negotiate a new MOU that provides effective monitoring procedures.

H.R. 2195, as amended, is very worthwhile, Mr. Speaker, and it addresses a very serious problem. I urge its passage.

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

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of this important measure introduced by our colleague the gentleman from New Jersey [Mr. SMITH], as modified and reported out of the Committee on Ways and Means.

For the past half century, the import of convict made goods has been banned under our laws, yet products made in China's vast network of slave labor camps, the infamous Laogai, continue to flow into our country. This measure authorizes $2 million in additional funds for Customs Service personnel to monitor the import of slave labor products from these camps and strengthen our monitoring procedures for international visits to these camps.

Laogai survivor, Harry Wu, has estimated that some 50 million Chinese men and women have passed through these camps, of whom some 15 million are thought to have perished. Today, between 6 to 8 million people are captive in 1,100 camps of the Laogai, forced to work under degrading and inhuman conditions.

Mr. Speaker, according to Mr. Wu, this slave labor system operates some 140 export enterprises selling to over 70 nations, including our own Nation. These camps produce a wide range of key commodities as well as a huge array of consumers goods, including toys, flowers, and yes, even Christmas lights.

Despite several binding agreements entered into with China in 1992 and 1994, international monitors have been denied access to these camps and their exports have been disguised using false names and invoices. In testimony before the Senate Foreign Relations Committee on May 22, 1997, Customs Commissioner George Weise stated that, "We simply do not have the tools within our present arsenal of Customs to gain the timely and in-depth verification that we need of these camps."

Accordingly, I urge my colleagues to support this measure and give the Customs Service the tools and resources it needs to police and monitor the imports of goods for this Chinese gulag and slave labor camps.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from California [Mr. MATSUI] for yielding me the time.

Mr. Speaker, I rise in support of H.R. 2195, legislation to provide for the increased monitoring of products made with forced labor. The Committee on

Ways and Means has made several improvements to the bill. This legislation provides certain measures to increase the ability of the U.S. Customs Service to identify, monitor, and interdict products made with forced labor that are headed for the United States market. It authorizes $2 million of appropriations for fiscal year 1999 for Customs to monitor and interdict products made with forced labor.

This legislation also requires Customs to report within 1 year after the date of enactment on the extent of the use of forced labor in products destined for the U.S., the volume of products, and the progress made by Customs in identifying these products.

Also, this legislation includes a sense of Congress that the President should determine whether any country with whom the United States has a memorandum of understanding on forced labor is frustrating implementation of the memorandum of understanding. If the President determines that the memorandum of understanding is not being implemented, it is the sense of Congress that the President should renegotiate a new memorandum of understanding.

This legislation addresses all prison labor in China. The United States should not allow goods made by prison labor to be available in the United States market. This legislation also would provide Customs with the resources to detect and interdict prison goods. The United States should continue to be a leader on human rights issues. And by adopting this legislation, we are sending a strong message that products made by forced labor are not acceptable for sale in the United States.

I realize the original focus of this bill and other bills that we will be debating today remain on China. However, it is important to let all countries know that we will not tolerate prison labor. We should not just enforce this standard for China.

I urge support for this bill in order to eliminate products made by forced labor that are imported into the United States.

Mr. CRANE. Mr. Speaker, I yield 5 minutes to our distinguished colleague the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from Illinois [Mr. CRANE] for yielding me the time.

Mr. Speaker, I want to start off by congratulating my good friend the gentleman from New Jersey [Mr. SMITH] for all of his efforts in the area of human rights. He is one of the finest Members we have in this body, and he really cares about his fellow man.

Mr. Speaker, Laogai, or "reform through labor," as it translates from Chinese, should not be a practice by nations that surprises this Congress. But it should be shocking. We have seen it throughout history, signs on the front of Nazi prison camps that, when translated read "labor makes you free." And now Chinese slogans in their camps read "labor makes a new life."

The same gulags that Stalin was so proud of inspired Chairman Mao to launch the oppression of generations of innocent Chinese citizens, through a system of what we know now to be 1,100 labor camps, slave labor camps. As the world at one time turned its back on the victims of the Holocaust, so have they looked away from the prisoners of conscience, political dissidents, and religious believers in China. They are subjected to routine brainwashing, torture, and are forced to work for nothing in factories by the communist elite.

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Look around at the rubber-soled shoes that we buy, the boots, the kitchenware, toys and sporting goods in this country. These are products Americans use every day, and they are produced in the Chinese gulags by slave laborers.

If it were not for a great man named Harry Wu, who knows how long this cruel injustice would have gone unexposed. Mr. Wu knows firsthand what it is like to be a prisoner in these gulags. He spent 19 years in the system and has devoted his life to exposing the slave labor camps.

In Mr. Wu's book Troublemaker, he gives us a glimpse of his life during the darkest days:

"I knew things were bad when they first transferred me to Camp 585, reserved for the most unhealthy inmates. The unmarked burying field of 586 was adjacent so they would not have to carry us far when we died. When prisoners at 585 grew too weak to go out to the fields and work, they would lie on the floor, a pail on one side for food, a pail on the other side for human waste. The cook would come by with a large pail of something resembling soup and would dole it out with a ladle, being careful not to spill a drop."

Mr. Speaker, as a member of the House Subcommittee on International Operations Human Rights, I believe that the United States should link trade and economic cooperation with human rights. The United States is the world's preeminent superpower, arguably the only Nation on Earth with both the economic might and the moral legitimacy to make the observance of human rights a pillar of its foreign policy. The unfortunate peoples of the world whose basic human rights are suppressed either by tyrants or failed economic experiments turn to the United States for hope and not cheap imports. From China to India, the people who suffer under such regimes understand that if America joins their struggle by sacrificing short-term economic gain for long-term justice and freedom, these regimes will die.

This administration chose again this year to grant China MFN trading status and would rather, quote, engage China, believing that human rights follows trade. Every year since 1980, when President Carter first extended MFN to China, his supporters have been saying the same thing.

Mr. Speaker, it has failed. A Clinton administration official has even confessed recently that, quote, frankly, on the human rights front, the situation has deteriorated. They are rounding up more dissidents and harassing them more.

Add to this the recent revelation by Harry Wu and the ABC newsmagazine PrimeTime Live on the harvest and sale of human organs from executed prisoners, forced abortions and persecution of religious believers, and we must ask ourselves how could anyone morally conduct business with a partner like that.

And if the morality does not strike you, what about China's sale of nuclear material to Iran or the purchase of American-made supercomputers which could design nuclear warheads for missiles capable of reaching the United States, or possible attempts to influence our 1996 Presidential election?

Some estimate our trade deficit with China to be about $60 billion on an annual basis. I would submit that is due to China's slave labor camps. It is difficult to compete against cheaper products produced by slaves of the Chinese dictatorship so that these goods we import from China become a threat to the free and fair trade of our own country.

This administration has chosen to stand up to China only on one issue in the past 3 years, intellectual property rights. When the Chinese were faced with trading sanctions over this issue, they backed down. If this type of muscle from the administration is justified for the music industry, then it is justified for persecuted Christians, political dissidents, murdered infants and nuclear proliferation.

The President's policy is not just one of engagement, it is a "see no evil" strategy. Mr. Speaker, it is time to put away the carrots and break out the sticks.

Mr. MATSUI. Mr. Speaker, I yield 6 minutes to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Speaker, earlier today I made an analogy between the measures that are going on tonight dealing with the People's Republic of China and a chapter of a book entitled 365 Days, written by Dr. Glasser, who was a surgeon in a burn ward dealing with Vietnam veterans. In one of those chapters he refers to the medics of Vietnam who, on their own, discovered that for those soldiers who were so horribly wounded that they were not going to live, and there was not anything that the medics could do for them, they started giving

them SweeTarts. They told them it was for the pain. The amazing thing was that it seemed to lessen their pain. It did not save their lives, it did not make them any better, but it seemed to lessen their pain.

That is kind of what we are doing tonight. The world's greatest Nation is doing business with the world's greatest totalitarian regime. That totalitarian regime has a $40 billion trade surplus with our Nation. Our Nation, because we gave them most-favored-nation status, allows their goods, many of which are made with the slave labor described by the previous speakers, to come into our Nation either totally tariff-free or at a 2 percent tariff. One of the places they compete with is a glove factory in south Mississippi. That is not fair. In turn, when we try to sell products in their Nation, they either do not allow them in, or they charge anywhere from a 20 to 40 percent tariff on American goods. That is not fair.

All the things we are doing tonight are very much like those SweeTarts. They do not save the persons we are trying to save and in reality do not even make them feel better. It just makes them think that they feel better.

Mr. Speaker, I intend to support the bill of the gentleman from California [Mr. COX] because at least it does make us feel a little bit better, and I intend to offer at the proper time a motion to recommit to include portions of a bill that I have introduced, H.R. 2814, which would on a quarterly basis require our Secretary of the Treasury to review what the People's Republic of China is charging Americans who seek to do business in China as far as tariffs, and on a quarterly basis change that amount so that we charge them what they charge us.

If Members truly believe in free trade, like some members of both parties espouse, then there is only one way to get the Chinese attention, and that is to say we will do unto others as you do unto us, because the present situation of letting them have a $40 billion trade surplus with our Nation, unlimited access to our markets, unlimited access to our enemies, and let me remind the American people that the Silkworm missile that came within 100 yards of hitting one of our battleships in the Gulf War was made in China, the only way we are ever going to get their attention is to start hitting them in the pocketbook, where it will make a difference.

Mr. Speaker, I am not given a whole lot of time to talk about this. I am sorry to say that many of my colleagues for one reason or another are not on the floor. They are probably being moved to say, well, that is not germane to the bill, but guess what. One of the ways you get on the Committee on Ways and Means is you sign some sort of a blood oath to be a free trader. It means you do not believe in tariffs. It means that other people can abuse us as much as they want to.

This is the only opportunity the 435 Members of this House are going to have this year to address this horrible trade inequity and horrible unfairness. We all beat our brains out to get here. I do not think the people on the Committee on Ways and Means should have a monopoly on deciding trade issues. As long as we say to them that only those things that you think are right will come to this floor, then we will continue to be given limited opportunities to adjust the gross inequities in America's trade laws.

Members will have that chance tonight. I hope for once we will stand up for the world's greatest Nation, for the voice of democracy and against this voice of totalitarianism.

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

Mr. TAYLOR of Mississippi. I yield to the gentleman from California.

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

What I see in his bill is essentially what I offered, I think, with respect to Japan back in 1982, which is a two-way street bill, that we let the other side control the level of tariffs, and if they want to raise the wall, they raise it; if they want to lower it, they lower it. So they are motivated to be free traders or to be open traders with the United States and develop a two-way street with a Nation that enjoys a $30 billion trade surplus over the United States and that rather arrogantly insists on their 30 percent barriers while we pull our barriers down to zero. I support the gentleman's initiative.

Mr. TAYLOR of Mississippi. I want to thank the chairman of the Subcommittee on Military Procurement of the Committee on National Security, someone who is more aware than most of the threat that the Chinese pose to our Nation, of the threatening remarks they have made about their missiles being able to land in our country, and all we are asking is for some sense of fairness in America's trade laws.

Mr. CRANE. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, H.R. 2195, which has now 27 cosponsors from both sides of the aisle, represents a modest but important first step toward enforcing already existing U.S. law regarding slave-made products. First it authorizes $2 million in fiscal year 1999 for additional monitoring by the United States Customs Service for products made with slave labor. Second, it requires the Commissioner of Customs to report to Congress on the manufacture and export of products made with slave labor. Finally, it expresses the sense of Congress that the President should determine whether China is frustrating implementation of the memorandum of understanding, and if the answer is affirmative, then he should begin negotiations for a new MOU with effective monitoring procedures.

I can say parenthetically, that cannot start a moment too soon, because I have been watching this as chairman of the Subcommittee on International Operations and Human Rights for a number of years, and we know that despite some action that has been taken, the MOU and its follow-on document was flawed.

Mr. Speaker, the bill is directed, as we know, primarily toward China. This is not because we are unfairly singling out China, but because China is far and away the biggest source of slave-made goods. In the words of George Weise, the Commissioner of the U.S. Customs Service, "China is currently by far the country most frequently associated with the export of prison labor-made goods to the United States."

As a matter of fact, in the first 60 years of the existence of section 307 of the Tariff Act of 1930 as amended, which provides U.S. Customs with its primary authority concerning the importation of convict or forced labor, the United States took action twice against products produced in a Soviet gulag and in a Mexican prison. Since September 1991, however, the U.S. Customs Service has banned nearly 2 dozen Chinese products. These just represent the tip of the iceberg. For the RECORD I will submit those couple of dozen at the appropriate time, Mr. Speaker.

Let me just also point out, Mr. Speaker, we have had a number of hearings in the Subcommittee on International Operations and Human Rights. As a matter of fact, back in 1995, April 3, we had the first hearing ever on survivors of the Laogai. We heard from Harry Wu, Catherine Ho; we heard from Tang Boiqiao, who was one of the protesters at Tiananmen Square, and they describe in absolutely riveting and nauseating detail what actually goes on day in and day out in the Laogai. It is horrific.

They talked about using cattle prods. As a matter of fact, the Tibetan monk who testified before our committee, Palden Gyatso, could not get through Rayburn security when he came in with a cattle prod, and then he told us what they do with the cattle prod. We had to go down and escort him through. He said, this is commonplace. His teeth are ruined. The genitals often get inflicted with this terrible and hideous device, and they do that on women and on men.

Catherine Ho talked about as a Catholic how she had been mistreated, and to read the words are to make you sick. That this goes on day in and day out, and they make products that do end up on our shelves.

There are those who may disagree, who think this is hyperbole. Look at the list, and the list will grow if we demand enhanced enforcement. This legislation is just a modest step in demanding some additional enforcement.

The gentleman from Virginia [Mr. WOLF] and I have been in gulags. We were in a Beijing prison camp where we saw jelly shoes and socks being made for export. Yes, the Chinese authorities shut down that one, but for every one that is shut down, there are another thousand plus that are operating and littering the countryside of China where these things are made.

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We saw 40 Tiananmen Square activists, men and women, these were men in this case, who put their lives on the line for democracy, who were slaving away for these products that were going to be sent overseas to the United States.

Let me also point out, Mr. Speaker, that the lack of vigorous enforcement of U.S. laws against slave-made goods does not merely support repression within China, it also hurts American manufacturers.

For example, at a May 22, 1997, hearing of my subcommittee, we received testimony from a man by the name of Peter Levy, an American manufacturer of office supplies. Mr. Levy, who was curious about how one of his competitors was able to sell certain products at such low prices, launched his own investigation. It led him to a prison compound in Nanjing, China, where his competitor's products were being assembled by prisoners at a Chinese gulag in Laogai, and I understand because of what Mr. Levy did, the United States Customs Service has now taken that case and is investigating that case for, hopefully, some prompt action.

This legislation is modest, I hope everyone can support it, and I thank the gentleman from California [Mr. MATSUI] and my good friend from Illinois [Mr. CRANE] for their support as well.

CHINESE CONVICT LABOR ISSUANCES AS OF MAY 31, 1996

DETENTION ORDERS

Date, products and producers:

1. 10-03-91—Wrenches—(Shanghai Laodong Machine Works).
2. 10-03-91—Steel Pipe—(Shanghai Laodong Steel Pipe Works).
3. 10-25-91—Hand Tools—(Shanghai Laodong Machine Works).
4. 10-29-91—Socks—(Beijing Qinghe Knitting Mill). Cancelled 12-13-93.
5. 11-06-91—Planing Machines—(Xiangyang Machine Tool Works).
6. 11-14-91—Diesel Engines—(Yunnan Jinma Diesel Engine General Works).
7. 12-02-91—Machine Presses—(Xuzhou Forging and Pressing Machinery Plant).
8. 01-07-92—Diesel Engines & Textile Machines—(Dezhou Shengjian Machine Works).
9. 02-25-92—Galvanized Pipes—(Shandong Laiyang Heavy Machine Works).
10. 02-25-92—Tea—(Guangdong Red Star Tea Farm). Cancelled 09-30-94.
11. 05-22-92—Grapes—(Beijing Qinghe Farm). Cancelled 01-07-94.
12. 05-22-92—Sheepskin & Leather—(Qinghai Hide & Garment Factory).
13. 06-24-92—Hand Tools—(amends #1 and #2).
14. 06-26-92—Cast Iron Items—(Wang Tsang Coal & Iron Works).
15. 06-26-92—Tea—(Miao Chi Tea Farm).
16. 07-15-92—Auto Parts—(Sichuan Yaan Auto Parts Works).
17. 07-15-92—Drilling Machines—(Sichuan Zi Gong Machine Works).
18. 07-17-92—Sulfuric (Sulphuric) Acid—(Dawei Chemical Factory).
19. 08-03-92—Electric Fans & Zinc-Coated Wire—(Sichuan Xinsheng Laodong Tool Works).
20. 08-14-92—Asbestos—(Sichuan Hsinkang Asbestos Mine).
21. 07-08-93—Hoists—(Hangzhou Wulin Machine Works).
22. 08-06-93—Hoists—(Wuyi Machine Works).
23. 09-01-93—Surgical Gloves, Condoms, Rain Coats, Rubber Boots—(Shenyang Xinsheng Rubber Factory).
24. 09-03-93—Rubber Vulcanizing Accelerators—(Shenyang Xinsheng Chemical Works).
25. 12-24-94—Artificial Flowers—(Guangdong No. 1 Laojiao Camp).
26. 04-27-95—Tea—(Nanhu Laogai Camp-Nanhu Tree Farm).
27. 10-06-95—Malleable Iron Products—(Tianjin Malleable Iron Plant).
28. 03-06-96—Iron Pipe Fitting—(Tianjin Tongbao Fitting Company).

HEARING TESTIMONY ON CHINESE PRISON SYSTEM

STATEMENT OF TANG BOIQIAO, FORMER STUDENT LEADER OF 1989 DEMOCRACY MOVEMENT

Mr. TANG. My name is Tang Boiqiao and I am a former student of Hunan Teachers' College. In July 1989, I was arrested by the Communists because of my organizing and participating in the Hunan student movement. I was held until July 1990 before finally being sentenced to 3 years' detention. My crime was called counterrevolutionary propagandizing and incitement.

In October of that year, I was transferred to the Hunan Province Longxi Prison for reform through labor. In January 1991, I was unexpectedly released from prison.

After my release, I was again arrested because of my continued involvement in the popular movements and human rights activities. Following the summer of 1991, I fled China. In April 1992, I entered the United States and sought political asylum.

My reason for coming here today is to share with you my experiences while in the Laogai.

I was first arrested in July 1969 in Guangdong Province, after which I was held in three different detention centers where I was forced to labor with my fellow prisoners. While at Guangdong No. 1 Detention Center, I made toys which had the words "Made in China" in English written on them. I was allowed to eat only twice a day.

Next, I was transferred to Changsha in Hunan and spent more than a year at the Changsha No. 1 Detention Center. During this time I suffered through the darkest and most hopeless existence. For more than 4 months straight, I was questioned about my case an average 10 hours a day in what the Communists call exhaustive tactics. This Laogai forced its prisoners to produce match boxes. There were no labor rewards but every month the cellmates, which had the highest production numbers, were given one cheap cigarette a day. The police or officials forced the prisoners to work day and night so that they could report increased production output and receive cash incentives. We would work for at least 12 hours per day. The longest day was one when we worked 23½ hours with a half-hour food break.

Because I would refuse to work, the public security police would often arrange for the other prisoners to abuse and beat me. One day I was beaten three different times by seven or eight young prisoners, two of which were convicted murderers. The first time, because I was unwilling to be forced to labor, they beat me until I bled from the eyes, ears, nose, and mouth. The second time, because I resisted when they tried to force me to kneel down, they used anything they could find in the cell to beat me, including a wooden stool, heavy wooden sticks and metal cups and bowls. The last time they beat me while I could not move and lay on the floor hunched over.

At this, the public security police were still not satisfied, so that evening they held a struggle session and ordered every prisoner in the Laogai to viciously beat me. That night I developed a fever of 104 degrees, which persisted for more than a week. I was unable to even sit upright.

While there were many methods used in torturing people at this Laogai, the most often used tools were the electric police baton and shackles. There were more than 10 kinds of shackles, including thumb shackles, so-called earth shackles, all kind of wrist shackles, chain shackles, chain-link shackles, door frame shackles, heavy shackles and others. The most simple method was to conduct a political study class where the prisoners needed to attend for long periods of time while shackled. I personally experienced electric shocks and many kinds of shackles.

The Laogai prisons used different types of abuse and control than those of the detention centers. After I was transferred to the prison, when I was first assigned to a prison brigade, we were shown the three unforgettable phrases that were written on the wall of the prison entrance. "Where are you? What are you? What are you to do here?"

Later in the daily political study classes, we needed to follow these questions with the responses, "This is a prison. I am a criminal. I am here to receive reform through labor." We also had to sing three songs at the beginning of every political study class. The songs were "Socialism is Good," "Without the Communist Party There Would be no New China" and "Emulate Lei Feng." Lei Feng was a 1950's Chinese Communist martyr.

The kind of billboard you see above the prison there has these three slogans that the prisoners see when they enter the prison, "Where are you? What are you? And what are you doing here?" And the other sign there says, has the slogans, "Labor production is the way, reform is the main goal."

The words "Socialism is good" begins "Socialism is good. Socialism is good. Everyone in a socialist society is improved." The lyrics of "Without the Communist Party, there would be no new China" are "Without the Communist Party, There Would be no New China, the Communist Party is united for the people. The Communist Party is united to save China."

The meaning of the last song is that we should all be like the Communist hero Lei Feng. That is, "Loyal to the revolution, loyal to the party, standing in the field erect and unwavering, Communist thinking emits knowledge." I realized that this was how

they would force us to reform our thinking, so I refused to sing the three songs.

The police used many methods to try to intimidate and coerce me into cooperating, and in the end, I was sent to the prison of prisons, solitary confinement. Its length and height are barely enough to hold a man, and it has solid walls with only a tiny slit in the door. It very easily makes men think like animals in a cage.

These are only some of the stories of my time in the Laogai, yet all of the mistreatment and abuse I suffered in the Laogai is just a drop of water in a great river. When you think of all the abuses of the millions of Chinese citizens still condemned in the Laogai, my story is just the tip of the iceberg.

Thank you very much.

Mr. SMITH. I want to thank you for your very eloquent testimony and for bringing the horrors, however succinctly you described them, to the attention of this subcommittee. I know that many of the members will be reading this transcript and will be reading your description of what you went through personally and what others have gone through with a great deal of empathy and the sense of horror. And I think we lose that sometimes in Congress when we are so far removed from it and we make policy in somewhat of a vacuum and, again, to know what we are a part of and complicit in when we are dealing with the Chinese economic system and products manufactured in Laogai like what you made could be well finding our ways onto to our own shores, makes us—should make us act more responsibly and to bend over backwards not to be complicit in that kind of horror.

So I thank you.

What I thought we might do in the subcommittee is ask all of our witnesses to testify first and then to ask members of the subcommittee to pose questions at that time.

I would like to call to the witness chair Catherine Ho. Mrs. Ho is a Catholic who was accused of counterrevolutionary crimes. She spent 21 years in the Chinese Gulag system.

And I would ask you to proceed however you may wish. Your full statement will be made a part of the record.

STATEMENT OF CATHERINE HO, CATHOLIC NUN

Ms. HO. My name is Catherine Ho.

One of the goals of the Laogai camps is to break the human spirit through torture of the body. But even worse than the bodily abuses is the unceasing assault of the prisoner's thoughts and individual will. This is especially true of the suffering endured by the millions of women condemned to the Laogai.

I was born into a well-educated family in Shanghai. My good parents sent me to an excellent Catholic high school. There I became a Catholic. I studied very hard and should have had a bright future. Instead, I was arrested and imprisoned by the Communist government before I was even 18 years old. I was arrested on September 8, 1955, as was our bishop in Shanghai, Cardinal Kung. Kung is now in the United States receiving medical care.

Between 1953 and 1955, the church-run schools and hospitals in Shanghai were taken over by the Communists. The church's charitable institutions were simply closed. The foreign missionaries had already been expelled as imperialists. The Chinese priests and the bishops were all targets of the Communists and were either killed or arrested one after another.

Most of the Christians were forced to go through brainwashing. They faced losing their jobs or educational opportunities. And they also faced being sent to the Laogai camps or prisons to suffer because of their faith. Religious people were continuously persecuted by Communists.

We did not oppose the government. We only wanted to practice our religion but the Communists said it was a crime against China. The only reason I was put in jail was because I was an active Christian. I was a member of the Legion of Mary, which is a devout missionary organization. And I did missionary works. I refused to renounce our church and did not want to be a part of the Communist-controlled church.

Because of my faith, they put me in jail. They isolated me from the outside world. They tried to confuse me with all their propaganda. But I knew they told lies. I could not go against my conscience. I could not deny my faith. I could not give up my faith, which is such a precious gift that many Christians were willing to die for it.

At first they sentenced me to 7 years in the Laogai Prison in the labor camp as a counterrevolutionary. I was not allowed legal representation. I did not even have a trial. When they found out that I had still not changed my mind after my 7 years, they would not let me go. They kept me in the Laogai camp for 21 years.

The Chinese Communists cannot tolerate religion, especially the Christian religion. They have a hatred for everything which involves believing any god above or beyond human kind. To this day, they are still persecuting and imprisoning religious believers.

I would like to now give you some examples of the systematic abuse and the persecution of the Laogai camps. These Laogai camps are in no way like the prisons we know of in this country. No way. Words are not enough to convey the horrible day-to-day realities of the prisoners in the Laogai.

Physically we were always hungry, tired, and filthy. The women were forced to do heavy labor, like plowing the desert, raising cattle, or running a tea farm. The physical torture of our body was so extreme that many women's menstruation ceased in many of the women in the Laogai camp. This put great strain on both a women's body and her mind. There were never any medical treatments of this or other sicknesses.

Despite these exhaustive and grueling conditions, we were forced to produce high-level products. For example, I was in a Laogai camp tea farm for about 10 years. This is the Laogai tea farm.

The women prisoners were forced to plant the trees, take care of the plants, and then process the tea leaves into red or green tea. I spent another 4 years weaving silk and cloth in Laogai factory. On the surface, it was a textile factory in Hangzhou, but the workers were all women prisoners doing forced labor. In the factory, there were two constant pressures upon us. First was the physical fatigue. I was forced to work very hard for 14 hours a day. I had to fight exhaustion just to keep from falling into the machines. Second was the constant supervision. Since we were told that the products we made were for export to foreign countries, they watched our every move to be sure we made no mistakes. If there were mistakes or someone did not appear to be working hard, we were severely punished. They used ankle fetters, handcuffs, solitary confinement, and other means to punish us.

Today I often wonder if the tea I drink or the silk I wear comes from Laogai camps and is made by all those poor Laogai slaves still suffering in China.

Daily we were assaulted mentally. We were continually brainwashed. We were not allowed to say our prayers or to read bibles. I remember clearly my first day in the detention center. I kneeled down on the muddy ground, bowed my head, and begged for the Lord to give me the strength. The warden immediately scolded me, "Who told you to kneel down? Even at the door of death, you keep up your superstitions. This is a counterrevolutionary activity."

In the Laogai, we were not allowed to hear and read anything but the Communist propaganda. We had to spend 2 hours everyday reading Mao's book and reciting the prison regulations. I remember one 60-year-old sister who made a set of small rosary beads out of thread so it will not be discovered and confiscated by the guards.

The continuous brainwashing helped destroy all human love and was a denial of all basic human rights.

Spiritually, it was a constant struggle. We faced constant despair and always heard the discouraging and threatening comments of the authorities. A prisoner had to confess her crime everyday, which meant scolding oneself and accusing oneself of being guilty of the greatest of crimes against the people and the government.

Every prisoner was degraded. They minimized their own value of being human. They were separated from their families and society. They were tortured in a dark hell that had no foreseeable end. They fought the despair and hopelessness of thinking that they were to spend the rest of their lives as slaves in the Laogai.

One woman refused to work on Sundays. She would say prayers instead of singing revolutionary songs in front of Mao's portrait. One day she was dragged out to the field where we were working and beaten to death in front of all of us.

I said the Communists' aim is to torture the body and break the human spirit in every possible way and at every possible opportunity. When the warden told me my beloved sister had died, he simply said, "The People's Government acted humanely. It is all over now. You should not cry because that is against the rules. And it would have a bad effect on the feelings of the others about thought reform." They did not let us laugh. They even did not let us cry.

They succeeded to the point where to many it looked like there was no future, no hope. The prisoners in the Laogai camp were always in a deep depression. I myself prayed to God to let me die. I wanted to die more than I wanted to live because the circumstances were too horrible. Even if you did not want to continue living under this condition, they would not let you die. There was a constant suicide watch.

God sustained us nevertheless. My faith preserved me. God's grace helped me live through this nightmarish journey. Finally my prayers were answered. After my parents had written many, many letters to the Government from Hong Kong, my husband, my son and I were allowed to leave the Laogai in December 1978.

Today, I sit before you, which I had never dreamed 20 years ago. I sit before you to take this opportunity to tell you the truth, to tell you the facts as I have myself experienced. But I speak not for myself but for the thousands of brothers and sisters who are still living this terrible existence.

Thank you for listening to me tell my story. I hope that you may better understand the realities of the Laogai through my account of it. Thank you.

Mr. SMITH. Mrs. Ho, I want to thank you for your very moving testimony and just observe that there is a conference on women slated for Beijing in the fall of this year and the voice and the testimony, the witness that you have made today is something that needs to be heard at that conference.

Unfortunately, it is most likely going to be a conference that has more of a Western-oriented focus and issues of the abuse of women in the Laogai probably will not get mentioned at all. But I think it behooves us, and I know from my position as chairman of this subcommittee I will push hard to try to ensure that you and people who have the kinds of experiences that you have had at the hands of your jailers get an opportunity to make your voice known at that very important conference.

And I do want to thank you for your witness and certainly your courage under such extreme pressure and your witness for faith and the grace that surely had to have been within you to preserve you during that very difficult time. It is very, very inspiring indeed. So I thank you for that testimony.

I would like to—and again at the conclusion of our witnesses, I would ask my subcommittee colleagues and myself to—we will pose questions to our fine witnesses.

I would like to ask Father Cai if he would come to the witness table at this time.

Father Cai is a Catholic priest. He was accused of counterrevolutionary crimes and for that spent 35 years in the Chinese Laogai. A remarkable man who has persevered and who has had perseverance under such extreme situation, and who is here to give us an account of what went on.

And I would ask, Father, if you would proceed as you would like. Your full statement will be made a part of the record.

STATEMENT OF CAI ZHONGXIAN, CATHOLIC PRIEST

Mr. CAI. My testimony of my Laogai is that of a labor-camp life. My name is Cai Zhongxian. I am a Catholic priest of the Society of Jesus.

I was ordained in 1940. I was arrested and charged as a counterrevolutionary in 1953 because of my refusal to cooperate with the Communist authority and denounce the Roman Catholic Church.

I was unexpectedly released without explanation in 1956. It turned out that the Communist hoped that the leniency showed to me would convince me to collaborate with the Party to persuade other Catholics to become members of the officially sanctioned Patriotic Catholic Church. This Patriotic Catholic Church is nothing more than a Communist puppet organization. When I refused to cooperate, I was once again arrested. So I was detained twice for a total of 7 years at the Shanghai Detention Center without charge or trial until I was finally sentenced to a 15-year term in 1960.

I was then sent to a Laogai camp in Jiangxi Province, which served as a brick factory. A lot of people avoided dying of starvation mostly because they supplemented the rationed food by eating frogs, snakes, and rats.

In 1962, four other priests and I were confined in a 6 by 12 foot windowless room that was filled with an inch of standing water. Despite this ill treatment and the other inhumane conditions, I continued my services as a Catholic priest. I even successfully converted some of the guards who were charged to watch us.

At the completion of my sentence, I was 62 years old. But I was not fully released at that time. The Government forced me to accept forced job replacement in the Laogai labor camp because I was originally charged with the counterrevolutionary crime.

I knew that a forced-job replacement assignment means a life sentence laboring at the Laogai labor camp. I labored at the Nanchang No. 4 prison for 11 years as a forced-job replacement worker.

In 1981, at the age of 74, I was again arrested for my continued activity as a Catholic priest. I was sentenced to serve another 10-year term as a Laogai slave.

In 1988, I was released fully and unexpectedly. I was 81 years old at the time of my release. I served a total of 35 years in the labor camp. I cannot begin to tell you how many people, among them many of my friends and my disciples disappeared completely for every one that survived.

Thank you for inviting me here. I hope I have helped you gain an understanding of the Communist government's willingness to use the Laogai to destroy its citizens' human rights. There are still priests in the Laogai camp.

Thank you.

Mr. SMITH. Thank you, Father, very much for that moving testimony as well. I am 42 years old, and when I think that you have spent 35 of your years in the Laogai simply because of your faith in Christ, it is truly moving and I know every member of this subcommittee will take and remember your testimony.

The Chinese Communists obviously do not discriminate when they repress, and all people of faith who follow the lead of God as they believe it is leading, are equally repressed. And to give a unique perspective as it relates to the suffering of the people of Tibet, we are very pleased to welcome Palden Gyatso, a Tibetan monk, who spent, like Father, 32 years of his life in the Chinese Laogai, and will give the insights that he got from that and will recount and give witness to the suffering and cruelty that was imposed upon him.

Please proceed.

STATEMENT OF PALDEN GYATSO, TIBETAN MONK

Mr. GYATSO. My name is Palden Gyatso.

Mr. KELSANG. I am Kelsang, who will be the translator for him today.

Mr. GYATSO. I have longed for this moment most of the last 36 years and it is like a dream come true, and I would like to thank the chairman and the other members of the committee for giving me this opportunity to be here today. And consider it not only as an honor but also a responsibility to inform the U.S. Congress about the abuses that Tibetans are suffering today in Tibet.

I have been in prison for 24 years and for 8 years I was in a Chinese labor camp and during my days in prison, the Chinese never fed us enough and we were forced to rummage through the food that was meant for the pigs. And we were also driven to eat things like leather, bones, and grass, and it could be any bones, human as well as animal.

So since food was not enough, we were forced to eat leather that we wore, and we also had to resort to eating things like worms and, as I said, grasses.

And a lot of people died due to starvation, and I was around 30 years old then, and some of the other things that went on during my stay in prison, along with not getting enough food, we were also made to work in the fields. We were substituted for cows in plowing the field.

The reason why the Chinese put me in prison was because I had called for more freedom and I had demanded more rights, and the Chinese considered that to be engaging in revolutionary activities, and these instruments that you see before me today are some of the tools that were used to carry out the torture on me.

Now, this is a piece of the electric baton that was used and forced through my mouth and what happened was since this had electric shocks, it totally damaged my teeth.

And I also saw Chinese prison officials inserting this into a woman's vagina, and even today I know of women who have difficulty in going to the bathroom because of the damage that they suffered.

And I still bear today on my body some of the marks that were inflicted because of this torture. For instance, because of the self-tightening handcuff here, even today I have scars on both my hands and they do not function properly. And some of the other things that the Chinese did was keeping me suspended in the air, and then beating with rifle butts and piercing me with bayonets and pouring hot water over my body. And as a result, I have injury marks on my head and on my hands.

And I was even a witness to a couple of people who were sentenced to death. As soon as the Chinese announced that someone was to be sentenced to death, what they did was they would force that political person to engage in singing songs and dancing. The bullets that were used to kill someone, as well as the ropes that were used to hang someone, even the expenses involved for that would be deducted from the convicted person.

These practices that go on in Chinese prisons and labor camps in Tibet reflect the overall abuses going on today. And in this regard, I would sort of especially like to mention the trip by Ambassador Lilley in April 1991.

And I have kept this diary to this day, and this is a diary that I kept while I was in prison.

Mr. GYATSO. And I have a slide of the day and the month when then Ambassador Lilley visited Drapchi Prison in Lhasa. That is the site of the Utritu prison in Lhasa where I spent 9 years.

That is a shot of Sangyip prison where I spent 10 years.

That is a shot of Drapchi prison where I spent 7 years.

And that is a map of Lhasa and the ones in red, they show the detention facilities in Lhasa and they number about eight today. And the ones in yellow and orange are military and police complexes. And the ones in green are really what is left of the traditional Tibetan area in Lhasa today.

In April 1991, then ambassador James Lilley, along with two American officials, visited the Drapchi prison. And what Palden Gyatso and his other friends in prison did was they tried to present to Ambassador Lilley a petition detailing the Chinese abuses in prison. But what happened was ambassador Lilley—he was shaking his hands with one of the prisoners and on his other hand he had the petition, but then one of the Chinese guards just snatched away the petition and after Ambassador Lilley left, the petition was given to the warden of the prison, and because after he left, the Chinese officials called in the Army. They had to go through a really hard time.

And the other aspect of the visit was that every time when such a delegation does visit any Tibetan prisons, the Chinese put on a very different show. The prisons are cleaned up and more food is provided. Just to give the impression that the prisoners are healthy and that there is nothing wrong with them.

And two of the individuals connected with presenting the petition to Ambassador Lilley, Lobsang Tenzin and Tenpa Wangdak, were detained in solitary confinement because of the action.

The prisoners were then transferred to Nepal Tramo labor camp close to Lhasa. After that the army came in and then they started beating us up and started torturing us.

These are only a few instances of the various atrocities committed by the Chinese on the Tibetans, and whatever I have told you today is true and I am really glad that I have had a chance to come here today and inform you all about this. And please remember that there are still people inside Tibet today who are going through similar experiences that I have gone through.

Thank you very much.

Mr. SMITH. Mr. Gyatso, I thank you for your, again, very moving testimony and by actually visually displaying the implements used to repress people and to torture them. You bring an additional dimension to our understanding, feeble as it is, to what it must be like to live under the horrors of this terrible Gulag system.

And, you know, what we have been hearing so far, and I know my colleagues and I all feel this, and that is you are witness, and Father Cai, you as well, to unspeakable horrors. And to think that this Government, the U.S. Government, and many other Western governments, continue to trade and to do business with the dictatorship in Beijing as if none of this is going on, or as if it can be put in a compartment and all other trade and commerce and diplomatic niceties can occur with all of these unspeakable horrors going on baffles me and angers me, and I think it does you as well.

Again, I think on this committee and among Members on both sides of the aisle who care so deeply, our hope is to raise human rights to the level that it deserves. It ought to be central in our relationship with the Peoples Republic of China and any other country of the world, not a sub-issue. Regrettably it is a subissue at the current time.

I would like to ask Mr. Frank Wolf, Congressman Wolf, if he would like to join us. Mr. Wolf is a leader in human rights and has been very active, particularly on the issue of China and the use of Gulag labor and the importation of those products, and religious freedom as well.

I would like to call our final panel before going to questions to appear before the subcommittee. And the first to speak will be Mr. Liu, who is the son of a counterrevolutionary, a man who was first imprisoned at the age of 13. A man who, because of the affiliations of his father, who was in the prior government, was targeted for this mistreatment, and then spent a total of 25 years in the Chinese Laogai.

Mr. Liu, if you could present your testimony, and your full statement will be made a part of the record, and you may proceed as you care to.

STATEMENT OF LIU XINHU, JUVENILE PRISONER

Mr. LIU. My name is Liu Xinhu. My father was an official in the former government. The Communist Party, on the pretext that he would disrupt labor discipline, arrested him and sent him to a reeducation-through-labor prison camp in 1958. He was sent to the Baimaoling Farm to serve his sentence.

In 1958, I was 13 years old. Because I was the eldest son in the family of a counterrevolutionary, the Communist government found an excuse, which had no legal precedent, and sent me to live at the same Laogai prison farm as my father.

After being released from the Laogai sentence at the farm in 1966, I was ordered to continue forced labor at the farm as a forced-job placement worker.

In 1974, I was once again labeled a counterrevolutionary element because of my political attitudes. I was placed under even stricter controls. I was detained until my release in 1983. During the 25 years I spent in the Laogai, I suffered innumerable beatings and torments.

The Baimaoling farm is internally known as the Shanghai No. 2 Laogai general brigade. It is located in the southeast area of Anhui Province. Its scale is enormous and it holds an average 50,000 Laogai prisoners, Laojiao prisoners, and jiuye personnel. It produces tea, rice, valves and toys, as well as other goods.

Besides the farming that I did at the Laogai prison, I was also part of a so-called corpse brigade. At that time there was massive starvation in China and people were dying by the scores. And so they needed people to bury the bodies, and I was a part of that corpse brigade.

My father and I were detained in different sections of the farm and we were not permitted to see each other. The public security police only told me in 1993 that he had died and that I had to go and claim the corpse. Once at the crematorium, I saw his cold and pale body. I was given these clothes that he was wearing and I cried bitterly. I felt that my father was braver than I was because he dared to determine his own end to his difficult life and gain his freedom.

Mr. LIU. The first pair of clothes that you saw were the clothes that I took off my father's body in 1993.

These clothes are the clothes that I wore. And these are also clothes that I wore.

I now live in the United States and I have a family of my own. I deeply hope that my children and all other children, as well as future generations, do not have to suffer these kinds of tortures and difficulties.

Thank you all very much for your concern about the Chinese Laogai system.

Mr. SMITH. Thank you very much. Mr. Liu, for your testimony and, again, by showing us the prison garb. You remind us again that this is a reality that has to be dealt with. It is not something that is in the past. It is current. It is as current as today. And unfortunately our policies vis-a-vis the PRC act as if the rogue government that has the power in Beijing somehow should be treated with respect. And when you so disrespect your own citizenry to use torture and to impose so much pain and cruelty, it behooves this Congress I think to up the ante and be much more concerned about human rights than we are with profits.

So I thank you for your very strong statement.

Our last witness will be Harry Wu. Harry Wu is someone who many of us have come to know and greatly admire because of his tremendous courage. Not only did he spend 19 years in the Chinese Laogai, but he also has gone back risking his own life, possible imprisonment and death, to bring more information out to bear further witness to the continued repression by the Peoples Republic of China.

And, Harry, we are indebted to you for providing this information. Anyone anywhere in the world who cares about human rights has to look up to you as one of the great giants and leaders in the cause of human rights.

I would ask you to, if you would, present your testimony at this point.

STATEMENT OF HARRY WU

Mr. WU. Ladies, gentlemen, my name is Wu Hongda and English name is Harry Wu.

I was born in Shanghai in 1937. During my second year of college, in 1957, the students were encouraged by the Communist Party to express their opinions and concerns about the direction of the country. Although I initially kept quiet, in the end I offered a few criticisms, including my opinion that the Soviet invasion of Hungary in 1956 was in violation of international law, and I stated my feelings that the Communists were treating the common people as second-class citizens. Because of these comments, I was denounced as a capitalist counterrevolutionary rightist.

I was arrested and, without a trial, sentenced to life in the reeducation labor camp in 1960. I was told this was because of my poor political attitude. My life sentence was mostly a result of my family's political background because my father was a banker. While I was held in the Laogai, my mother died. I found out 15 years later she committed suicide by taking sleeping pills shortly after she was told of my arrest. I discovered this only after returning to Shanghai years later to collect her ashes.

In December 1969 I was released from my Laogai sentence. That did not mean I was freed from the camp and allowed to return to my home. Instead, I was forced to resettle permanently at the Laogai coal mine and serve as a forced-job placement personnel. In other words, I was not released at all and forced to continue as forced labor until my final release from the Laogai system in 1979.

I spent 19 years in the Laogai at 12 different forced labor camps. I was forced to do slave labor at agricultural farms, a chemical factory, a steel plant, and a coal mine. I was regularly denied food and during one period nearly starved to death. Torture permanently damaged my back. I had my arm broken during a beating. I was nearly killed in a coal mine accident.

I had to become a beast to survive day-to-day life in the Laogai. Today, all over the so-called new China there are millions still fighting to survive the Laogai.

Mr. Chairman, the subcommittee has heard today short descriptions of the experiences of six Laogai survivors. I would like to now present a brief overview of the origins, structures, and scope of the system.

With your permission, Mr. Chairman, I will submit a more detailed statement of this for the record.

Every totalitarian regime must have means to control and suppress opposition. The Nazis in Germany had their concentration camp systems throughout Europe, which housed millions of people whose religion, race, or political views made them targets of persecution. The vast Gulag in the former Soviet Union was first created to remove the White Russians from society soon after the revolution which brought the Communists to power. Throughout its history, the Gulag served as a destination, often final, for both penal criminals and those who opposed Stalin and other Soviet leaders.

The Chinese Laogai, in its origins, was quite similar to the Gulag. But Mao adapted the Soviet model to the Chinese context. The Laogai became a tool of the people's democratic dictatorship in fighting dissent within an ongoing class struggle.

The official function of the Laogai is to remove counter-revolutionaries and other criminal offenders from the population and to place them under state supervision. In the Laogai, prisoners undergo thought reform and reform through labor and are reshaped

into new socialist persons. Arrests and sentences, even for common criminals, are based as much on class background and political standing as on criminal activity and only reinforce the true nature of the system: absolute political control.

The term "laogaidui" is used as shorthand by the Chinese people in much of the same way Gulag was used in the Soviet Union. It instills fear in the average person. The existence of the Laogai remains the central human rights issue in China and Tibet today.

As a system, its scope, numbers of the camps and prisoners, degree of cruelty, and a fundamental inhumanity long surpassed the Soviet Gulag.

Today I want to focus on the Laodong gaizao, laojiao, and jiuye components. One thing, all of them were mixed together into one idea to use the so-called thought reform and forced labor.

Official Communist Party documents from the 1950's say that the Laogai is, "The process of labor reform of criminals which essentially is an effective method of purging and eliminating all criminals and counterrevolutionaries."

In 1988, the Ministry of Justice published a criminal reform handbook which summed up the purpose of the Laogai as follows: "The primary task of our Laogai facility is punishing and reforming criminals. To define their functions concretely, they fulfill the tasks in the following three fields: punishing criminals and putting them under surveillance; reforming criminals; and, organizing criminals in labor and production, thus creating wealth for the society."

This is clear acknowledgement of the state-run slave labor of the Laogai system.

Laojiao, or reeducation-through-labor, plays a unique role within the Laogai system. It was created as a last resort, extreme alternative to the existing reform through labor policy. It was established in the 1950's after the Communists had nearly eliminated all of the remaining enemies of the revolution from the capitalist classes.

The Communist labeled this the highest level administering of discipline. To this day, the Chinese Government maintains that reeducation-through-labor is not part of the judiciary system. In fact, as in its early days, the Government intentionally used the reeducation-through-labor policy to imprison people in force labor camps, without even a trace, for periods of 2 to 3 years.

Evidence exists indicating that reeducation-through-labor is more widely used today than ever. And a large number of the students, intellectuals, workers, and religious believers and dissidents are currently locked in the reeducation camps for their criminal activities. These camps are fundamentally no different from the other forced labor camps in the system.

Thought reform and reform-through-labor are both the principal methods of the Laogai camp. There is a saying in the Laogai camps that goes, "There is an end to Laogai and laojiao, but jiuye is forever."

Before 1980, almost 90 percent of the Laogai prisoners and laojiao prisoners were never fully released from the system. They were simply transferred into a forced-job placement personnel or what we call jiuye. Personnel, within the camps.

The official explanation of the forced-job placement is, "To fully implement labor reform policies and ensure public safety." This practice continues today on a large scale, but not as much as prior to 1980. Part of the reason for forced-job placement is that the Communists realize they cannot trust Laogai prisoners or laojiao prisoners; the people who have suffered greatly and seen the true nature of the Communist system. Also these prisoners are necessary to maintain production in the camps considering the constant flow of the new prisoners. In other words, their experience in the operation of the Laogai is necessary to keep the system working.

All Laogai prisoners are forced to labor to compel reform and become new socialist persons. New arrivals are subject to immediate, daily, lengthy integration sessions and forced to admit their crimes. These sessions may last days, weeks, or months. In some cases, they last years.

The official Laogai policy is reform first, production second. The prisoners of the Laogai face constant brainwashing. The value system of the society as a whole has not place in the Laogai. The prisoner is stripped of his morals, his beliefs, his religions, his individual will, his sense of right or wrong. They are encouraged to stand together with the Government and denounce their crimes. They are completely retrained to follow the moral order of the Communist Party and its society.

If a prisoner resists, he or she is tortured. There is much evidence coming to light that thought reform is less and less successful. This apparently persuaded the Laogai officials to rely more and more on physical torture. This situation is understandable as it becomes clear that even the Communists no longer believe their own ideology.

But struggle meetings are still held. Mao Tse Tung's teachings are still used and those that show a poor political attitude are beaten.

Laogai prisoners reform progress is judged in part by their productive output. Prisoners have a work quota and punished if it is not met. Food is withheld. Beatings are given. Solitary confinement is common and already limited family visits and contacts are eliminated.

In adding this as summary, Mr. Chairman, I would like to address the number of the people who have gone through the Laogai system and how many are still there in China and Tibet today.

The Chinese Government 2 years ago stated that 10 million people had been sent to the camps since they came to power. And at this point, 2 million are still in some 685 camps. This is a ridiculous figure. Who can believe that in a country of 1.2 billion people, over the 45-year history, only 10 million people have been in prison.

One should never, of course, believe any number they give to the public. In fact, no one will probably ever know the true number of the people they executed and sent to the camps.

I am submitting for the record my detailed analysis.[1] I estimate that since 1949 more than 50 million people have been Laogai or laojiao prisoners. Remember, laojiao or reeducation-through-labor is not considered by the Communists to be imprisonment. Therefore, they do not count these people in either their 10 million figure or in the current two million figure.

Neither do they today count those in the province, county or village detention centers, military prisons or secret prisons.

We at the Laogai Research Foundation have documented nearly 1,100 camps, a list of which I am submitting for the record. Our list does not include detention centers or military or secret prisons, nor is it a complete list of labor camps. We are learning of others every month.

Mr. Chairman, if we consider reform through labor, reeducation-through-labor, and forced-job placement personnel prisoners alone, I believe the Chinese Government has between 8 to 10 million people in the Laogai today.

Mr. Chairman, thank you for offering us, survivors of the Laogai, from China and from Tibet, the opportunity to improve your understanding of the world's most extensive forced-labor camp system. A system which is a human rights abuse of momentous proportions.

This is the first hearing on the Laogai ever conducted by any democratic legislative body in the world. We are very grateful. Thank you.

Mr. MATSUI. Mr. Speaker, I yield 4 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank my friend from California [Mr. MATSUI] for yielding this time to me, and, Mr. Speaker, I rise in very strong support of H.R. 2195 and applaud its author, my friend, the gentleman from New Jersey [Mr. SMITH], for his work and his commitment to promoting human rights not only in China but around the world. He is sitting next to at this point in time the gentleman from Virginia [Mr. WOLF].

Mr. WOLF and I serve on the Subcommittee on Treasury, Postal Service, and General Government, and Mr. WOLF for over a decade has been a strong proponent of urging the Treasury Department to fully enforce existing law as it relates to slave labor.

So I want to congratulate both the gentleman from New Jersey [Mr. SMITH] and the gentleman from Virginia [Mr. WOLF], my colleagues on the Helsinki Commission, for their leadership over long periods of time. More generally, I would like to applaud the gentleman from California [Mr. COX] as well and the other Members who worked to provide vehicles other than the MFN debate for this body to address the range of policy issues which form our complex relationship with China.

I have opposed, Mr. Speaker, MFN for China because I believe we have been too tolerant for too long. Clearly, a strong, prosperous, and democratic China will not come about without U.S. engagement. But a policy of constructive engagement, Mr. Speaker, must not amount to a practice of reaping the economic benefits of trade and exchange with China while turning a blind eye to human rights abuses.

Eight years after China's brutal demonstration of military repression of basic freedoms of speech and association at Tiananmen Square, reports persist of widespread and egregious human rights abuses, including the Chinese Government's maintenance of slave labor camps with which this particular amendment specifically deals.

H.R. 2195 speaks to this area of human rights abuse by saying properly that if we are going to have free trade with China, then let us be sure that we

are not directly or indirectly promoting the practice of slave labor by allowing its fruits to enter our markets.

Mr. Speaker, the promotion of democratic reforms which will afford the Chinese people the basic freedoms they now lack must not, let me repeat, must not, be a peripheral element of American foreign policy towards China. It was not with respect to our relations with the Soviet Union when it existed, and it must not be with respect to our relations with China.

The mantle, ''leader of the free world,'' is not earned through mere lip service. If the United States is going to engage China in trade, it must also engage China directly on the matter of human rights. Political and religious persecution, enforcement of population control through coerced abortion and sterilization, and organ harvesting from death row prisoners are not modes of conduct which ought to be consistent with friendship with the United States of America.

We must adopt policies, Mr. Speaker, which put action behind our outrage. It is not enough to talk about the abuses, it is not enough to rhetorically oppose those abuses, we must act on our conviction and on our principles. H.R. 2195 is an appropriate and constructive step in this direction, and I urge my colleagues to support it.

Mr. CRANE. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I rise in support of the bill. I want to thank the gentleman from California [Mr. COX] and the gentleman from New York [Mr. GILMAN] and the gentleman from New Jersey [Mr. SMITH) and the gentleman from Maryland [Mr. HOYER] and the others for this.

Before I begin, let me just say outright, I am worried that this administration and this Congress, on both sides of the aisle, are becoming an economic-driven party that cares very little with regard to some of these fundamental values. And I know there are good people on both sides, but I worry every time I hear about things, it is economic, economic, economic, economic, and very little about the passion and the compassion and what is going on with regard to that.

So this is a good bill, but will the administration enforce it? Will they do anything about it? I just do not know.

Now I want to say what the gentleman from New Jersey [Mr. SMITH] said. I happened to be with the gentleman from New Jersey [Mr. SMITH] in Beijing Prison No. 1. We have socks in my office that I picked up off the line and we had analyzed. They were for export to the United States. They had golfers on the sides of the socks. They do not play golf in China. Certainly they did not play golf in 1991.

Secondly, we have got to know that there are more gulags in China today than there were when Solzhenitsyn wrote the book that was a profound book, ''Gulag Archipelago.'' There are more gulags in China today than there were during his time. Fifty million people have been through them; 6 to 8 million people are going through them today. And what items? Toys, artificial flowers, Christmas decorations, and the birth of Christ, the birth of Christ, Jesus at Christmastime, and more of the Christmas decorations are made with regard to slave labor.

In fact, as I will tell my colleagues, there are Members in this body and there are Members that are watching that have goods. Some of my colleagues are wearing goods; they do not know it; many of my colleagues have it at home, with regard to artificial flowers, with regard to cotton goods that are made in slave labor camps. Two million dollars; it is good.

I want to thank the gentleman from California [Mr. COX], the gentleman from New Jersey [Mr. SMITH), the gentleman from Illinois [Mr. CRANE], the gentleman from California [Mr. MATSUI].

I doubt, though, whether this administration, and let me just say the Bush administration was no better, the Bush administration was no better in enforcing these, and the Customs officials at the administration were no better, and this administration has been a disaster. In fact, it took them 2 years to go into Beijing Prison No. 1, and finally, when they went in, they had removed all the evidence. There are gulags, there are goods coming over.

This will be a good first step. I just hope and pray, after we pass it with an overwhelming vote, that it will go over to the Senate with such a majority vote, such a lead vote, that Mr. LOTT and others will pick it up and pass it whereby we can take the whole package and then do something whereby the people that are in the camps know that the United States Congress has spoken out and has done something constructive.

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

Mr. CRANE. Mr. Speaker, I yield 2 minutes to our colleague, the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Speaker, I thank the gentleman for yielding this time to me. I want to express my appreciation for the work of the gentleman from New Jersey [Mr. SMITH], the author of this legislation. It is very, very important, and I rise in strong support of H.R. 2195.

I think an appropriate question could be asked, do the people of the United States care about what happens in the Chinese forced labor camps? And I can tell my colleagues that the commonsense people of Arkansas, where I live and work and who I represent, care about what happens to the 6 to 8 million people in the forced labor camps. I get asked about it in town meetings; they express their concern about it. And why do they do this? Because they know what is happening there and they have learned the lessons of history that if we do not care, evil triumphs.

And so we do not want to repeat the lessons of history, we want to do something where we have an opportunity, and we have that opportunity now. They do not want, because they know history, they do not want to give aid to the enemy by purchasing products that are made with slave labor. The problem is, we do not always know.

This legislation gives $2 million to the Customs Service to properly monitor what happens and try to determine where those slave labor camps are and the products that come from them, requires reports to Congress. Right now, the Customs Service do not have the resources. This gives them the resources they need to track what is made in those slave labor camps, from uranium to toys to Chinese tea.

Scripture tells us that we should not give speed to evil doers, and I think in our country we have inadvertently done that. We must put an end to that. This bill addresses that problem. We will send a strong signal to the Chinese Government that is very, very necessary right now, that trade is important, but it is not all important, and what happens in those forced labor camps is important, and we do not want to buy those products, and we want that to stop in that land.

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

Mr. CRANE. Mr. Speaker, I yield 2 minutes to our colleague, the gentleman from Texas [Mr. JOHNSON].

Mr. SAM JOHNSON of Texas. Mr. Speaker, it is high time to stop products produced by slave labor in China from entering the United States of America. For more than 50 years, we have banned products produced by slave labor in China, but they continue to flood our markets every day. I think it is appalling. We should not support products that are produced by a nation that endorses or uses slave labor.

My question is, where is the administration? The President promised he would no longer tolerate these practices from China, but these products still enter this country, and the administration refuses to enforce current law. President Clinton is unable or unwilling to stand up to the Chinese and say this will no longer be tolerated.

This bill goes a long way toward making up for the administration failings. It gives the Customs office the tools to hire more inspectors to track and stop these tainted goods from entering the United States. It also gives the American Embassy the equipment they need to monitor goods produced in these inhumane slave camps throughout China. I have to wonder, if the

President spent as much time and effort improving human rights in China as he has on State parties and fancy dinners for President Jiang, maybe China would change its ways.

Mr. President, the prisoners stuck in these slave camps depend on our actions speaking louder than our words. Let us vote for this bill.

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

Mr. CRANE. Mr. Speaker, I yield 1 minute to our distinguished colleague, the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I rise to support H.R. 2195.

As Americans, we must stand up in opposition to slave-made goods. As a member of the Human Rights Caucus, I want to commend the gentleman from New Jersey [Mr. SMITH], chairman of the subcommittee, and the House Committee on International Relations for introducing this forward-thinking legislation which calls for the U.S. Commissioner of Customs to report, after a period of inspection, the extent of the use of forced labor in China and manufactured products destined to the United States market, the volume of products made with forced labor destined to the United States market, the progress of the United States Customs Service in identifying and interdicting products made with forced labor.

Mr. Speaker, this is a bipartisan bill. It is a matter of fairness, it is a matter of human rights, and we here in the Congress and the House of Representatives tonight have an opportunity to vote for a bill that is going to make a positive change in China. After we receive the report from the Commissioner, the action can be taken to make sure that the appropriate changes will be made in China.

And I thank the gentleman from New Jersey [Mr. SMITH] for introducing this legislation and would like to add my name as a cosponsor to the bill.

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

□ 2030

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. COX].

Mr. COX of California. Mr. Speaker, slavery is an ugly institution, and its most hideous and virulent form is prison slave labor. Slavery was not officially abolished in imperial China until the end of the Manchu dynasty in 1908, and even then, the law permitted families in time of famine to indenture their children for over 20 years.

But even though slavery was not officially abolished in China until earlier in this century, it was the ignominious achievement of Chinese communism to reinstate it in the form of the notorious Laogai slave labor camps. The Laogai, or reform through labor, camps have been an integral part of Chinese totalitarianism since the inception of the People's Republic of China in 1949. They are designed for the dual purposes of political control and forced development modeled on Stalin's Soviet gulag.

An estimated 50 million Chinese men and women have passed through these camps, of whom 15 million have perished. Today, anywhere from 6 to 8 million people are captive in the 1,100 camps of the Laogai, held and forced to work under grossly inhumane conditions.

The People's Republic of China tells us that this does not go on at all, but today the United States does not impose punitive tariffs on these products, we ban them. Mr. Speaker, 27 specified products of the Laogai camps are already kept out by our Customs agents and yet the Customs authorities tell us they just do not have the resources to do the job and this bill gives them those resources.

The United States has two agreements with the People's Republic of China, binding agreements executed in 1992 and 1994, that not only bar trade on prison-made slave labor products, but also allow the United States to inspect those forced labor camps. But the Chinese Government, in 1996, allowed us access to just one of those.

This bill requires the President to renegotiate that MOU and rectify the situation.

I congratulate the author, and I urge support of the gentleman's bill on slave labor products.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to our colleague, the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman from Illinois [Mr. CRANE], my good friend, for yielding.

Let me just say, and to pick up on what the gentleman from California [Mr. COX] just pointed out about the number of detention orders, the number exceeds 27 and is growing. But there is a real problem, and this is addressed in the bill, asking the President to look at it very carefully, to renegotiate the memorandum of understanding that we currently have in existence.

Most people would find it almost ridiculous that we have to give specific information first, and remember, this is a closed country. We do not have access to the Laogai, we do not have access to these prison camps, but we have to almost find some way to ascertain whether or not there is a violation going on with specific information. The Chinese then, under the MOU, investigated themselves and gave us their findings. So we have the alleged perpetrator investigating themselves and then they come back to us. Then, we have 60 days that we have to wait to actually make a site visit and very often it far exceeds 60 days.

Let me give one example that was cited very recently by our Commissioner of Customs, George Weise. He pointed out in his testimony on March 21, 1997, that on March 11, 1996, the Chinese Ministry of Justice notified the custom attache that she be allowed to visit the Changsha Laogai machinery factory. He points out in his testimony that the request to go to that factory began in 1992. Four years to finally have site access to a prison camp that is not unlike the one that is to my left that was found to be in violation of our code and thankfully, there is a detention order on the pipes coming out of that detention camp.

Mr. Speaker, we need to renegotiate that MOU. I have been over there, I have talked to the customs people. They cannot get access. They run into roadblocks, they run into bureaucratic snafus over and over again, and then somehow, the administration comes up, and my friend the gentleman from Virginia [Mr. WOLF] said the Bush administration was just like this.

My good friend from Virginia said a moment ago, we do not have access to these prison camps. The Bush administration were the ones who actually negotiated the MOU, and then they come up to our hearings and they say, look at this. We had this fine statement of principles, memorandum of understanding and that defies all kinds of good will as if the Chinese dictatorship is cooperating with us.

Nothing could be further from the truth. They are not. It is a sham. We try to make the sham work. That is why we get a few detention orders, but it is about time we enhanced our access, hopefully unfettered access. But I do not think that is going to happen any time soon. We need to tighten this MOU.

This resolution calls on the President to look into that, and hopefully he will realize it is bad business and certainly a violation of human rights to allow slave-made goods to come to our shores, especially when we are talking about religious prisoners and human rights activists who are being tortured and used in ways that none of us would see as civilized.

So I hope my colleagues support this legislation.

The SPEAKER pro tempore (Mr. QUINN). The Chair would inform the Members that the gentleman from Illinois [Mr. CRANE], has 5 minutes remaining, and the gentleman from California [Mr. MATSUI] has 16½ minutes remaining.

Mr. SOLOMON. Mr. Speaker, I rise in support of this excellent measure introduced by Mr. SMITH of New Jersey. It is badly needed. Our laws supposedly ban the importation of slave-made goods, yet we know that we continue to be flooded with goods from China's vast gulag, the Laogai. Obviously, our laws are not being enforced the way they should be. This bill will help give our customs inspectors the tools they need to keep out these ugly goods.

Mr. Speaker, the use of slave labor is only one of many disgusting practices of the Communist Chinese government, but it is certainly one of the worst.

Estimates of those languishing in China's gulag run well into the millions. It is for them that we are here on the floor today. It is their silenced voices that we can hear as we wade through the piles of Communist Chinese goods in our stores.

Short of a revolution in China, and one is surely coming, the only way we can battle slave labor in that country is to refrain from buying slave-made goods, which provides the financial lifeline to the wardens of that vast prison, the Communists.

This bill gets us in that direction and I urge an "aye" vote.

Mr. MATSUI. Mr. Speaker, I urge support of the bill, and I yield back the balance of my time.

Mr. CRANE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time has expired.

Pursuant to House Resolution 302, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. TAYLOR OF MISSISSIPPI

Mr. TAYLOR of Mississippi. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. TAYLOR of Mississippi. At this time I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TAYLOR of Mississippi moves to recommit the bill, H.R. 2195, to the Committee on Ways and Means with instructions to report the bill back to the House forthwith with the following amendment: At the end of the bill insert the following:

SECTION 6. QUARTERLY ADJUSTMENT OF TARIFFS ON PRODUCTS OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) QUARTERLY DETERMINATIONS BY SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall determine, at the end of each calendar quarter—

(1) the dollar amount of tariffs paid to the People's Republic of China during that quarter by persons for exporting goods and services from the United States to the People's Republic of China; and

(2) the dollar amount of tariffs paid to the United States during that quarter by persons for importing goods and services from the People's Republic of China into the United States.

(b) ADJUSTMENT OF TARIFFS.—Notwithstanding any other provision of law, the Secretary of the Treasury shall adjust the tariffs on all products of the People's Republic of China so that an amount is collected on imports of products of the People's Republic of China, during the 3-month period beginning 30 days after the end of the calendar quarter for which a determination is made under subsection (a), equal to the amount by which the dollar amount computed under paragraph (1) of subjection (a) exceeds the dollar amount computed under paragraph (2) of subsection (a).

The SPEAKER pro tempore. For what purpose does the gentleman from Illinois [Mr. CRANE] rise?

Mr. CRANE. Mr. Speaker, I reserve all points of order against the motion to recommit with instructions.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Mississippi [Mr. TAYLOR] is recognized for 5 minutes in support of his motion.

Mr. TAYLOR of Mississippi. Mr. Speaker, I want to thank the gentleman from Illinois [Mr. CRANE] for reserving the point of order and not trying to cut off debate.

Mr. Speaker, the efforts of the gentleman from California [Mr. Cox], though well-intentioned, are little more than giving a sweet talk to a dying man. It does not really change things. We spend a little bit more money to find out what we already know, that the People's Republic of China is using slave labor, making goods, and sending goods to the United States of America to be sold here and put Americans out of work. There is nothing new about that.

There is nothing new about the fact that they have a $40 billion trade surplus with our country. There is nothing new about the fact that it is a totalitarian communist regime that is doing this, and our money feeds their military. There is nothing new about the fact that they charge us 20 to 40 percent on our products that we try to sell there, while we only charge them, because of the Most-Favored-Nation Status agreement, about 2 percent on their products that they sell here.

What is new tonight is that we can have a chance to really address that, not just spend a couple more million dollars finding out what we already know, that they are making things with slave labor, but to tell the Chinese that we will expect some basic level of fairness from them in return for having access to our markets, and we will expect you, China, to treat its people better if they want to have access to our markets.

The people from the Committee on Ways and Means are going to object to this. The people from the Committee on Ways and Means by and large are free traders. They think that however horrible the Chinese Government is, however horrible they are and how many weapons they sell to our opponents they ought to have total access to our market, because doggone it, that is what free trade is all about.

I say to my colleagues, they are wrong, they are dead wrong. Not only are they wrong, but they block any effort by any average Member of this body to address that inequity. We cannot get a bill through that committee, and one never will. We have one chance this legislative session to address that. We have one chance this legislative session to say, we are going to treat the Chinese the way they treat us, and if they want to charge us 2 percent, as we charge them, we will do the same. But if they want to charge us 40 percent, if they want to continue to have a $40 billion a year trade surplus out of our money and use that money to sell weapons or give weapons to the enemy of America, then we are going to do something about it.

The Democratic leadership and the Republican leadership will come to the floor in the next couple of minutes and say, let us do not do this, let us do not act hasty. There is nothing hasty about this. This has been going on for decades.

What is different is that in the 2 years that each of us is given to serve this Nation in the elections that are held every other year, this is the one chance we are probably going to get to do something about it. They are going to say, do not vote against the ruling of the Chair because somehow the Chair is almighty, the Chair knows better.

Well, the Chair is wrong. The Chair will not give us a chance to vote on this. This is the one chance we are going to get. We are going to get one chance to decide if we are going to have a basic sense of fairness between how the Chinese and the Americans trade with each other, whether we are going to continue to allow goods that are made with slave labor to compete against the goods that are made in North Carolina and Mississippi and New York and California. We are going to continue to say whether or not we are going to turn a blind eye to the most totalitarian regime in the world that sells weapons to our opponents. But I say to my colleagues, it is OK, because the Committee on Ways and Means does not want to hear the idea that maybe there ought to be a basic fairness between what they charge us in tariffs and what we charge them.

This is our chance. We are going to have to work against your leadership, I am going to have to vote against mine, but we were not sent here to listen to the leadership, we were sent here to listen to the people of our congressional districts and the people of this Nation, and they want us to make things right. They want us to be fair with them. They want us to change things that are wrong. They want us to do what is right.

I am almost reminded of the song, The Impossible Dream. This is your chance to fight for what is right, without question or pause, because as your leadership is concerned, you are clearly walking into hell for a heavenly cause.

I am asking you to do what is right for America.

Mr. Speaker, I yield back the balance of my time.

□ 2045

POINT OF ORDER

The SPEAKER pro tempore [Mr. QUINN]. Does the gentleman from Illinois [Mr. CRANE] insist on his point of order?

Mr. CRANE. Mr. Speaker, I make a point of order against the motion to recommit with instructions.

The SPEAKER pro tempore. Does the gentleman wish to be heard on his point of order?

Mr. CRANE. I do, Mr. Speaker.

Mr. Speaker, the motion to recommit with instructions is not germane to the underlying bill. The fundamental purpose or common thread of the bill is very narrow, and only concerns the monitoring of products made with forced labor. The range of methods employed in the bill is similarly narrow.

The motion, however, deals with the reciprocal tariff treatments of the products of China. This is clearly not within the very narrow purpose of this bill. The issue of tariffs is also outside the range of methods employed in the bill. Therefore, the motion to recommit with instructions is not germane, and I urge the Chair to sustain the point of order.

The SPEAKER pro tempore. Does the gentleman from Mississippi [Mr. TAYLOR] wish to be heard on the point of order?

Mr. TAYLOR of Mississippi. Yes, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Mississippi is recognized.

Mr. TAYLOR of Mississippi. Mr. Speaker, as I mentioned before, the Committee on Ways and Means has an opportunity every year to consider this measure and measures just like it. They choose not to.

I am appealing to the House because I have heard on too many occasions from too many Members of this body that we are not given the chance to do what is right. At every town meeting we attend, when people ask, how do these unfair things continue to happen, do Members know what we have to say? We have to say, it is the committee system, the Speaker, the Committee on Ways and Means committee. They will not let us do that.

They do not understand that. They cannot find in the Constitution of the United States where it somehow makes some Members of Congress better than other Members of Congress; where just a few Members of Congress can decide whether or not 435 Members, who were each elected by over half a million American citizens, that they cannot even decide on basic questions of right and wrong when it comes to trade issues.

I am asking the Members of this body to step up to the plate. I am asking them to do tonight what they tell their constituents at their town meetings. That is, do what is right, regardless of what the Committee on Ways and Means wants, regardless of what the Speaker wants, regardless of what the Democratic leadership wants or the Republican leadership wants. For once, let us do what America wants. Tonight is the Members' chance.

I am asking for that opportunity. I hope Members will vote against tabling this motion. I hope we will bring it to the floor. I hope we will vote as a Nation to tell the people of China we are sick and tired of being their chumps.

The SPEAKER pro tempore. The Chair is prepared to rule at this time.

The gentleman from Illinois [Mr. CRANE] makes the point of order that the amendment proposed in the motion to recommit is not germane. The test of germaneness in this situation is the relationship of the amendment proposed in the motion to recommit to the provisions of the bill as a whole.

The bill as perfected authorizes funding for monitoring the importation into the United States of goods produced by forced labor. It also requires the reporting of certain information on that topic, and also expresses the sense of the Congress that the President should review reciprocal trade relationships on that topic.

The amendment proposed in the motion to recommit would amend the tariff schedules of the United States to achieve reciprocity between the aggregate amount of Chinese tariffs on the American products and the aggregate amount of American tariffs on Chinese products. The bill confines its attention to products of forced labor.

The amendment, although addressing only products of China, extends its attention to all products, not just those made by forced labor, and directly imposes tariff treatment, a matter not part of the bill.

The Chair therefore finds that the amendment is a "proposition on a subject different from that under consideration" within the meaning of clause 7 of rule XVI. That is, the amendment is not germane. The point of order is sustained. The motion to recommit is not in order.

PARLIAMENTARY INQUIRY

Mr. TAYLOR of Mississippi. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. TAYLOR of Mississippi. Mr. Speaker, what is the proper mechanism to question the ruling of the Chair and to make that available to the Members to make that decision?

The SPEAKER pro tempore. The gentleman may appeal the ruling of the Chair.

Mr. TAYLOR of Mississippi. Mr. Speaker, I appeal the ruling of the Chair.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. TAYLOR] appeals the ruling of the Chair.

The question is, shall the decision of the Chair stand as the judgment of the House?

MOTION TO TABLE OFFERED BY MR CRANE

Mr. CRANE. Mr. Speaker, I move to lay on the table the appeal of the ruling of the Chair.

The SPEAKER pro tempore. The question is on the motion to table offered by the gentleman from Illinois [Mr. CRANE].

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

Mr. TAYLOR of Mississippi. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Without objection, the vote on final passage will be reduced to a five-minute vote.

There was no objection.

The vote was taken by electronic device, and there were—yeas 217, nays 202, not voting 14, as follows:

[Roll No. 581]

YEAS—217

Aderholt	Ensign	Latham
Archer	Everett	LaTourette
Armey	Ewing	Lazio
Bachus	Fawell	Leach
Baker	Foley	Lewis (CA)
Ballenger	Forbes	Lewis (KY)
Barr	Fossella	Linder
Barrett (NE)	Fowler	Livingston
Barton	Fox	LoBiondo
Bass	Franks (NJ)	Lucas
Bateman	Frelinghuysen	Manzullo
Bereuter	Gallegly	McCollum
Bilirakis	Ganske	McCrery
Bliley	Gekas	McDade
Blunt	Gibbons	McHugh
Boehlert	Gilchrest	McInnis
Boehner	Gillmor	McIntosh
Bonilla	Gilman	McKeon
Bono	Goodlatte	Metcalf
Brady	Goodling	Mica
Bryant	Goss	Miller (FL)
Bunning	Graham	Moakley
Burr	Granger	Moran (KS)
Burton	Greenwood	Morella
Buyer	Gutknecht	Myrick
Callahan	Hamilton	Nethercutt
Calvert	Hansen	Ney
Camp	Hastert	Northup
Campbell	Hastings (WA)	Norwood
Canady	Hayworth	Nussle
Cannon	Hefley	Oxley
Castle	Herger	Packard
Chabot	Hill	Pappas
Chambliss	Hilleary	Parker
Chenoweth	Hobson	Paul
Christensen	Hoekstra	Paxon
Coble	Horn	Pease
Coburn	Hostettler	Peterson (PA)
Collins	Houghton	Petri
Combest	Hulshof	Pickering
Cook	Hutchinson	Pitts
Cooksey	Hyde	Pombo
Cox	Inglis	Porter
Crane	Istook	Portman
Crapo	Jenkins	Pryce (OH)
Cunningham	Johnson (CT)	Quinn
Deal	Johnson, Sam	Radanovich
DeLay	Jones	Ramstad
Diaz-Balart	Kasich	Redmond
Dickey	Kelly	Regula
Doolittle	Kim	Riggs
Dreier	King (NY)	Rogan
Duncan	Kingston	Rogers
Dunn	Klug	Ros-Lehtinen
Ehlers	Knollenberg	Roukema
Ehrlich	Kolbe	Royce
Emerson	LaHood	Ryun
English	Largent	Salmon

Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skaggs
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wolf
Young (FL)

NAYS—202

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Bartlett
Becerra
Bentsen
Berman
Berry
Bilbray
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Hunter
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rohrabacher
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Scott
Serrano
Sherman
Sisisky
Skelton
Slaughter
Smith (MI)
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

NOT VOTING—14

Cubin
Davis (VA)
Flake
Foglietta
Ford
Gonzalez
McKinney
Riley
Schiff
Schumer
Stearns
Weldon (PA)
Yates
Young (AK)

□ 2110

Mr. BOSWELL, Ms. KILPATRICK, Mr. BILBRAY, and Mr. ROHRABACHER changed their vote from "yea" to "nay."

Mr. BACHUS changed his vote from "nay" to "yea."

So the motion lay on the table the appeal of the ruling of the Chair was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. KINGSTON). The question is on the passage of the bill.

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

RECORDED VOTE

Mr. SMITH of New Jersey. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 419, noes 2, answered "present" 1, not voting 11, as follows:

[Roll No. 582]

AYES—419

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Young (FL)

NOES—2

Brown (CA)
Pickett

ANSWERED "PRESENT"—1

Paul

NOT VOTING—11

Cubin	Greenwood	Schumer
Flake	McKinney	Yates
Foglietta	Riley	Young (AK)
Gonzalez	Schiff	

□ 2127

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to provide for certain measures to increase monitoring of products that are made with forced labor."

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION AMENDING RULES OF THE HOUSE TO REPEAL EXCEPTION TO REQUIREMENT THAT PUBLIC COMMITTEE PROCEEDINGS BE OPEN TO ALL MEDIA

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105–382) on the resolution (H. Res. 301) amending the Rules of the House of Representatives to repeal the exception to the requirement that public committee proceedings be open to all media, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105–383) on the resolution (H. Res. 305) waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105–384) on the resolution (H. Res. 306) waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PRIVILEGES OF THE HOUSE—DISMISSAL OF CONTEST IN 46TH DISTRICT OF CALIFORNIA UPON EXPIRATION OF NOVEMBER 7, 1997

Ms. FURSE. Mr. Speaker, I rise to a question of the privileges of the House, and I send to the desk a privileged resolution (H. Res. 307) pursuant to clause 2 of rule IX and ask for its immediate consideration.

The SPEAKER pro tempore [Mr. KINGSTON]. The Clerk will report the resolution.

The Clerk read as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C. on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the House Oversight Committee is now persuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, as a member of Congress whose election in 1994 was won by far smaller a majority than that which Ms. Sanchez won the 46th District race in 1996.

Whereas, as an immigrant myself who proudly became a U.S. citizen in 1972, I believe that this Republican campaign of intimidation sends a message to new citizens that their voting privilege may be subverted. We should encourage new voters not chill their enthusiasm.

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. The resolution presents a question of the privileges of the House.

Pursuant to the rule, the gentlewoman from Oregon [Ms. FURSE] will be recognized for 30 minutes and the gentleman from California [Mr. THOMAS] will be recognized for 30 minutes.

The Chair recognizes the gentlewoman from Oregon [Ms. FURSE].

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

Mr. Speaker, in 1996, Congresswoman LORETTA SANCHEZ was elected by the people of the 46th Congressional District of California. There was a recount. The California Secretary of State confirmed that Congresswoman SANCHEZ had won that election. Yet for over 10 months, the Republican leaders have used every tactic to deny Congresswoman SANCHEZ that victory.

Mr. Speaker, this is a Nation of immigrants. This is a Nation of people who came to the shores to participate. This is a Nation of immigrants eager to participate, eager to give their voice to this great democracy. Mr. Speaker, I understand this because I, too, was an immigrant. I came to this country in 1972. I was proud to become a citizen and proud to cast a vote in an election. Then in 1992, I became a Member of Congress. That is the way it is supposed to work, Mr. Speaker, in this great democracy.

It is a disgrace that new voters, new citizens are being questioned in this campaign against Congresswoman SANCHEZ. Let us not forget, this is a campaign not just against Congresswoman SANCHEZ, this is a campaign against new immigrants. This is a campaign against new citizens. It is a disgrace.

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

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

Mr. Speaker, this is the second time we come together on the floor to provide an opportunity to respond to resolutions which, frankly, contain erroneous material, inflammatory material, material that simply ought not to be presented on the floor of the House, in this gentleman's judgment, in the way in which it is presented.

I am quite pleased to announce to Members some developments that have occurred since the last time we were on the floor. If Members recall, I reported to them that in the months that they have outlined it has taken us to attempt to get to the bottom of this, I indicated to them that not one Democrat staffer had signed a statement of confidentiality. They had chosen not to participate in a meaningful way in documents that we wanted to make sure did not get out so that the charge that they make falsely, that we were attempting to intimidate individuals, did not get, quote-unquote, leaked.

I am pleased to say that all of the key Democrat staffers, members of the Democratic staff, have now signed statements of confidentiality. That is a major step forward. I wish they had done it 9 to 10 months ago so we could share the information that we know. I

will tell Members tonight, they are going to receive some of that information.

But I think for just a minute or two, we need to understand how we got here. There were phone calls to the Orange County Registrar of Voters. People said they knew that people who voted were not citizens. There was a follow-up examination by the election authorities. There was sufficient and credible evidence filed with the Orange County District Attorney for the Orange County District Attorney to subpoena records of groups who were supposed to be educating documented aliens in the process to become citizens, the very process that the gentlewoman from Oregon indicated occurred to her. Of course, we know what happened in her case. She did it in the right order. She became a citizen, and then she voted.

The record shows that there were people in the 46th Congressional District who voted before they became citizens. There were many people who did this on the advice of people who, frankly, chose to mislead these people when they had the solemn responsibility of providing them with the enormous and wonderful opportunity of becoming citizens.

I will make one promise to Members tonight, that if anyone is discovered to have not voted properly, in no way should their citizenship be put in jeopardy if after the fact they became a citizen. I believe that we should make sure that amnesty is provided to anyone who may have technically broken the law, and especially if they broke the law at the behest of others, because right now there is an ongoing criminal investigation in Orange County that will work its way through the grand jury and may, in fact, present us with evidence before we are finished with our task as to exactly what happened for those who engaged in a criminal conspiracy of voter fraud.

Based upon that evidence, a contested election contest was brought to us, and we have pursued, although argued unconstitutionally, affirmed by a district court, reaffirmed by an appellate court, that the process that we have been following is, in fact, according to the statute. It seems, therefore, somewhat incredible to me that one of the whereases is that we have requested the agency charged with monitoring documented aliens in this country, the Immigration and Naturalization Service, to assist us to determine if these individuals are, in fact, citizens. But, in fact, as Members may know from our previous discussion, the Department of Justice was unwilling to cooperate in the investigation. We were forced, on May 14, to subpoena the records. It was not until June 23 that the Immigration and Naturalization Service began responding to us.

Notwithstanding the whereas that says that the INS has complied with the committee's request, the gentlewoman from Oregon needs to know that that whereas is simply wrong. The INS has not complied completely. There are hundreds of records that are still out that have not been presented to the task force.

As we go through once again in terms of the whereases, the one that I hope we will put to rest tonight, and the gentleman from Michigan, the chairman of the task force, I believe, will provide more than adequate material to discredit once and for all, our goal, of course, would be to enlighten and to therefore not continue the process of repetition on the whereas that says that we failed to present credible evidence. Tonight Members will receive a substantial dose of credible evidence.

But more important than that, I find it difficult for someone who was a citizen, whether naturalized or native born, to think that the effort to make sure that we are accurate, double-check, triple-check if necessary that no citizen is accused unfairly and that the documents of the task force checked by the appropriate officials, Immigration and Naturalization Service on citizenship and the Secretary of State on a valid voter registration, would not be completely accurate before we would make any assumption, any determination, any statement about a final number of people who, in fact, voted invalidly in the California 46th. Because I will remind all of us, it is not if there were people who voted illegally, it is the question of how many, and that the pursuit of how many has been made a difficult one by virtue of agencies of this government unwilling to cooperate unless their records are subpoenaed.

And for a number of people to use such terms as "a Republican campaign of intimidation" when, unlike the former majority, we are trying to use California law to document, not something invented in the task force by a 2 to 1 vote, we are trying to determine with absolute accuracy who could and who could not have legally voted, and who did and who did not.

Frankly, I am perplexed by your unwillingness either as a native-born citizen or a naturalized citizen to not want to know. I think it is important that if, in fact, there is a significant amount of people who are not citizens who are actually voting, we need to know now. We do not need to shut this investigation down. We do not need to pull the wool over the eyes of voters who now will not know whether their vote was canceled out by someone who should not have voted. Frankly, our goal should be the one stated by the gentlewoman from Oregon: Become a citizen first, and vote second, not the other way around.

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

Ms. FURSE. Mr. Speaker, I yield 8½ minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I thank her for her time.

I ask those on both sides of the aisle to listen to what I have to say and recall that I said that I did not believe that this matter was being handled fairly. Let me read to Members a letter dated October 22, sent to the Clerk of the House, which to this very hour the minority has not yet received, but Members will find it interesting. That letter is on the stationery of Hart, King and Coldren, a professional law corporation. They represent Mr. Dornan. Mr. Dornan, under the Federal Contested Election Act, is the contestant in this case. We have lost sight of the fact that the act requires the contestant to carry the case, not the committee.

In any event, Mr. Speaker, this is a three-page letter in which it sets forth 14 items that have been forwarded to the committee. The minority has not yet received it. They are depositions that should have been forwarded to the committee months ago by the Dornan counsel. Custodian of records, Fidelity Federal, dated 3/24/97, 3/25/97, 3/27/97, 3/31, 4/14, 5/28. These are not newly acquired records by the Dornan case.

□ 2145

My colleagues, listen to this paragraph, listen to it well. This is from the contestant under the Federal Contested Election Act. By copy of this letter to the contestee's counsel, we are advising the contestee that we consider contestant's record to be complete so that she may file her brief within the time permitted by the act. Even Mr. Dornan believes this case, from an evidentiary standpoint, is now at an end. Even Mr. Dornan's counsel says this case is at an end from his perspective.

The chairman of the committee said in debate last week, or 2 weeks ago, last week I believe it was, and has reiterated today on the floor of the House, that if we would only sign a confidentiality agreement, we could get the material. He reiterated that just now.

My colleagues, no one on the majority side of the aisle, save only an affidavit of confidentiality with respect to a particular deposition, no one on the majority side signed a confidentiality agreement until October 27, 1997. Notwithstanding that, we were refused access to information because we had not signed a similar confidentiality agreement. That is the unfairness in this case.

And I ask my friend from California in particular, if he will listen, because I respect his judgment and his fairness, as I do others on this side of the aisle.

So Mr. Dornan has said, I am through, finished, it is time for Ms.

SANCHEZ to file a reply brief. Mr. Dornan has not filed, interestingly enough, his own brief required under the Federal Contested Election Act. My supposition is that he believes a brief is not required by him. My further supposition is because he believes that committee is now carrying the case.

I want to bring to the attention as well, because the chairman is very concerned about accurate information, that the chairman indicated that there have been many cases that have gone on longer than this. My colleagues, no case, and there have been 28 of them, in the history of the Federal Contested Election Act, has gone longer than this one if we do not resolve it before we adjourn in committee.

There have, in fact, been cases which have been carried over and disposed of on the floor. In fact, the Rose case was held for almost a year between the time under the 104th Congress when the committee disposed of the case and when the committee brought it to the floor for final disposition, which was, of course, at that point in time noncontroversial. No case in the history of the Federal Contested Election Act has gone longer than this one if we do not dispose of it by the date we adjourn this first session of this Congress.

My colleagues, this case, according to Mr. Dornan, is ready to close, and I suggest to my colleagues that Mr. Dornan has not filed a brief because he knows that he has not done what is required under the statute, showed that but for certain factors occurring, he would have been elected to Congress. That simply has not occurred, and having not occurred, the committee has not brought to this floor any request to take action to dispose of this case based upon Mr. Dornan's making that case.

Now, my colleagues, there is a question which the gentleman from California [Mr. THOMAS] raises. There is nobody on this floor who either sanctions or wants to hide the fact that voters may have voted without being citizens and may have voted illegally. That, in and of itself, is worthy of an investigation, but it is clearly a much broader investigation than the case that Mr. Dornan brought against the gentlewoman from California [Ms. SANCHEZ], the sitting Member of Congress from the 46th Congressional District.

So that, in fairness, I say it is time to end this case. Mr. Dornan, in his letter of October 22 through counsel, says he is through. But it is now Ms. SANCHEZ' chance to reply, but she has very little to reply to because Mr. Dornan has not made his case.

I would ask the Members of this House, as they reflect upon this case, think of themselves. Each and every one of us could be in the same situation. Each and every one of us could have the opposite party being in control of the House and a contestant coming forward and saying, I have certain suspicions, certain allegations that I will file, but in 12 months, essentially from November of 1996 until November of 1997, I have not been able to make my case.

Think, if my colleagues were in that situation, if they would not expect their 434 colleagues to say under those circumstances it is time to end this case, it is time to dismiss the contestant's action because he has not, as required by the statute, made his case.

If our oath means something, to defend the Constitution, it clearly means that we should defend the right of each district to elect a Member and to have that election sustained unless it is shown, pursuant to law, that but for certain things happening, the election would have turned out differently.

I would hope that all of us would come to a conclusion and urge the committee to end this matter, to move on, to say to the voters in the 46th District there will be an election shortly, Mr. Dornan says he is going to run, that election will be contested. I believe the committee should and will continue its investigation into any wrongdoing. Clearly, the district attorney is doing that; clearly, the secretary of state is doing that; they are the appropriate authorities.

Let us bring this case to close and bring it to a close now.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I might consume.

I would tell my friend from Maryland [Mr. HOYER] that we can make a comparison between the time when his party controlled the House and when our party controls the House now. The reality was, there was a gentleman who came to this body with a certificate of election. He was denied being seated. They counted the votes in his district under the rules created by the task force on a straight partisan vote, and he was denied his certificate of election. That is what happened under my colleague's majority.

Under our majority, the gentlewoman from California [Ms. SANCHEZ] had a certificate. She has been seated. She is a full Member of this body. She has a full staff. She has a full budget. She carries out her duties every day. Rick McIntyre would have loved to have an opportunity to be treated the same way.

And I will not yield. I will also say that I admire the gentleman's cleverness and his capability. He seems to think that it is important that members of the majority signed a confidentiality statement on October 27. We were working on our work product. We had full confidence we were not going to leak our own material. Leaking the names of people we were checking would have worked against our purposes of keeping things confidential. Once we agreed to a memorandum of understanding with the secretary of state when he said he was willing to sign it, our work product would no longer be protected by us alone. So as a gesture, we said, let us all sign a confidentiality statement.

And so the gentleman's remarkable observation that once the product went outside the committee's jurisdiction, we asked them to do no more than what we did, signing the confidentiality statement somehow became a remarkable point to the gentleman. I think it would be common business.

The gentleman also pointed out that this may be the longest contested election under the act. My colleagues might recall that the act was passed in 1969. Most of the cases were dismissed without ever looking at the question of fraud. This task force was presented with a criminal conspiracy case involving ongoing and clear evidence of fraud, and we are pursuing that based upon the election.

The gentleman says that the filing by Dornan's attorneys that they are through means that the whole case would be through. What happens in the courtroom when the case is presented and the jury then goes to deliberate and has every right to ask for additional information as they make the decision? The gentleman believes that we should have half a case and then stop it before the opinion is rendered.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio [Ms. PRYCE], who also happens to be a judge.

Ms. PRYCE of Ohio. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in opposition to the privileged resolution before us. Let me start by saying that there are few in this body who do not take pleasure in the company and comity of the gentlewoman from California [Ms. SANCHEZ]. It is not pleasant to dwell on the misfortunes of this case, but this issue speaks directly to the integrity of this institution which we should all strive, and strive hard, to protect.

There is a constitutional responsibility of this House to judge the qualifications of its Members, and that of course includes judging the outcome of contested elections. While this task is not a pleasant one, it is one that requires serious attention and thoughtful deliberation as our decisions set important precedents about the legitimacy and integrity of the Federal elections and the laws which govern them and each and every one of us here in this body.

We will hear plenty of impassioned debate today that will be driven by politics and influenced by personalities, but this is not about personal attacks, and it is not about personalities, it is about obeying the law and fulfilling our constitutional responsibilities.

Are my colleagues who have repeatedly asked us to put this matter unresolved behind us really advocating

turning a blind eye to voter fraud? Are they really suggesting that non-U.S. citizens should be allowed to vote in elections and in the same breath demanding campaign finance reform in the interests of honest elections?

Mr. Speaker, I respectfully suggest to my colleagues that we should spend our energy enforcing the laws we have at hand. The law of our land, the law we are bound constitutionally to obey and enforce, that is what this debate is about. Inflammatory rhetoric that evokes images of racism and discrimination, that is transparent. It does a disservice to this institution and to the American ideal of free and fair elections.

In the interests of protecting our Nation's great democracy, I urge my colleagues to fulfill their responsibility to protect the sanctity of American elections by demanding a thorough and honest investigation of this and all contested elections. Nothing less will bring credit to this House.

Mr. Speaker, I urge defeat of the resolution.

□ 2200

Ms. FURSE. Mr. Speaker, I yield 2½ minutes to the distinguished gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY of Connecticut. Mr. Speaker, I rise in support of the privileged resolution and urge the House to consider it favorably.

The investigation undertaken by the majority on the Committee on House Oversight has been long drawn out, and I think it is really long past due when it should be decided. It is exactly a year since LORETTA SANCHEZ won a tough, close election in California. It is now almost exactly 9 months since she was sworn in in this body, in this very Chamber, and it is a little more than a year before she will face the voters of the 46th District of California again.

Mr. Speaker, the women are coming before this body tonight with these privileged resolutions to say, justice delayed is justice denied, and justice has been denied, but let me talk about how it has been delayed.

LORETTA SANCHEZ was elected to the office that she took the oath and was sworn in in this very body, and all she wanted to do was to serve her constituents, to use the talents that attracted her constituents to vote for her, and yet, since she has been here, she has been constantly having to face motions, legal motions, legal bills, legal questions and all she wants to do is serve her constituents.

But, Mr. Speaker, under the Constitution of the United States of America, this House of Representatives has the sole authority to be the judge of its own elections, and there is no credible evidence before us at this point to suggest that Ms. SANCHEZ did not win her election to this House, and that the House was incorrect in swearing her in on that day that we all were sworn in. Yet, now we find out that the House Committee on Oversight wants to send volumes of information back to California to the very Secretary of State that certified that this woman should be the Representative.

Today, Mr. Speaker, we went to see the Speaker of the House, the gentleman from Georgia [Mr. GINGRICH], and we talked to him about what we were about, what the women of this Congress are about, that we just wanted to have this woman, who has been under this huge problem for a year now, that she should be sworn in, and the Speaker spoke to us about problems in the law, in the Federal law. The Speaker spoke to us about problems in the State law, the law of California. The Speaker spoke to us, as he always does, with brilliance, and he was erudite and he did all this good conversation, but what we said to him is, it takes a long time to pass a law in this House, a long time to pass a law in California. All we are asking for is justice for this woman. Please, Mr. Speaker, let her go about her duties; pass the legislation necessary.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 9½ minutes to the gentleman from Michigan [Mr. EHLERS], chairman of the task force, to in part respond. Now that both sides have signed confidentiality statements, this information will probably be made available, and we would like to be the ones to make it available.

Mr. HOYER. Mr. Speaker, will the chairman yield? I am not sure I understand.

The SPEAKER pro tempore (Mr. KINGSTON). The gentleman from Michigan controls the time.

POINT OF ORDER

Mr. HOYER. Point of order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOYER. Mr. Speaker, I raise the point of order that under the rules of the committee, at the request of the committee, we have signed confidentiality agreements. I have not disclosed any information which I have received that was confidential information. The Chairman now says that confidential information is going to be disclosed because the agreements have been signed.

I am not sure I understand that, and whether from a parliamentary standpoint confidential information is appropriate to be disclosed on the floor of this House. We cannot have it both ways, Mr. Speaker.

The SPEAKER pro tempore. The Chair is not able to rule at this point if any information is available or not available as taken in executive session.

The gentleman from Michigan (Mr. EHLERS) is recognized for 9½ minutes.

Mr. EHLERS. Mr. Speaker, I do not plan to discuss confidential information which would be from the INS, such as names and issues such as that, but I do want to share with the body some numbers, numbers which the gentleman from Maryland is familiar with from the work of the task force since he has received most of this information. These are going to be very approximate numbers, but I felt it important to deal with that, and also to give a little bit of history of what the task force has done. I have given partial histories in past debates on this issue, and I will try to deal with some of the questions that have been raised since then.

First of all, it is important to recognize that the Committee on House Oversight and our task force did not choose which election to be involved in. That decision is made by the contestant who files the notice of contest, and that was Mr. Dornan in this case. Mr. Dornan, as has been observed, filed many charges as part of his notice of contest. We have investigated that. We found that many of them did not have a strong basis and were not factors in the election, and so we have put those aside.

The largest issue that did emerge, however, is a question of fraudulent votes by noncitizens, and that deserved greater study.

Now, the problem developed with that, which I will get to in just a moment, that midway in the investigation as Mr. Dornan and the California Secretary of State were pursuing that, suddenly their source of information in the INS was shut off, and that has created a good deal of the delay that we are discussing tonight. Furthermore, as everyone knows from previous discussions, a number of the subpoenas were not responded to.

Now, I have, just for graphic purposes, and I apologize for the poor quality of this, I am an X professor and I am used to working with materials at hand and not hiring people to prepare fancy displays suitable for this audience, but several numbers to remember. The margin of the election. 984 votes is a certified margin, but the recount actually was a 979-vote margin. The Secretary of State does not in California change the certificate to reflect the recount total, but the actual margin of election was 979.

The Registrar of Elections of Orange County, conducting her own investigation of the election, discovered 124 fraudulent absentee ballots using the standard measures under California law for determining which absentee ballots are fraudulent, and also under California law subtracting them from the total.

The California Secretary of State received information from Hermandad, the organization that has been mentioned before, through the Orange County district attorney, indicating 1,163 individuals, and I am sorry I did

not write that number down, 1,163 individuals who had gone through citizenship classes at Hermandad.

That is not necessarily the complete list, because the Orange County District Attorney was not specifically looking for that information, but that is the information they received when they went in and seized the records. There are other records they did not seize. We would like to see those records; they have ignored subpoenas up to this point, and we simply do not have the information.

From those 1,163, with the aid of the Los Angeles district office of the INS, 305 have been identified as noncitizen voters in Orange County, so add the 124 and the 305, those are rock-hard certain voters who are noncitizens.

At that point the Director of the INS in Los Angeles was told by his superiors in Washington to no longer cooperate. That was in late March, early April. We then asked the INS for assistance so that they would furnish the materials to the California Secretary of State. We were refused. We then had to subpoena the INS records, which we did, and there was all together approximately 3 months delay as a result of their decision to cut off the assistance they had been providing.

As the committee tried to develop a list of potential noncitizen voters, the initial list was approximately in the neighborhood of 6,000. That included a list from the INS, a computer match of the Orange County voters versus the records of the INS of individuals where they matched the first name, last name, date of birth.

This also includes a list from the Orange County Registrar of Voters and other officials there of individuals who had refused to accept jury duty because they checked off they were noncitizens, but yet they had voted. This also included individuals who had voted, but there were border crossing cards on record for them in which it was clear that they had been born in another country, and their citizenship could not be verified with the INS.

So this is the gross number, greater than 6,000. Out of that, we culled down approximately 4,000 that looked very seriously as if they could be nonvoters—pardon me, noncitizens who had voted.

Now, much has been made in the resolutions that have been presented here over and over about this delay and no credible evidence. This is credible evidence. Why the delay? Because we have been going through very, very carefully, and what we have to verify is that indeed, the individuals in the INS records and the individuals in the Orange County records are, in fact, one and the same, and so that has allowed us to narrow down the list.

Something else we had to verify. Are the INS records accurate? When they indicate that someone is a citizen or a noncitizen, is there some verification for that? We have to depend on the INS, but we have had them go through and do a search of their records, and we keep searching and keep trying to find the most accurate record we can. The minority has also been helpful in this. They took another search approach, and the information that they came up with has been included.

So notice the number has been shrinking, greater than 6,000, then greater than 4,000, greater than 2,000, approximately 1,000 at this point. Actually, the number is larger, but I do not want to claim any larger number at this point, and we are still working on it, trying to finalize as closely as we can.

In addition, we recently asked the California Secretary of State for assistance, because we want independent verification of these numbers. Roll Call Newspaper erroneously said we were turning the issue over to the California Secretary of State. Not true. We are simply asking them to review what we have done and to verify that it is accurate.

I also want to make it clear that contrary to charges that have been made on the floor, and to which I take considerable offense, we have not targeted Hispanics or Latinos. We have never once asked for any records specifying that we want those with Hispanic or Latino names. We are not targeting women in this race. We are not including illegal immigrants, which we probably should do if we could get a handle on that, and the California Secretary of State is looking at that independently. But there is a whole group of individuals who are not included in this examination, that is the illegal immigrants, simply because the INS has no record of them. If they are illegal, they do not sign up with the INS.

The gentleman from Maryland [Mr. HOYER] has made a point that Mr. Dornan says he is finished. He has submitted his evidence. That is fine, but all of us know that when we go into a court of law, when we finish the case, it is not over. The jury has to deliberate, and we perform the function of the jury.

The point is simply we want to complete the analysis. We are not proceeding with malice, we are not proceeding in an effort to be unfair; we are trying our very, very best to look at these numbers which are very, very substantial numbers and verify as precisely as we can what the actual numbers are, and then we will discuss them with the committee; we will discuss them with the House of Representatives, and a decision will be made as to the final result of the election. That is our responsibility as Members of the task force. Nothing more, nothing less.

There are many other issues that have emerged from this. Others have registered concerns about targeting and this sort of thing. We do not look at those issues; we are simply looking at the votes that were cast in trying to identify which votes were fraudulent.

Now, let me add one more point. The difference between this case and what makes it different from previous cases that the House has frequently dealt with is that the fraud in this case is different. In most previous Congresses when the Congress has dealt with fraud, it has been deliberate fraud, organized fraud, large blocks of votes. That is not true in this case.

I think this is not deliberate fraud, except perhaps on the part of Hermandad, we have to determine that later, but certainly not on the part of the individuals voting. I think they were misled. We are dealing with individuals who honestly thought they were doing the right thing. Nevertheless, if the votes are fraudulent, that must be dealt with.

I thank the Speaker for the time to present this, and I ask the indulgence of the House as we continue to wrap this up, I hope as soon as possible, and as accurately as possible.

□ 2215

Ms. FURSE. Mr. Speaker, I yield 4 minutes to the gentleman from Connecticut [Mr. GEJDENSON], a Member of the committee.

Mr. GEJDENSON. Mr. Speaker, I can frankly only remember one other similar instance, when a Senator from Wisconsin held up a list of 120 suspects in the State Department, and somehow they were disloyal to the United States; never got any names, we never found any agents in the State Department, but boy, he had numbers out there and he was waving them around.

What they have done here today is they cannot tell us the names because they are secret. Let me tell Members, the chairman of this committee has an obsession with secrecy. He tried to make the public minutes of a meeting secret at one of our first meetings, and astounded, frankly, all of my staff.

We have come here today once again back exactly where we started. They have never before used the INS to check for election results. Why? One, we have never had an Hispanic woman we were looking at. So when we are dealing with other ethnic groups of this country, we do not think of going to the INS.

What did the INS tell the chairman of the committee and the Congress when it was first asked for these numbers? And, by the way, these are not all the numbers they have. They started off with half a million suspects in a district where 100,000 people voted. The INS said, you cannot use our files to verify voters. But even if we look at their numbers down to that final thousand, from that we cannot tell whether that final thousand voted for SANCHEZ or Dornan. The law says we have to prove it would change the outcome.

I cannot give Members the names, either, but let me tell the Members, there is a Mrs. Jones here. It is a Spanish surname, instead of Jones. There are 18 of them in the INS records. Mrs. Jones exists 18 times in the INS records. Yes, there is one Mrs. Jones in the voting list that did vote. Now, Mrs. Jones might have voted wrong once, but she could not vote wrong 18 times, because there are not 18 times Mrs. Jones' name is on that list.

Let me tell the Members something. This may be about a lot of things. It could be a vendetta. We keep hearing about the Indiana case. I am happy to argue the Indiana case in a separate venue. But let me tell the Members, if it is the Indiana case that is going to drive the majority, we will make Bosnia look like a picnic. They take one, we will take one; next year we will challenge everybody, and we will get the INS in everywhere.

Mr. Speaker, when we get sensitive to the attack on the basis that we keep raising the Hispanic issue, excuse me? The record of their party makes the statement very clearly.

Mr. Speaker, I will close with this. In 1980 the Republican Party went to New Jersey, and it dressed people up in police officers' uniforms, and they used ballot security police to intimidate new citizens and poor people from voting. In the 1990s in California, the Republican Party paid a $400,000 fine for the same kind of Gestapo tactics at the polls.

Now, once again, we have the gentlewoman from California [Ms. SANCHEZ]. We have a list of people here. We have numbers. That chart is about as graphic an example of the phony arguments on the other side as we can find. If they had a thousand names, they would bring them out here. What they are doing is dragging this lady through the mud. They are trying to break her financially. They are trying to break her spirit. But I have news for the Members, she is getting stronger.

The country is not going to put up with reviewing elections for longer than the term of office the individual is elected to. We are going a year after her election. She has won by more votes than the Speaker of this House won by when we were in control. Leave her alone. Let her do her job.

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

Mr. Speaker, I want to thank the gentleman for his crosscheck with the INS. Apparently his request he believes to be more accurate than our request.

Where we found citizens, for example, Mrs. Jones was removed, where we found duplicates, they were removed; where we find a Jane A. Jones with a date of birth that matches, first name, last name, middle initial, date of birth, with the same address on the INS records as on the voted list, we are pushing it to that level and beyond for accuracy. Those are the numbers that the gentleman presented us.

It is my pleasure now to yield 4 minutes to the gentlewoman from Washington [Ms. DUNN], a State which has a procedure on their voting records, their Registrar of Records, which I wish the Nation would emulate.

Ms. DUNN. Mr. Speaker, I rise in opposition to the privileged resolution on the floor.

Mr. Speaker, I am lucky to be from a State that has so far experienced little or no voter fraud. Lord knows, if any fraud were to occur in any of our elections in Washington State, we would be very quick to staunch it and make sure we had a process in place never to allow it to happen again. That is, Mr. Speaker, why I have so many questions about the issue before us this evening.

Why would anyone want to end this election fraud investigation before the facts are in? Why have the Democrats resisted the establishment of precedents that will ensure that future contested elections will be investigated thoroughly and efficiently? Why have they challenged the constitutionality of the Federal Contested Elections Act? Why do they not want a process that allows the contestee and the contestant to get at the truth?

Why are they not eagerly supporting a process that allows State and local officials to verify the legitimacy of registrations? Mr. Speaker, why not find out exactly how many persons are illegally registered in the 46th District of California? Why would anyone want to leave a single illegal voter on the voting rolls of the State of California?

Mr. Speaker, during our last debate the gentleman from New Jersey [Mr. MENENDEZ] commented that this affects more than just the Federal election. He is exactly correct. That is what is so disturbing about the Democrats' position in this case. Fraudulent voters jeopardize the legitimacy of all the elections, up and down the ballot, all across California and many other States. We need to do something about that, and we need to start by completing this investigation.

Mr. Speaker, I want to recall the words of Democrat President Grover Cleveland, who, in his first inaugural address, stated "Your every voter as surely as your chief magistrate exercises a public trust." That is what this is about, public trust in our democratic process.

We have an honor system of voting in our Nation, and that honor has been desecrated by any person who casts an illegal ballot in this or any other election. This is why we must complete this investigation. We must, in order to restore the honor of our system, determine the extent of the corruption.

Ms. FURSE. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. MENENDEZ].

Mr. MENENDEZ. Mr. Speaker, the gentlewoman said she is lucky to be from a State that does not see voter fraud. I am unlucky to be from a State that has seen the Republican Party be part of voter suppression and intimidation that ended up in the Federal court decision that is still continuing in elections in New Jersey.

The gentlewoman from California [Ms. SANCHEZ] is unlucky to be from a State where the Republican Party paid $600,000 to settle two voter intimidation lawsuits stemming from actions in 1988 and 1989 in which the Orange County Republican Party placed security guards and signs at the voting polls designed to scare Latino voters from voting. That is the fact.

So when the gentleman before mentioned about transparency, transparency is that the history on the records, in the Federal court, has condemned their party for what they have done to my people. That is the reality of that transparency.

I just listened to the gentleman from Michigan [Mr. EHLERS], who I have a personal respect for, but I listened to what he had to say. His facts and his figures, we have gone from 500,000 questionable voters to 1,000, in his final number there. What an incredible amount.

And when we look at it, he keeps referring to Orange County voters. He fails to mention that there are six congressional districts in Orange County. The gentlewoman from California [Ms. SANCHEZ] is not the only congressional district in Orange County. They all fail to mention all of the Republic candidates that won, and they do not question their elections at the same time in which they allegedly received these votes.

The fact of the matter is that for those Members who get upset about our concerns that what they are doing is clearly based on the question and to a large degree on ethnicity, I cannot wait for the names to be revealed. I want to say how many Thomases, how many Ehlers, how many Smiths are on that list.

I can guarantee Members that when we see the list, when it finally shows the light of day, everything that we have said there will be very clear. That is why their party has been sanctioned, that is why the Federal courts have made them pay money, and that is why they are pursuing this case in the manner in which they have. They have gone from a half a million to a thousand, and they cannot even prove that will overturn the election.

Yes, they have seated her, but they have bled her every day that she has been here, and we as a community will not tolerate it.

Ms. FURSE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Speaker, I have been wondering, what triggered the Republican Party to initiate this

broad-scale investigation, spending thousands of dollars? I thought, is it their conservative nature? If so, they have contradicted that with spending thousands of dollars for this cause in which they have no ending. This is an unending cause.

And I thought, are they trying to protect the sanctity of the Republican Party? I have no answer to that one.

Is it their dogged determination to bestow some honor to a verbose candidate who lost in a district that he had been winning in for quite a long time, with some nontraditional voters going against him?

It was time for him. It was his time. When my time comes, I am going to take it like a woman. If I lose, I am going to take it like a woman. I am not coming to Members asking them to investigate somebody because CARRIE MEEK lost. I am strong. I do not have to come to them. They would make me to be some kind of icon, with all these kinds of verbose statements about me, making me so grand, like I am some Oracle at Delphi. That does not happen here. What happens here is we work hard. If we win, the people, if they want us there, they will send us back.

Members can contest these little votes if they want to, but I will tell the Members what image they are sending to this country. The image and the message they are sending is Hispanic, woman, ethnicity. I do not care how Members do it, how they cloak it in their numbers, that is the image that they are sending throughout this country. Think about it: Hispanic, woman, someone who cannot take a beating. That is the message they are sending.

I say to the Members, they had better clean this act up, because every woman in this country is watching them. I did not come here because I am a Democrat, I came up here because I think the gentlewoman from California, Ms. LORETTA SANCHEZ, has been given a short shrift. She has been given a short shrift, I do not care what party she is, even if she is in Ross Perot's party.

I am saying, clean this stuff up. Stop worrying about it and let this woman take her seat.

□ 2230

Ms. FURSE. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Michigan [Ms. STABENOW].

Ms. STABENOW. Mr. Speaker, on January 7 of this year, I was honored to enter this body as an incoming Member with over 70 new Members on both sides of the aisle, including the gentlewoman from California [Ms. SANCHEZ]. A number of the incoming freshmen won by very small numbers of votes, many fewer votes than the number that LORETTA SANCHEZ won by. Yet after one year and almost a half a million dollars of taxpayers' money being spent on an investigation, we have nothing to show for it of any concrete evidence, just a lot of hyperbole at this point.

The question that I have for the other side of the aisle is that if, in fact, there are 1000 people who chose to vote who should not have voted in this election, they did not just vote for a Congresswoman or vote for the Congressman at that time. They voted for local officials. They voted for a State rep. They voted for a State Senator. They voted for local ballot initiatives.

Why is it that the only question, the only challenge, the only investigation is on the only Hispanic woman sitting here, Ms. SANCHEZ? What about those other seats? What about challenging those other kinds of races? We do not hear anything about that. We hear only about harassment of a woman who is serving her district well. It is time to stop it.

Ms. FURSE. Could the Chair inform us of the amount of time on each side?

The SPEAKER pro tempore (Mr. KINGSTON). The gentlewoman from Oregon [Ms. FURSE] has 6 minutes remaining, and the gentleman from California [Mr. THOMAS] has 3½ minutes remaining.

Ms. FURSE. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Speaker, earlier today I asked unanimous consent to address the House out of order for two minutes, and it was objected to by the chairman of the Committee on Rules.

Let me just say this, sitting here with some interest, you have 1000 votes here that are on a chart, and you are assuming that LORETTA SANCHEZ got every one of those votes, no names, 1000 votes. From 500,000, you have come to 1000 votes. Is that not remarkable? And there is nothing on that list, according to what you insinuate, there is nothing on that but Hispanic voters that voted illegally.

Listen, what we are doing here tonight and what you are doing here tonight, Mr. Speaker, is wrong.

Let me just say this to you, I was here when the Indiana situation came about. It might have been wrong. During the last campaign Republicans campaigned all over this country and they said, the Democrats have been in charge for 40 years and we are not going to run this House like the Democrats did. The chairman of the Committee on Rules stood in this well when he was in the minority and said, when we get to be in charge, we will not have closed rules and we will not run this House like the Democrats.

What you are doing here is wrong. You cannot defend it. It is absolutely wrong and we should be ashamed of this charade that is taking place in this House. This gentlewoman won fair and square. Every Member of this House received a certificate from the Secretary of State congratulating us for being elected to the people's House, the United States Congress. They sent everybody a certificate. They sent the gentlewoman from California [Ms. SANCHEZ] a certificate.

Now you have sent back to California, to this same guy that gave this certificate to Ms. SANCHEZ, it says, you have to check on this some more because we cannot find anything here. Our witch-hunt is over.

It is time to stop this because it is not right.

Mr. THOMAS. Mr. Speaker, I yield myself 15 seconds to assist the gentleman in his math. The 1000 numbers were those that achieve a very high level check through the INS. The chairman failed to mention the 124 that the registrar has already discovered, the 305 that the LA INS and the Secretary of State have certified and the more than 1000 that were currently going through with the INS. Frankly, the number is far beyond the statement I have heard repeated over and over again of a number which simply is not creditable.

Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, let me just say to my friend who just spoke, 60 percent of the votes that were counted that were registered by one organization had been found to be fraudulent by the Secretary of State. We have not got all the votes. There is not a single Member in this House who, if that happened to them and one of the organizations registering and voting people had 60 percent of their voters found to be fraudulent, would say, let us drop the investigation. Let us leave it.

Mr. Dornan is having just as tough a time with this delay and the gentlewoman from California [Ms. SANCHEZ] is. We want to have it over, but we owe it to the people to finish the investigation.

Ms. FURSE. Mr. Speaker, I yield 10 seconds to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Speaker, to my friend from California, I would only say this, there were other elections, there were other people that were on the same ticket as Mr. Dornan and Ms. SANCHEZ. And you are not questioning the validity of those votes that went to those people. They are not being contested. The numbers are all being taken from Ms. SANCHEZ' total votes.

Ms. FURSE. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I tell the gentlewoman from Washington State, nobody wants this investigation to go away or to end. In fact, the gentlewoman from Washington may not know, there is a district attorney of Orange County investigating this case. That investigation is before the grand jury and ought to continue. The Secretary of State has a responsibility to

ensure voter integrity on the rolls. He is continuing his investigation.

The judge from Ohio said this always happens. It never happens.

Mr. Dornan has said his case is over. He has rested in effect. The jury is never allowed to get additional evidence, never. What kind of law do you practice on that side where the jury can say, well, I know the two parties have rested but we are going to get additional evidence? It never happens, my friends, never. They can ask to review existing evidence; that is true. But they cannot go out and seek new evidence.

Mr. Dornan says this case is through. It is time for the parties to decide. The fact of the matter is, these figures put forth by the gentleman from Michigan [Mr. EHLERS], nobody knows. The gentleman from Michigan [Mr. EHLERS] put up some figures, 979, that is the most important figure. That is the majority by which LORETTA SANCHEZ was elected to this House.

He then gets down to other figures, 6000. That has less, I tell you, than 500 who possibly could be considered in the 46th district. I do not even know why that 6000 was on that board, because they are not involved in the 46th district, all of them, some are.

The fact of the matter is, however, as the gentleman from Connecticut pointed out, nobody knows or will know for whom those folks voted. We do know this: that over a third of those people are Republicans, about 15 percent are other independents, not affiliated. Only half are Democrats. It is time to end this case.

The SPEAKER pro tempore. The gentlewoman from Oregon [Ms. FURSE] has 1¾ minutes remaining, and the gentleman from California [Mr. THOMAS] has 2¾ minutes remaining.

The gentlewoman from Oregon [Ms. FURSE] has the right to close.

Mr. THOMAS. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. ARMEY], majority leader, who happens to be part of the jury that constitutionally is the sole judge of its Members. When you have the constitutional power to judge, you have the right to get all the information.

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARMEY] is recognized for 2¾ minutes.

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

We have 22, I believe, filings of privileges of the House on this same subject. This, Mr. Speaker, is number one of those 22 that must be dealt with today under the rules of the House. Twenty-two today, I think some eight filed that would come due tomorrow, and another eight or so to do the other. I am sure that represents, on behalf of an awful lot of Members doing all that filing, a statement.

But I have to tell my colleagues, I weary of it. I weary of the shouting. I weary of the accusing. I weary of the finger pointing. I weary of the feigning of moral outrage. I weary of the sophomoric strategy. I think the rest of the House shares that weariness. We have work we are trying to get done, work that is important to the American people.

While we are doing that, we have an obligation given to us by the Constitution of the United States. We are conducting an investigation about the legality of the votes cast in a congressional race in order to determine the legality of the seating of a Member of this House as given to us as a responsibility of the Constitution. We are not going to do a minimal job on that. We are not going to do a half-hearted job on that.

We are not going to give it a wink and a nod and bow to the pressures that are supposed to have been brought to us by somebody having made the allegation that really in fact has nothing to do with this body, has nothing to do with the Constitution, has nothing to do with the question of whether or not American elections will be confined to participation by American citizens, but it has to do with you Republicans who are racists, you Republicans who are sexists, et cetera.

What shallow malarkey. Rise above it. Let us get back to work. This job will be done in accordance with the responsibilities given to us by the Constitution of the United States, and it will be done thoroughly, professionally and completely, until it is the truth of the matter that is found. And no intimidation, no allegation, no screaming, no hollering, no accusation, no pointing of fingers is going to stop this Congress from doing its duty. That is what the Constitution was written about, people who are willing to do their duty.

That is what will be done.

Ms. FURSE. Mr. Speaker, I yield the balance of my time to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, we, too, are weary on this side of the aisle. End this witch-hunt. End the malarkey on your side of the aisle, and let this investigation conclude and let LORETTA SANCHEZ continue her fine work as representing the 46th District of California.

□ 2245

Democrats are sending a simple message tonight with these resolutions: It is enough, the investigation of allegations by Citizen Dornan, with subpoena power unprecedented in the history of the House of Representatives. The majority of these allegations have proven to be without merit. Fraudulent voters, who have turned out to be nuns and Marines and even some of his own supporters. Enough of this waste of taxpayers' dollars. Eleven months, a half a million dollars, and we are still counting. Enough with the attempts by the Republican Party to intimidate Hispanic-American voters, an 8-year history in southern California of intimidating Latino voters at the polls.

No investigation like this has been targeted at Italian-Americans, Irish-Americans, or Jewish-Americans. There were other closer elections in 1996. They did not result in this kind of an investigation. It is interesting to note that the surnames of those Members are FOX and SMITH, and not SANCHEZ.

Today, Democrats are saying to the Republican leadership of this House, enough is enough. We can say it in Italian, and we can say it in Spanish and the word is the same, "basta," stop this intimidation. Stop this investigation of Hispanic-American voters in this country. Allow the democratic process to go forward.

The people of the 46th district elected the gentlewoman from California, Ms. LORETTA SANCHEZ. They said no to Bob Dornan. This House ought to have the courage to say no to Bob Dornan and end this investigation of the gentlewoman from California, Ms. LORETTA SANCHEZ.

MOTION TO TABLE OFFERED BY MR. THOMAS

Mr. THOMAS. Mr. Speaker, I have a motion at the desk.

The SPEAKER pro tempore (Mr. KINGSTON). The Clerk will report the motion.

The Clerk read as follows:

Mr. THOMAS moves to lay the resolution on the table.

The SPEAKER pro tempore (Mr. KINGSTON). The question is on the motion to table offered by the gentleman from California [Mr. THOMAS].

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

RECORDED VOTE

Ms. FURSE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 217, noes 194, answered "present" 1, not voting 21, as follows:

[Roll No. 583]

AYES—217

Aderholt	Boehlert	Chambliss
Archer	Boehner	Chenoweth
Armey	Bonilla	Christensen
Bachus	Brady	Coble
Baker	Bryant	Coburn
Ballenger	Bunning	Collins
Barr	Burr	Combest
Barrett (NE)	Burton	Cook
Bartlett	Buyer	Cooksey
Barton	Callahan	Crane
Bass	Calvert	Crapo
Bateman	Camp	Cunningham
Bereuter	Campbell	Davis (VA)
Bilbray	Canady	Deal
Bilirakis	Cannon	DeLay
Bliley	Castle	Diaz-Balart
Blunt	Chabot	Dickey

Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Foley
Fossella
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (FL)

NOES—194

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Carson
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Forbes
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Goode
Gordon
Green
Gutierrez
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

ANSWERED "PRESENT"—1

Sanchez

NOT VOTING—21

Bono
Clement
Cox
Cubin
Fawell
Flake
Foglietta
Fowler
Gonzalez
Hall (OH)
McKinney
Moakley
Murtha
Riley
Scarborough
Schiff
Skelton
Smith (OR)
Stark
Yates
Young (AK)

□ 2305

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REQUEST TO REDUCE TIME FOR ELECTRONIC VOTING ON RESOLUTIONS OFFERED AS QUESTION OF PRIVILEGES OF THE HOUSE ON TODAY

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that any remaining resolutions offered today as a question of the privileges of the House be considered as read and that the minimum time for electronic voting on any question arising with respect to consideration of such a resolution may be reduced to 2 minutes.

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

Mr. MENENDEZ. Mr. Speaker, reserving the right to object, is that my understanding that, therefore, there would be no debate on the individual privileged resolution that a Member who has submitted them in a timely fashion would have an opportunity to have a debate based on the unanimous-consent request?

The SPEAKER pro tempore. If a motion to table is offered before debate begins, that would be correct, and the resolution would not be debatable.

Mr. MENENDEZ. Mr. Speaker, continuing my reservation, my understanding of the unanimous-consent request is that they be voted and that there be a dispensation of the reading. The question is whether or not there would be an opportunity to debate what an individual Member has presented in their privileged resolution.

The SPEAKER pro tempore. It would depend on whether a motion to table were offered at the outset.

Mr. MENENDEZ. Mr. Speaker, further reserving my right to object, can the parliamentarian through the Speaker tell me whether privileged resolutions, whether individuals have been denied the right to speak on a privileged resolution that they have offered before the House in previous Congresses?

The SPEAKER pro tempore. The Chair cannot respond to place events in historical context.

Mr. MENENDEZ. Mr. Speaker, based upon the fact that it certainly seems like a gag rule, and as far as I know it is unprecedented to go ahead and stop a Member from pursuing a privileged resolution, I would have to object to the request.

The SPEAKER pro tempore. Objection is heard.

ADJOURNMENT

Mr. ARMEY. Mr. Speaker, I move that the House do now adjourn.

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

RECORDED VOTE

Mr. MENENDEZ. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 216, noes 192, not voting 25, as follows:

[Roll No. 584]

AYES—216

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Conyers
Cook
Cooksey
Crane
Crapo
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Foley
Fossella
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones

Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Schaefer, Dan
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (FL)

NOES—192

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Carson
Clay
Clayton
Clyburn
Condit
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Forbes
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Goode
Gordon
Green
Gutierrez
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sandlin
Sawyer
Schaffer, Bob
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Wexler
Weygand
Wise
Woolsey
Wynn

NOT VOTING—25

Bono
Clement
Cox
Cubin
Fawell
Flake
Foglietta
Fowler
Gonzalez
Hall (OH)
Lantos
McKinney
Moakley
Murtha
Norwood
Riley
Sanchez
Scarborough
Schiff
Smith (OR)
Stark
Stokes
Waxman
Yates
Young (AK)

□ 2325

So the motion to adjourn was agreed to.

The result of the vote was announced as above recorded.

Accordingly (at 11 o'clock and 26 minutes p.m.), the House adjourned until tomorrow, Thursday, November 6, 1997, at 10 a.m.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 940. An act to provide for a study of the establishment of Midway Atoll as a national memorial to the Battle of Midway, and for other purposes; to the Committee on Natural Resources.

S. 1324. An act to deauthorize a portion of the project for navigation, Biloxi Harbor, Mississippi; to the Committee on Transportation and Infrastructure.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 79. An act to provide for the conveyance of certain land in the Six Rivers National Forest in the State of California for the benefit of the Hoopa Valley Tribe.

H.R. 672. An act to make technical amendments to certain provisions of title 17, United States Code.

H.R. 708. An act to require the Secretary of the Interior to conduct a study concerning grazing use and open space within and adjacent to Grand Teton National Park, Wyoming, and to extend temporarily certain grazing privileges.

H.R. 2464. An act to amend the Immigration and Nationality Act to exempt internationally adopted children 10 years of age or younger from the immunization requirement in section 212(a)(1)(ii) of such Act.

SENATE ENROLLED BILL SIGNED

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 588. An act to provide for the expansion of the Eagles Nest Wilderness within the Arapaho National Forest and the White River National Forest, Colorado, to include land known as the Slate Creek Addition.

S. 589. An act to provide for the boundary adjustment and land conveyance involving the Raggeds Wilderness, White River National Forest, Colorado, to correct the effects of earlier erroneous land surveys.

S. 591.—An act to transfer the Dillon Ranger District in the Arapaho National Forest to the White River National Forest in the State of Colorado.

S. 931. An act to designate the Marjory Stoneman Douglas Wilderness and the Ernest F. Coe Visitor Center.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 79. An act to provide for the conveyance of certain land in the Six Rivers National Forest in the State of California for the benefit of the Hoopa Valley Tribe.

H.R. 672. An act to make technical amendments to title 17, United States Code.

H.R. 708. An act to require the Secretary of the Interior to conduct a study concerning grazing use and open space within and adjacent to Grand Teton National Park, Wyoming, and to extend temporarily certain grazing privileges.

H.R. 2464. An act to amend the Immigration and Nationality Act to exempt internationally adopted children 10 years of age or younger from the immunization requirements in section 212(a)(1)(A)(ii) of such Act.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

5751. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Walnuts Grown in California; Decreased Assessment Rate [Docket No. FV97-984-1 IFR] received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5752. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Almonds Grown in California; Interhandler transfers of Reserve Obligations [Docket No. FV97-981-2 FR] received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5753. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida; Limiting the Volume of Small Florida Red Seedless Grapefruit [Docket No. FV97-905-1 IFR] received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5754. A letter from the AMD—Performance Evaluation and RECORDS Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (New Boston,

Texas, and Idabel, Oklahoma) [MM Docket No. 97-9, RM-8929, RM-9067] received November 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5755. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Fees for Providing Production Certification-related Services Outside the United States (Federal Aviation Administration) [Docket No. 28967; Amdt. No. 187-10] (RIN: 2120-AG14) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5756. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pilatus Britten-Norman Ltd. Models BN-2, BN-2A, BN-2B, and BN-2T Series Airplanes (Federal Aviation Administration) [Docket No. 96-CE-17-AD; Amdt. 39-10173; AD 97-22-02] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5757. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Change Time of Designation for Restricted Areas R-5104A/B, and R-5105; Melrose, NM [Airspace Docket No. 97-ASW-10] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5758. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of VOR Federal Airway; CA (Federal Aviation Administration) [Airspace Docket No. 97-AWP-17] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5759. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revocation of Restricted Area R-4501G; Fort Leonard Wood, MO [Airspace Docket No. 97-ACE-6] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5760. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 29050; Amdt. No. 1831] (RIN: 2120-AA65) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5761. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 29049; Amdt. No. 1830] (RIN: 2120-AA65) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5762. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 29048; Amdt. No. 1829] (RIN: 2120-AA65) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5763. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; Alamosa, CO (Federal Aviation Administration) [Airspace Docket No. 97-ANM-02] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5764. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Delaware, OH (Federal Aviation Administration) [Airspace Docket No. 97-AGL-29] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5765. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Rochester, IN (Federal Aviation Administration) [Airspace Docket No. 97-AGL-30] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5766. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Removal of Class E Airspace; Minocqua-Woodruff, WI (Federal Aviation Administration) [Airspace Docket No. 97-AGL-32] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5767. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Bloomington, IL (Federal Aviation Administration) [Airspace Docket No. 97-AGL-33] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5768. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Norwalk, OH (Federal Aviation Administration) [Airspace Docket No. 97-AGL-28] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5769. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Mason, MI (Federal Aviation Administration) [Airspace Docket No. 97-AGL-27] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5770. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Wrightstown, NJ (Federal Aviation Administration) [Airspace Docket No. 97-AEA-32] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5771. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Point Pleasant, WV (Federal Aviation Administration) [Airspace Docket No. 97-AEA-31] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5772. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Summerville, WV (Federal Aviation Administration) [Airspace Docket No. 97-AEA-33] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5773. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Indian Head, MD (Federal Aviation Administration) [Airspace Docket No. 97-AEA-34] (RIN: 2120-AA66) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5774. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Industrie Aeronautiche e Meccaniche Rinaldo Piaggio S.p.A. Model P-180 Airplanes (Federal Aviation Administration) [Docket No. 97-CE-25-AD; Amdt. 39-10183; AD 97-22-11] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5775. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; SIAI Marchetti S.r.l. Models SF600 and SF600A Airplanes (Federal Aviation Administration) [Docket No. 97-CE-26-AD; Amdt. 39-10184; AD 97-22-12] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5776. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Luftfahrt GMBH Models 228-100, 228-101, 228-200, 228-201, 228-202, and 228-212 Airplanes (Federal Aviation Administration) [Docket No. 97-CE-23-AD; Amdt. 39-10181; AD 97-22-09] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5777. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Partenavia Costruzioni Aeronauticas, S.p.A. Models AP68TP 300 "Spartacus" and AP68TP 600 "Viator" Airplanes (Federal Aviation Administration) [Docket No. 97-CE-24-AD; Amdt. 39-10182; AD 97-22-10] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5778. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pilatus Aircraft LTD Models PC-6/B1-H2, PC-6/B2-H2, PC-6/B2-H4, and PC-12 Airplanes (Federal Aviation Administration) [Docket No. 97-CE-18-AD; Amdt. 39-10180; AD 97-22-08] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5779. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328-100 Series Airplanes Equipped with BURNS Aerospace Corporation Passenger Seats (Federal Aviation Administration) [Docket No. 97-NM-84-AD; Amdt. 39-10178; AD 97-06-07 R1] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5780. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A310 and A300-600 Series Airplanes Equipped with Pratt &

Whitney Turbofan Engines (Federal Aviation Administration) [Docket No. 96-NM-64-AD; Amdt. 39-10157; AD 97-21-04] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5781. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737 Series Airplanes (Federal Aviation Administration) [Docket No. 97-NM-229-AD; Amdt. 39-10179; AD 97-22-07] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5782. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pilatus Britten-Norman Ltd. (formerly Britten-Norman) BN2A MK.111 Series Airplanes (Federal Aviation Administration) [Docket No. 86-CE-23-AD; Amdt. 39-10171; AD 86-07-02 R1] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5783. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pilatus Britten-Norman Ltd. (formerly Britten-Norman) BN-2A, BN-2B, and BN-2T Series Airplanes (Federal Aviation Administration) [Docket No. 96-CE-25-AD; Amdt. 39-10170; AD 97-22-01] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5784. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 and 767 Series Airplanes Equipped with General Electric (GE) CF6-80C2 Engines (Federal Aviation Administration) [Docket No. 97-NM-243-AD; Amdt. 39-10175; AD 97-22-04] (RIN: 2120-AA64) received November 4, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5785. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—*Royal Caribbean Cruises, Ltd.* v. *United States*—received November 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

5786. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—*Sun Microsystems, Inc.* v. *Commissioner*—received November 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

5787. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—*Trans City Life Insurance Company* v. *Commissioner*—received November 5, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. H.R. 2440. A bill to make technical amendments to section 10 of title 9, United States Code (Rept. 105-381). Referred to the Committee of the Whole House on the State of the Union.

Mr. SOLOMON: Committee on Rules. House Resolution 301. Resolution amending the Rules of the House of Representatives to repeal the exception to the requirement that public committee proceedings be open to all media (Rept. 105-382). Referred to the House Calendar.

Mr. SOLOMON: Committee on Rules. House Resolution 305. Resolution waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules, and for other purposes (Rept. 105-383). Referred to the House Calendar.

Mr. LINDER: Committee on Rules. House Resolution 306. Resolution waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules, and for other purposes (Rept. 105-384). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. TAYLOR of Mississippi:

H.R. 2814. A bill to require the adjustment of tariffs on products imported into the United States from the People's Republic of China based on the amount by which tariffs on products exported from the United States to the People's Republic of China exceed tariffs on products of the People's Republic of China imported into the United States; to the Committee on Ways and Means.

By Mr. WELLER:

H.R. 2815. A bill to amend title 18, United States Code, to provide penalties for the use of interstate facilities to target children for sexually explicit messages or contacts; to the Committee on the Judiciary.

By Mr. CRANE:

H.R. 2817. A bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of printed wiring board and printed wiring assembly equipment; to the Committee on Ways and Means.

By Mr. DEFAZIO (for himself, Ms. FURSE, Mr. MARKEY, Mr. STARK, Mr. FRANK of Massachusetts, Mrs. MALONEY of New York, Ms. HOOLEY of Oregon, and Mr. LUTHER):

H.R. 2818. A bill to repeal the pilot recreation fee program, and to establish a royalty on hardrock minerals, the proceeds of which are to be used for public recreational sites managed by the Department of the Interior or the United States Forest Service, and for other purposes; to the Committee on Resources.

By Mrs. JOHNSON of Connecticut (for herself and Mr. MATSUI):

H.R. 2819. A bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit and to modify the alternative incremental credit; to the Committee on Ways and Means.

By Mr. JOHNSON of Wisconsin (for himself and Mr. EHRLICH):

H.R. 2820. A bill to exclude certain veterans disability benefits from consideration as adjusted income for purposes of determining the amount of rent paid by a family for a dwelling unit assisted under the United States Housing Act of 1937; to the Committee on Banking and Financial Services.

By Mrs. KENNELLY of Connecticut (for herself, Mr. CRANE, Ms. DANNER, Mrs. EMERSON, Mrs. THURMAN, Mrs. LOWEY, Mr. LIPINSKI, Mr. RAMSTAD, Mr. YATES, and Mr. WELLER):

H.R. 2821. A bill to amend the Internal Revenue Code of 1986 to waive the income inclusion on a distribution from an individual retirement account to the extent that the distribution is contributed for charitable purposes; to the Committee on Ways and Means.

By Mr. KNOLLENBERG (for himself and Mr. BARCIA of Michigan):

H.R. 2822. A bill to reaffirm and clarify the Federal relationship of the Swan Creek Black River Confederated Ojibwa Tribes as a distinct federally recognized Indian tribe, and for other purposes; to the Committee on Resources.

By Ms. NORTON (for herself, Mrs. MORELLA, Mr. HOYER, Mr. WYNN, and Mr. MORAN of Virginia):

H.R. 2823. A bill to direct the Administrator of the Environmental Protection Agency to carry out a pilot program for restoration of urban watersheds and community environments in the Anacostia River watershed, District of Columbia and Maryland, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. SALMON (for himself, Ms. RIVERS, Mrs. MYRICK, Mr. TAYLOR of North Carolina, Mr. BALLENGER, Mr. CHRISTENSEN, Mr. HAYWORTH, Mr. SCARBOROUGH, Mr. GRAHAM, and Mr. TAYLOR of Mississippi):

H.R. 2824. A bill to provide that annual pay adjustments for Members of Congress shall not be made in the year immediately following any fiscal year in which a budget deficit exists, and for other purposes; to the Committee on Government Reform and Oversight, and in addition to the Committee on House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SANFORD:

H.R. 2825. A bill to establish procedures to ensure a balanced Federal budget by fiscal year 2002 and to create a Social Security reform reserve fund to revenues generated by economic growth; to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SCHUMER (for himself, Ms. CARSON, Ms. FURSE, Mr. PAUL, Ms. VELÁZQUEZ, Mr. FROST, Mr. JACKSON, Mr. HINCHEY, Mr. FILNER, Mr. TORRES, Mr. NADLER, Mr. GUTIERREZ, Ms. KILPATRICK, and Mr. CLYBURN):

H.R. 2826. A bill to amend the Internal Revenue Code of 1986 to provide a credit for the purchase of a principal residence within an empowerment zone or enterprise community by a first-time homebuyer; to the Committee on Ways and Means.

By Mr. SCHUMER:

H.R. 2827. A bill to amend the Internal Revenue Code of 1986 to require that a taxpayer may request a receipt for an income tax payment which itemizes the portion of the payment which is allocable to various Government spending categories; to the Committee on Ways and Means.

By Mr. TRAFICANT (for himself and Mr. NEY):

H.R. 2828. A bill to direct the Capitol Police Board to establish a pay scale and benefit package for members and civilian employees of the United States Capitol Police equivalent to the pay scale and benefit package applicable to members of the United States Secret Service Uniformed Division; to the Committee on House Oversight.

By Mr. VISCLOSKY (for himself, Mr. LOBIONDO, Mr. ABERCROMBIE, Mr. BARRETT of Wisconsin, Mr. BERRY, Mr. BLAGOJEVICH, Mr. BOEHLERT, Mr. BONIOR, Mr. BROWN of Ohio, Mr. BUYER, Mr. CASTLE, Mr. CRAMER, Mr. COSTELLO, Mr. COYNE, Ms. CARSON, Mr. DAVIS of Virginia, Mr. DICKS, Mr. DEUTSCH, Mrs. EMERSON, Ms. ESHOO, Mr. ETHERIDGE, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FAZIO of California, Mr. FILNER, Mr. FOX of Pennsylvania, Mr. FRANK of Massachusetts, Mr. FROST, Ms. FURSE, Mr. GEJDENSON, Mr. GILMAN, Mr. GORDON, Mr. GUTIERREZ, Ms. HARMAN, Mr. HASTINGS of Florida, Mr. HINCHEY, Mr. HOLDEN, Mr. HORN, Mr. JACKSON, Mr. JOHNSON of Wisconsin, Mr. KENNEDY of Rhode Island, Mr. KILDEE, Ms. KILPATRICK, Mr. KLECZKA, Mr. KLUG, Mr. LAMPSON, Mr. LANTOS, Mr. LAZIO of New York, Mr. LIPINSKI, Ms. LOFGREN, Mrs. LOWEY, Mr. MANTON, Mr. MARTINEZ, Mr. MATSUI, Mrs. MCCARTHY of New York, Mr. MCINTYRE, Ms. MCKINNEY, Mr. MCNULTY, Mrs. MINK of Hawaii, Mr. NEY, Mr. OLVER, Mr. OXLEY, Mr. PALLONE, Mr. PAPPAS, Mr. RAMSTAD, Mr. REYES, Mr. ROMERO-BARCELO, Mr. ROTHman, Ms. SANCHEZ, Mr. SAXTON, Mr. SHERMAN, Mr. SKEEN, Ms. SLAUGHTER, Mr. STOKES, Mr. STRICKLAND, Mr. STUPAK, Mrs. TAUSCHER, Mrs. THURMAN, Mr. TOWNS, Mr. TRAFICANT, Mr. VENTO, Mr. WELLER, Mr. WHITFIELD, Ms. WOOLSEY, and Mr. YATES):

H.R. 2829. A bill to establish a matching grant program to help State and local jurisdictions purchase armor vests for use by law enforcement departments; to the Committee on the Judiciary.

By Mr. WISE:

H.R. 2830. A bill to direct the Administrator of the Federal Railroad Administration to carry out a pilot program to assess the benefits of establishing local and regional hazardous material emergency response teams in certain areas; to the Committee on Transportation and Infrastructure.

By Mr. BARR of Georgia (for himself, Mr. STUMP, Mrs. CUBIN, Mr. GRAHAM, Mr. SMITH of New Jersey, Mr. SAM JOHNSON, Mrs. LINDA SMITH of Washington, Mr. TIAHRT, Mr. METCALF, Mr. SOUDER, Mr. PAUL, Mrs. CHENOWETH, Mr. SESSIONS, Mr. BARTLETT of Maryland, Mr. HUNTER, Mr. DOOLITTLE, Mr. MICA, and Mr. KINGSTON):

H. Res. 304. A resolution directing the Committee on the Judiciary to undertake an inquiry into whether grounds exist to impeach William Jefferson Clinton, the President of the United States; to the Committee on Rules.

By Mr. HAYWORTH:

H. Res. 308. A resolution expressing the sense of the House of Representatives that candidates for election for Federal office, the individuals working on their campaigns, and persons involved with the financing of campaigns for election for Federal office should obey all of the applicable laws, rules, and regulations governing fundraising for such campaigns; to the Committee on House Oversight.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mrs. KELLY:

H.R. 2816. A bill for the relief of Frank Redendo; to the Committee on the Judiciary.

By Ms. VELÁZQUEZ:

H.R. 2831. A bill for the relief Jesus M. Collado-Munoz; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 27: Mr. HULSHOF.
H.R. 122: Mr. SALMON.
H.R. 612: Mr. KUCINICH.
H.R. 641: Mr. SPENCE.
H.R. 699: Mr. COOK and Mr. TALENT.
H.R. 710: Mr. MANTON.
H.R. 712: Mr. MANTON.
H.R. 777: Mr. INGLIS of South Carolina and Mr. BLUNT.
H.R. 815: Mr. MCINTYRE.
H.R. 836: Mr. BAESLER.
H.R. 866: Mr. SALMON.
H.R. 900: Mr. KLUG and Mr. WEYGAND.
H.R. 939: Mr. RAMSTAD.
H.R. 950: Ms. MILLENDER-MCDONALD and Mr. WEXLER.
H.R. 971: Mr. FRELINGHUYSEN.
H.R. 986: Mr. FAWELL.
H.R. 993: Mr. SALMON.
H.R. 1025: Mr. SKELTON.
H.R. 1049: Mr. VENTO.
H.R. 1114: Mr. KLINK, Mr. COLLINS, and Mr. MALONEY of Connecticut.
H.R. 1154: Mr. HEFNER.
H.R. 1165: Mr. MCINTYRE.
H.R. 1334: Mr. BEREUTER, Mr. TAYLOR of Mississippi, and Mr. HASTINGS of Florida.
H.R. 1371: Mr. WATTS of Oklahoma.
H.R. 1398: Mr. MCINTYRE.
H.R. 1401: Mrs. THURMAN.
H.R. 1415: Mr. RODRIGUEZ and Mr. LANTOS.
H.R. 1425: Mr. GEJDENSON.
H.R. 1475: Mr. SALMON.
H.R. 1500: Mr. WEYGAND.
H.R. 1513: Mr. COSTELLO.
H.R. 1515: Mr. REDMOND.
H.R. 1521: Mrs. TAUSCHER.
H.R. 1524: Mr. ENSIGN.
H.R. 1565: Mr. DAVIS of Virginia and Mr. KUCINICH.
H.R. 1573: Mr. RAMSTAD.
H.R. 1614: Mr. CLEMENT.
H.R. 1656: Mrs. THURMAN.
H.R. 1679: Mr. BROWN of California.
H.R. 1689: Mr. KIND of Wisconsin, Mr. HILLEARY, and Mr. HASTINGS of Washington.
H.R. 1748: Mr. WOLF.
H.R. 1768: Mr. SALMON.
H.R. 1870: Ms. KILPATRICK, Mr. LEWIS of Georgia, Mrs. LOWEY, and Ms. LOFGREN.
H.R. 1873: Mrs. KENNELLY of Connecticut and Mr. GEJDENSON.
H.R. 1874: Mrs. KENNELLY of Connecticut and Mr. GEJDENSON.
H.R. 1951: Mrs. KENNELLY of Connecticut, Mr. THOMPSON, Mr. FATTAH, Mr. NEAL of Massachusetts, and Mr. HINOJOSA.
H.R. 1995: Mr. RAMSTAD, Mr. MCKEON, Mrs. TAUSCHER, Mr. SNYDER, Ms. SANCHEZ, Mr. DEFAZIO, Mr. TIERNEY, Mr. SHERMAN and Mrs. CLAYTON.
H.R. 2023: Mr. BROWN of Ohio and Mrs. TAUSCHER.
H.R. 2094: Mrs. LOWEY and Mr. ROTHMAN.
H.R. 2125: Mr. PAPPAS.
H.R. 2139: Mr. DOOLEY of California.
H.R. 2183: Mr. SOLOMON.
H.R. 2221: Mr. PETERSON of Pennsylvania.
H.R. 2302: Mr. TORRES and Ms. VELÁZQUEZ.
H.R. 2313: Mr. MANTON.
H.R. 2317: Mr. KENNEDY of Rhode Island.
H.R. 2327: Mr. SANDLIN and Mrs. NORTHUP.
H.R. 2348: Mr. BISHOP, Mr. BONIOR, Mr. DREIER, Mr. SHERMAN, Mr. LEWIS of California, Mr. COX of California, and Mr. ROGAN.
H.R. 2349: Mr. CUNNINGHAM, Mr. BONO, Ms. SANCHEZ, Mr. GALLEGLY, Mrs. TAUSCHER, and Mr. HORN.
H.R. 2370: Ms. CHRISTIAN-GREEN and Mr. ROMERO-BARCELO.
H.R. 2380: Mr. MCHALE.
H.R. 2403: Mr. ANDREWS and Mr. PAPPAS.
H.R. 2453: Mrs. THURMAN, Mr. HOBSON, Mr. GREENWOOD, Mr. BARRETT of Wisconsin, Ms. FURSE, Mr. MCGOVERN, and Mr. ALLEN.
H.R. 2456: Mr. SHUSTER and Mr. RAMSTAD.
H.R. 2488: Mr. PETERSON of Minnesota.
H.R. 2499: Mr. LAMPSON, Mr. CLEMENT, Mr. UPTON, Mr. PAPPAS, and Mr. RAMSTAD.
H.R. 2503: Mr. SCHUMER.
H.R. 2515: Mr. BARRETT of Nebraska.
H.R. 2524: Ms. LOFGREN and Mr. HEFNER.
H.R. 2570: Mr. COBURN.
H.R. 2599: Mr. OLVER.
H.R. 2609: Mr. SPENCE, Mr. WATKINS, Mr. LUCAS of Oklahoma, Mr. ROHRABACHER, and Mr. HUNTER.
H.R. 2631: Mr. WATTS of Oklahoma, Mr. JONES, and Mr. ADAM SMITH of Washington.
H.R. 2648: Ms. RIVERS and Mr. DELAY.
H.R. 2661: Mrs. MYRICK and Mr. PAXON.
H.R. 2664: Mr. BLUMENAUER.
H.R. 2671: Mr. FROST and Mr. FILNER.
H.R. 2723: Mr. PETERSON of Pennsylvania.
H.R. 2757: Mr. SANDERS and Mr. COYNE.
H.R. 2760: Mr. PACKARD, Mr. GALLEGLY, Mr. EVANS, and Mr. TAYLOR of Mississippi.
H.R. 2783: Mr. GOODE.
H.R. 2807: Mr. KENNEDY of Rhode Island.
H. Con. Res. 55: Mr. RUSH.
H. Con. Res. 65: Mr. NEAL of Massachusetts, Mr. PACKARD, Mr. COSTELLO, and Mr. EHRLICH.
H. Con. Res. 80: Ms. VELÁZQUEZ.
H. Con. Res. 126: Ms. SLAUGHTER, Mr. PETERSON of Minnesota, Mr. LAMPSON, and Ms. DANNER.
H. Con. Res. 154: Mr. FROST and Mrs. TAUSCHER.
H. Con. Res. 158: Mr. TRAFICANT.
H. Con. Res. 176: Mr. BACHUS, Mr. Kingston, Mr. POSHARD, and Mr. NEUMANN.
H. Res. 205: Mr. OLVER.
H. Res. 211: Mr. BUYER, Mr. HOLDEN, Mr. KOLBE, Mr. NUSSLE, and Mr. RYUN.
H. Res. 279: Mr. SNYDER, Mrs. TAUSCHER, Mr. DEFAZIO, Mr. MALONEY of Connecticut, Mr. GILMAN, and Mr. CLAY.