SENATE—*Monday, March 10, 1997*

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

PRAYER

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

Gracious God, You have promised that "In quietness and confidence shall be our strength."—Isaiah 30:15.

Thank You for prayer in which we can commune with You, renew our convictions, receive fresh courage, and reaffirm our commitment to serve You. Here we can escape the noise of demanding voices and pressured conversation. With You there are no speeches to give, positions to defend, party loyalties to push, or acceptance to earn. In Your presence we can simply be and know that we are loved. You love us in spite of our mistakes and give us new beginnings each day. Thank You that we can depend upon Your guidance in all that is ahead of us. Suddenly we realize that this quiet moment has refreshed us. We are replenished with new hope.

Now we can return to our outer world of challenges and opportunities with greater determination to keep our priorities straight. We want to serve You by giving You our very best to the leadership of our Nation to which You have called us. In the name of our Lord and Savior. Amen.

RECOGNITION OF THE MAJORITY LEADER

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

Mr. LOTT. I thank the Chair.

SCHEDULE

Mr. LOTT. Today, under a previous order, a number of Senators are scheduled to speak in morning business. At 3 p.m., following the allotted morning business, the Senate will begin consideration of Senate Resolution 39, the Governmental Affairs Committee funding resolution, which was reported out of the Rules Committee last Thursday.

As I announced on Thursday, there will be no rollcall votes today during our session, and any votes ordered today will occur on Tuesday, either early in the morning or, more than likely, after the party conference and caucus lunches. I will be continuing discussions with the Democratic leader in the hope of reaching an agreement on the resolution which would allow us to complete action early this week.

In addition, it is possible the Senate will consider the Peña nomination this week. I will notify Senators as to when that nomination is scheduled and when a vote will occur. But I presume that vote would probably not occur before late Wednesday, or Thursday more than likely.

Also, there is a likelihood this week that the Senate will consider the Hollings resolution relating to a constitutional amendment regarding campaign reform.

I thank all Senators for their attention. I suggest the absence of a quorum, Mr. President.

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

The legislative clerk proceeded to call the roll.

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

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

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 3 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from California is recognized to speak for up to 2 hours.

STATE DEPARTMENT EXPLANATION OF MEXICO'S CERTIFICATION

Mrs. FEINSTEIN. Mr. President, Senator COVERDELL may well come to the floor during this period. I hope he does. I will be happy to defer, and yield parts of my time to him as well.

Mr. President, 1 week ago I joined with Senator COVERDELL and Senator HELMS to introduce resolutions of disapproval, to overturn the President's decision to certify Mexico for antidrug cooperation.

Last week I went home and I read the State Department's Statement of Explanation, which is just 1½ pages.

I must say, I read this document with disbelief. At best, this document—which purports to make the case for Mexico's certification—is a fairy tale. At worst, it is a complete whitewash. Today, I would like to take some time and go over parts of it, and indicate my thoughts on some of the subjects mentioned and refute some of the claims.

Let me begin by saying that section 490 of the Foreign Assistance Act requires the President to certify that Mexico has "cooperated fully with the United States, or taken adequate steps on its own" to combat drug trafficking. Despite the best intentions of President Zedillo and the best efforts of the State Department to put a pretty face on the situation, the Department's Statement of Explanation, I believe, defies credibility.

The State Department claims that "The Government of Mexico's 1996 counterdrug effort produced encouraging results and notable progress in bilateral cooperation." The facts tell a different story.

Let me begin with drug seizures:

The State Department's Statement of Explanation indicates that "Drug seizures and arrests increased in 1996." While this is technically true—yes, there was a slight increase in 1996 in both drug seizures and arrests of drug traffickers—that is only because the 1995 levels were so dismal. A larger look of Mexico's record of drug seizures, going back just a few years to 1992, gives a very different perspective.

The 23.6 metric tons of cocaine seized by Mexico, while slightly higher than in 1995, is just about half of what was seized in 1993. So, you see, in 1993 they seized 46.2 metric tons of cocaine. Look how it has dropped off and leveled off since then.

Second, drug arrests did increase modestly in 1996 over 1995. But look back a few years and it tells a more compelling picture. In 1992 you had 27,369 drug arrests. In 1996 you had 11,038. That is not a stepped-up effort, it is a stepped-down effort. So, after a precipitous drop, by more than 50 percent, a barely discernible 5- or 10-percent increase, in my view, is not improvement. They are not encouraging results and there is not notable progress.

Today, Mexico is the transit station for 70 percent of the cocaine, a quarter of the heroin, 80 percent of the marijuana, and 90 percent of the ephedrine used to make methamphetamine, entering the United States.

These statistics reflect, I believe, more drugs flowing into our cities and our communities. How do we know this now? Just look at some of the street prices.

According to the California Bureau of Narcotic Enforcement, in 1993, when Mexican cocaine seizures were near their peak, a kilo of cocaine sold on the streets of Los Angeles for $21,000. Today, that same kilo of cocaine averages $16,500, and I am told that in places you can get it for $14,000 a kilo.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

You can see how these prices have dropped. The drop is even more dramatic if you look at black tar heroin, which the DEA says is nearly the exclusive province of Mexican family-operated cartels, based in Michoacan. The price per ounce has dropped from $1,200 in 1993 to $400 today.

So today, the street price of black tar heroin has dropped to one-third of its price 4 years ago.

Unfortunately, demand remains high, so when the prices drop, the obvious conclusion is that you have more supply. The falling price can be attributed to increases in the amounts of cocaine and heroin flowing across our southern border. I hardly consider this to be evidence of "encouraging results and notable progress."

When the street prices begin to climb, then I, for one, will begin to believe that the supply is being cut.

So street prices are dropping despite the fact that stepped up enforcement on the U.S. side of the border has resulted in increased seizures.

U.S. border agents at the McAllen, TX, border station seized 176,000 pounds of marijuana in 1996, 20 percent more than in 1993. But the burden of combating the increased drug shipments falls disproportionately on United States border agents because Mexico does little to enforce the border.

United States Customs and Border Patrol officials have said publicly that Mexican traffickers are today going to extraordinary lengths to move their products. They are constructing secret compartments in 18-wheelers. They are saturating areas with hundreds of mules carrying backpacks with 40 kilos of marijuana each, and even sacrificing large loads of marijuana at the border to allow more valuable shipments of cocaine and heroin to slip through behind them. And they have begun to use sea lanes in much greater proportion.

For the State Department to state that there has been improved performance by Mexico in intercepting drugs at the border is incomprehensible to me. Low seizure figures, low arrest figures, falling street prices in our cities—these are hardly indications of full cooperation by Mexican authorities in combating drug trafficking.

Let me speak about the cartels in Mexico. The State Department's Statement of Explanation touts the arrests of "several major drug traffickers," including Juan Garcia Abrego, leader of the Gulf cartel, Jose Luis Pereira Salas, linked to the Juarez and Colombian Cali cartel, and Manuel Rodriguez Lopez, linked to a minor operation called the Castrillon maritime smuggling organization.

But who the Mexicans fail to capture tells a much more important story. In fact, the State Department admits as much when it says, "the strongest groups, such as the Juarez and Tijuana cartels, have yet to be effectively confronted."

Let me repeat that: "the strongest groups * * * have yet to be effectively confronted."

So here is the State Department explaining to us that Mexico has fully cooperated with the United States, and yet telling us in the same breath that Mexico has taken no serious action against the organizations and individuals most responsible for the bulk of the drug trafficking.

This is also not how United States drug enforcement officials describe the efforts in Mexico. Let me share with my colleagues what our own drug enforcement officials say about how fully Mexico is cooperating in antidrug efforts.

DEA administrator, Thomas Constantine, has described the Mexican drug cartels, in a statement he made to a House committee the week before last, as "the leading organized crime organizations in the Western Hemisphere, and for some reason," he continues, "they seem to be operating with impunity."

His testimony is a chilling account of the extensive operations of the major Mexican drug cartels and how corruption within Mexican law enforcement agencies has allowed the cartels to conduct their deadly trade with virtual impunity. He also described how the Mexican drug cartels are expanding their criminal reach into the United States.

As we debate whether or not to disapprove of Mexico's certification, I hope all of my colleagues will take the time to read Mr. Constantine's testimony. It makes the case better than anything I have seen that Mexico's efforts have, in fact, not met the standard for certification.

Mr. President, I ask unanimous consent that Mr. Constantine's testimony be printed in the RECORD after my remarks.

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

(See exhibit 1.)

Mrs. FEINSTEIN. Mr. President, I understand the Government Printing Office estimates that it will cost $1,152 to print this testimony in the RECORD. I also ask unanimous consent that the Government Printing Office estimate be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mrs. FEINSTEIN. I do this, Mr. President, because I think this is testimony that is crucial to a decision that will shortly be before the Senate. This is our No. 1 drug enforcement agency in the United States, and I think it is important that the testimony of the head of that agency be read by Members considering this issue.

Perhaps the most powerful of all cartels today is the Amado Carrillo-Fuentes organization, also known as the Juarez cartel. This organization operates out of Rancho Hacienda de la Natividad today, near Cuernavaca, Morelos, outside of Mexico City. It runs multi-ton quantities of Colombian cocaine toward Mexican distribution sites and then into the United States.

The organization runs these drug trafficking operations in Chihuahua, Mexico City, Mayarit, Nuevo Leon, Oaxaca, Sinaloa, Sonora, Jalisco, Baja, CA, Tamulipas, Veracruz, and Zacatecas, among others.

Despite the "encouraging results and notable progress" cited by the State Department, the Juarez cartel is today as strong as it has ever been. Worse, it is spreading its tentacles into the United States, and this concerns me deeply. One law enforcement official told me it controls a majority of the cocaine in Los Angeles.

Operations linked to the Amado Carrillo-Fuentes organization have today been identified in the Texas cities of El Paso, Houston, McAllen, Midland, Odessa and San Antonio, and in California's major cities such as Los Angeles, San Diego, Sacramento; also, in Nevada's major city, Las Vegas; Illinois' major city, Chicago; the major city in the State of New York, New York City; and Florida's major city, Miami.

Do we know who the leaders of this cartel are? Yes, we do, and so do the Mexican authorities. Amado Carrillo-Fuentes heads the organization and controls the cocaine, marijuana and heroin transportation to the United States. His brother, Vincente Carrillo-Fuentes, is primarily responsible for the group's marijuana trafficking operation.

These men are considered by President Zedillo to be Mexico's primary national security threat. Amado Carrillo-Fuentes has been indicted in Florida and in Texas on heroin and cocaine charges. Yet, he has never been tried in Mexico, nor has an extradition request for crimes committed in the United States been honored.

Have the Mexican authorities taken any action whatsoever that has hampered the operations of the Amado Carrillo-Fuentes organization? The answer to date is no. In fact, there is ample evidence to show that the Carrillo-Fuentes organization has federal police and government officials on their payroll, including the former head of the counternarcotics effort in Mexico, General Gutierrez, who was arrested 3 weeks ago.

Just a few days ago, Mexico did try to arrest Mr. Carrillo-Fuentes. Let me read from the Los Angeles Times, dated Saturday, March 8:

> In an apparently stepped-up search for alleged drug lord Amado Carrillo Fuentes, more than 100 troops backed by light tanks commandeered a luxury hotel in Guadalajara late Thursday night. . . .

Carlton Hotel manager Carlos Hodria said Friday that about 150 soldiers arrived unannounced in trucks and tanks and that the operation lasted about 40 minutes, jarring most of the hotel's personnel and 296 guests. He quoted military officers as saying they were "searching for a person."

Obviously, when you roll tanks up to a hotel, whomever you are looking for is going to know that and be long gone. To my knowledge, no arrests were made.

The other major cartel at work in Mexico is the Arellano-Felix organization, also known as the Tijuana cartel. This organization transports multiton quantities of cocaine and marijuana and large quantities of heroin and methamphetamine into the United States where it is distributed by agents employed by the cartel in this country.

The cartel has its base of operations in Tijuana, but it is active in Sinaloa, Jalisco, Michoacan, Chiapas, Baja California Norte and Baja California Sur. It is of particular concern to me because Southern California is the primary entry point of most of the drugs trafficked by this organization.

The Arellano-Felix organization has spread its influence deep inside American cities, often recruiting street gangs to do its distribution and enforcement work. Orders are given to these agents in U.S. cities directly from Tijuana through sophisticated telecommunications networks.

Do we know who the leaders of the Arellano-Felix organization are? Again, we do, and so do the Mexican authorities.

Alberto Benjamin Arellano-Felix is the leader of the organization and has overall responsibility for management of the cartel's drug-trafficking operations.

His brother, Ramon Eduardo Arellano-Felix, is responsible for the group's security operations, which include well-trained paramilitary-style forces who assassinate rivals and traitors.

Has any action been taken by the Mexican authorities to rein in the operations of the Arellano-Felix organization? Have there been any arrests of its senior leaders?

No, the State Department informs us. This cartel has "yet to be effectively confronted." Is this an example of the "encouraging results and notable progress" cited by the State Department?

The Amado Carrillo-Fuentes cartel and the Arellano-Felix cartel, to the best of my knowledge, are operating with absolute impunity. But even the smaller cartels are hardly touched by Mexican authorities.

I think two recent incidents illustrate just what sort of cooperation the United States is receiving from Mexico with respect to the cartels.

On February 26 of this year, the Washington Post published an hour-long interview—hour-long interview—with Miguel Angel Caro Quintero, leader of the Sonora cartel, who is under indictment in the United States for crimes committed in the United States and for whom the United States has requested extradition.

Mr. President, I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 3.)

Mrs. FEINSTEIN. Mr. President, as he told the Post:

I go to the banks, offices, just like any Mexican. Every day I pass by roadblocks, police, soldiers, and there are no problems. I'm in the streets all the time. How can they not find me? Because they're not looking for me.

According to law enforcement, the Sonora cartel cultivates, smuggles, and distributes heroin and marijuana to the United States, as well as transporting Colombian cocaine. It has operations reaching into Arizona, Texas, New Mexico, California, Illinois, Michigan, Minnesota, Nebraska, Tennessee, North Carolina, South Carolina, and Louisiana.

The Washington Post found him, but the Mexican police, up to the last few days, were not even looking for him. Perhaps the State Department would explain how this qualifies as "full cooperation" with the United States. I do not see it.

The other incident was a typical February story. I sometimes wish February would last all year round because the pressure of the March 1 certification decision seems to produce all kinds of results that we are unable to get the rest of the year, but on March 2, frequently it is business as usual.

Just hours before the President's decision on certification was to be made public, the Mexican Government announced with great fanfare the arrest of Humberto Garcia Abrego, a leader of the Gulf cartel.

Leave aside the question of why Mexican authorities were unable to arrest this man the rest of the year but miraculously found him on February 27. What happened next is critical to the integrity of the effort.

Only hours after the decision to certify Mexico was announced, Humberto Garcia Abrego simply walked out of custody. The Mexican Attorney General's office called his release "inexplicable." You could not write a script that would illustrate our problem with Mexico's inability to deal with the cartels any better than this incident.

Yet, the State Department assures us that there have been "encouraging results and notable progress." Not with respect to the cartels. I sincerely do not believe that the cartels' operations have been altered, reduced or impeded at all.

Those officials whom the cartels cannot buy they kill.

The cartels have unleashed a reign of terror on honest Mexican law enforcement officials. The DEA reports that 12 prosecutors and law enforcement officers have been assassinated in Mexico in just the last year alone, most of them in connection with the Tijuana cartel.

Let's start with an incident on February 22, 1996, just about a year ago. Approximately 40 Juarez municipal police opened fire on agents from the Mexican Attorney General's office, resulting in the death of one commandante and one agent. DEA suspects the local police were providing protection for drug traffickers.

On February 23, 1996, Sergio Armanda Silva, a former operations chief of the Baja federal police, was assassinated.

On April 17, 1996, Mexico City's previous top prosecutor, Arturo Ochoa Palacios, was gunned down while jogging.

May 1996, Mexico City's top prosecutor, Sergio Moreno Perez, was kidnapped with his adult son in Michoacan state. Their bodies were later discovered in a car in Mexico City's suburbs.

June 27, 1996, drug agency commandante Daniel Beruben-Jaime was assassinated in Jalisco.

July 19, 1996, Isaac Sanchez Perez, the former Baja federal police commander, was shot in the back of the head and killed in Mexico City.

August 17, 1996, Tijuana prosecutor Jesus Romero Magana was gunned down outside his home. He was investigating the Arellano-Felix organization.

September 14, 1996, Baja federal police commander Ernesto Ibarra Santes, two of his bodyguards and a cab driver were machine-gunned down in Mexico city.

Ibarra had vowed to go after the Arellano Felix brothers and to purge the federal police ranks of any corrupt federal agents who stood in his way. He held his post for 28 days.

September 21, the body of Hector Gonzalez-Baecenas, assistant to Garcia Vargas, was found in the trunk of another car. Also tortured.

September 23, 1996, the body of 43-year-old Jorge Garcia Vargas, Tijuana district chief of the Federal antinarcotics agency was found in the trunk of a car along with the body of Miguel Angel Silva Caballero, a former Federal police commander. Both showed signs of torture.

November 3, 1996, a former prosecutor named Martin Ramirez-Alvarez was murdered in Tijuana. His wife reported that an unknown number of individuals stopped them in a vehicle utilizing red and blue police strobe lights. They dragged Ramirez-Alvarez out of the vehicle and shot him point blank six times. It is believed the Arellano-Felix organization is responsible for the assassination.

On January 3, 1997, 27-year-old State Prosecutor Hodin Gutierrez-Rico was

assassinated in front of his wife and children at his residence in Tijuana. Gutierrez-Rico was investigating the murder of a Tijuana municipal police chief and Presidential candidate Luis Donaldo Colosio. More than 120 spent shells were found on the ground, and his body was deliberately run over several times by a van.

And so it goes. These murders are, to me, the most compelling because their message is undeniable: "Get too close, and you are dead." And not one of these cases has been solved to date. This is why the corruption of the military general placed in charge of the counternarcotics effort is so paralyzing. The question remains: If the highest military man can be corrupted, then who is left?

But Mexico's failure to combat the cartels effectively is having an alarming spillover effect into American cities. Robert Walsh, special agent in charge of the San Diego office of the FBI told my office that all of the major Mexican cartels have members of United States gangs working for them.

These agents distribute the drugs shipped in by the cartels and ship the cash generated from drug sales back to Mexico. They also carry out revenge murders on orders from Tijuana or Juarez.

Prof. Peter Lupsha of the University of New Mexico, who has studied the cartels for decades, says, "I don't believe anyone in La Cosa Nostra could order a murder 2,000 miles away and expect it to be carried out. Carillo-Fuentes can do that and much more."

That is why the State Department's utter denial that the problem is getting worse is so dangerous. As much as these cartels are destroying Mexico, their reach is expanding. They have agents in many of our large and midsize cities. Their drugs are reaching our children. The gangs they hire kill ruthlessly to protect their turf in our cities.

It is no exaggeration to say that the lives of hundreds, if not thousands, of Americans are literally at stake in the war against the cartels. And the State Department's refusal to face up to facts does not protect a single child from the bullets of a drug-running gang or a driveby shooter.

Let me speak about money laundering.

The next item of progress in the State Department's statement of explanation is that "the Mexican Congress passed two critical pieces of legislation which have armed the Government of Mexico with a whole new arsenal of weapons to use to combat money laundering, chemical diversion, and organized crime."

Let us see how good the new money-laundering law is.

It is true that in May 1996, the Mexican Congress adopted a law that for the first time specifically identified money laundering as a criminal act. At that time, Finance Minister Guillermo Ortiz Martinez committed to develop the regulations that would implement this law by January 1997.

The draft of these regulations, which would require banks and other institutions to report suspicious transactions of currency, were due in January. Well, it is now March and the regulations have not been forthcoming.

No doubt, the implementation date of these regulations, now scheduled for June 1997, will slide, as will the issuance of a second set of regulations, governing the reporting of large-scale transactions.

These regulations are essential to combating money laundering. Reporting requirements discourage would-be money launderers, tip off law enforcement officials to unlawful activity, and create a paper trail that can be a powerful investigative tool.

But until Finance Minister Ortiz issues the regulations and they are implemented, it is business as usual. To date, not a single Mexican bank or exchange house has been forced to alter its operations.

And until the regulations have been issued, we have no real way of evaluating the impact of the law. Any law is only as good as its implementation. It is a giant leap of faith by the State Department to cite the passage of a money-laundering law as a sign of major progress when, to date, it has been neither implemented nor enforced.

There are some key questions that must be answered:

Will the regulations prevent bank employees or ministry staff from tipping off drug cartels about investigations?

Second, will the regulations provide immunity for employees who report a suspicious transaction and are acting in good faith? If not, they may be reluctant to report transactions as required, or killed if they do.

Third, will the regulations contain exemptions for any industries? They should not.

In addition, there is a major weakness in the new law in that it does not provide for sanctions against banks and financial institutions that fail to comply with reporting requirements. Without such sanctions, Mexico's money-laundering laws will remain woefully inadequate.

Now, there is a report today in the Financial Times of London that Mexico will introduce its antilaundering regulations this week. We shall see. Those regulations will need to be evaluated. But why has it taken Mexico until mid-March, and a crisis over certification, to get to this point? That is not a sign of a fully cooperating country.

Meanwhile, massive money laundering continues in Mexico unabated. And it is spilling across the southwest border.

California State Bureau of Narcotic Enforcement Chief George Doane testified last March that "at a money counting and shipping house in the Los Angeles area, agents located $6 million in cash and financial records in a residence occupied by three Hispanic nationals, indicating that $75 million had been counted, packaged, and shipped from the residence via a commercial bus company to Mexico."

An analysis done by the DEA of all transactions between the San Antonio Federal Reserve and area depository institutions showed a currency surplus of $2.96 billion in 1995—a clear sign that cartels have successfully laundered money to their final destination in Mexico.

The DEA's Donnie Marshall told Congress in September that a DEA investigation known as Zorro II in the Los Angeles area "resulted in the arrests of 156 people, the seizure of approximately 5,600 kilograms of cocaine, and over $17 million in U.S. currency. The majority of this $17 million was seized as it was being prepared for shipment to Mexico or seized from vehicles that were en route to Mexico."

Marshall also described cambios, or exchange houses outside the banking system, located along the borders of Texas and California, which are a significant factor in the laundering of drug proceeds where Mexican traffickers intermingle cash derived from drug sales with legitimate exchange business. My staff recently visited 22 of these exchange houses.

So the State Department sees encouraging results and notable progress in the area of money laundering as well. I say that today there is no effective effort to deter the laundering of drug money anywhere in Mexico.

CORRUPTION

The State Department's statement of explanation sees progress even where—by its own admission—none exists. This is how the Department describes Mexico's so-called progress on combating corruption:

> In an effort to confront widespread corruption within the nation's law enforcement agencies, former Attorney General Lozano dismissed over 1,250 federal police officers and technical personnel for corruption or incompetence, although some have been rehired, and the Government of Mexico indicted two former senior Government officials and a current Undersecretary of Tourism.

Now, the sentence, in a sense, refutes itself. When you say that some have been rehired, of course, if they were innocent, we would want them to be rehired. But if they were guilty, we would want them to be prosecuted. So let's look and see what happened.

According to the DEA, of the 1,250 officers dismissed for corruption, not a single one was successfully prosecuted—not one.

The rash of murders of prosecutors and law enforcement officers in Tijuana is a case in point. These assassinations have been made possible in large part because the Tijuana police have been so thoroughly corrupted by the Arellano-Felix organization.

According to the Los Angeles Times on March 3, 1997, court papers recently filed in United States district court by the Mexican Government in an extradition case contain testimony to the effect that—and let me remind you that this is from court papers submitted by the Mexican Government—"the state attorney general and almost 90 percent of the law enforcement officers, prosecutors, and judges in Tijuana and the State of Baja California . . . are on the payroll" of the Arellano-Felix organization.

In the same San Diego court documents, a former presidential guard, army lieutenant Gerardo Cruz Pacheco, told how he recruited soldiers to unload drug shipments and helped Tijuana cartel gunmen assassinate Baja federal police commander Ernesto Ibarra Santes in September.

The Federal judicial police have been so corrupted by the cartels that it is sometimes difficult to distinguish between them and the criminals. That is why some were encouraged by the prospect of increased participation of the Mexican military, which has not been so tainted by corruption, in the anti-drug effort.

But that's why the startling revelation about Gen. Jesus Gutierrez Rebollo, the head of the National Institute to Combat Drugs—Mexico's top counternarcotics official—who is a 42-year veteran of the armed forces, has cast grave doubts upon that hope.

When the Mexican Army planned a raid of the wedding of the sister of Amado Carrillo-Fuentes, the drug lord had been tipped off in advance, some say by General Gutierrez himself. As a result, he escaped arrest by leaving early or not attending. But Mexican troops found federal police providing protection for drug traffickers at the wedding.

And most concering to me is that corruption is spreading rapidly across the border into the United States. For example:

In Calexico, CA, former INS inspector Richard Felix admitted to FBI agents that he pocketed up to $500,000 in bribes for permitting loads of cocaine and marijuana to pass uninspected through his port of entry lane.

In El Paso, former Customs and INS inspector Jose Trinidad Carrillo gave drug traffickers a price list for his help in getting drugs through his border-entry lane: $10,000 per car, or $40 per pound of marijuana and $250 per pound of cocaine.

Stories of officials of U.S. border towns being bribed are now surfacing. Some of this I heard myself in the testimony of a border rancher to the Judiciary Committee last year.

President Zedillo appears to be trying his best to fight drug trafficking, and he has honest people on his side, like Elvira Ruiz, one of the few female police chiefs in Baja, whose life has been consistently threatened by the cartels.

But the efforts of these people are unfortunately being completely overwhelmed by the uncontrollable tide of corruption.

The arrest of General Gutierrez has been cited by the administration as evidence of the Mexican Government's commitment to fight corruption. But the way in which this situation was handled raises serious questions about Mexico's willingness to cooperate with the United States.

On February 6 of this year, Defense Secretary Enrique Cervantes Aguirre confronted General Gutierrez, asking him to explain how he came to live in an apartment that was beyond the means of his salary. The general began suffering a heart attack and was placed in the hospital. After 12 days of investigating, on February 18, Defense Secretary Cervantes had Gutierrez placed under arrest for accepting bribes from the Carrillo-Fuentes cartel.

Yet during that entire 12-day period, the Mexican Government gave no indication to the United States that it suspected that its top drug official was corrupt. In that time, U.S. officials continued regular contacts with Gutierrez' National Institute to Combat Drugs, not knowing that its operations were directed by a man in the pocket of drug kingpins.

General Gutierrez had been in Washington shortly before he was first questioned about his spending habits. He met with our drug czar, Gen. Barry McCaffrey, who called him a man of absolute, unquestioned integrity. Why would Mexico allow Gutierrez to visit Washington when he was suspected of corruption, and why—at the least—would they not alert the United States side?

Our own drug enforcement officials have been forced to conduct damage assessments to determine how much and what kind of intelligence was provided to the general, and perhaps passed right onto the Amado Carrillo-Fuentes. We are left to worry that the lives of our agents in the field and our informants have been placed in jeopardy.

So we can praise the Mexican Government for arresting Gutierrez, but their delay in notifying the United States of their suspicions about the general begs an important question: Is this a sign of the full cooperation for which Mexico has just been certified?

COOPERATION WITH U.S. LAW ENFORCEMENT

The State Department's statement of explanation then goes on to describe the extensive cooperation that has taken place between the Mexican and United States Governments:

The United States and Mexico established the High-Level Contact Group on Narcotics Control (HLCG) to explore joint solutions to the shared drug threat and to coordinate bilateral anti-drug efforts. The HLCG met three times during 1996 and its technical working groups met throughout the year. Under the aegis of the HLCG, the two governments developed a joint assessment of the narcotics threat posed to both countries which will be used as the basis for a joint counter-drug strategy.

All the high-level meetings in the world don't amount to a hill of beans unless there is cooperation and coordination on the ground between law enforcement agencies of the two sides.

Once again, the State Department's assertion that these meetings are a sign of real progress misses the point. Whether or not our leaders can work together is less important than whether our cops can work together.

And plainly, at the moment, they cannot. Given the staggering level of corruption in the Mexican police, it is no wonder that DEA Administrator Constantine told the House Committee last week: "In short, there is not one single law enforcement institution in Mexico with whom DEA has an entirely trusting relationship."

That statement by itself should call into question Mexico's qualification to be certified. It is echoed by law enforcement agents on the ground:

On March 7, 1997, Ed Ladd, president of the California Narcotics Officers' Association, issued a statement in which he announced that the association's board had voted unanimously to support congressional efforts to overturn the decision to certify Mexico. This vote, Mr. Ladd said, "is based on our longstanding experience with the widespread corruption and lack of cooperation shown by the Mexican government."

Mr. President, I ask unanimous consent that the full text the statement of Ed Ladd, president of the California Narcotic Officers' Association, be included in the RECORD at the conclusion of my remarks.

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

(See exhibit 4.)

Mrs. FEINSTEIN. T.J. Bonner, president of the National Border Patrol Council, the union which represents nearly 5,000 Border Patrol agents, told my staff on March 4, 1997:

The level of trust for Mexican authorities is almost non-existent. He said that "the lack of cooperation includes failure to provide assistance, aiding and abetting criminal activity, and even acts of aggression against Border Patrol Agents." He described U.S. agents observing Mexican officers who were clearly escorting aliens and drug smugglers.

The police chief of El Centro, CA, Harold Carter, told my staff that his officers are very leery of who they can trust in Mexico.

These are the views of our law enforcement officers. But the question of whether Mexico is fully cooperating

with the United States can also be easily answered by looking at Mexico's policies on working with DEA agents. In this area, there have been three significant failings.

One was the failure of the Mexican Government—the same one that has just been certified as fully cooperating—to adequately fund and staff the binational border task forces that had been agreed upon by the high level contact group.

What good are high-level meetings that produce agreements on cooperation if one side then fails to live up to its end of the agreement?

Second, Mexico has hampered the ability of the United States military to contribute to interdiction efforts. Mexico refuses to allow United States Navy ships on patrol for drug smugglers in the Pacific to put into Mexican ports to refuel without 30 days notice—and without paying cash. As the cartels increasingly turn to sea-routes to smuggle their drugs, this policy seriously hampers our ability to stop them.

Also, overflights by U.S. reconnaissance aircraft are still under negotiation. These flights would enhance the ability of both sides to find and disrupt drug shipments.

The third major failing has been Mexico's refusal to allow United States drug enforcement agents to carry sidearms to protect themselves while on the Mexican side of the border. As a result, Mr. Constantine had no choice but to suspend operations in which DEA agents cross the border, because they cannot protect themselves.

In the last several days, there has been a flurry of meetings between American and Mexican officials. Did the United States gain any concessions? Well, Mexican officials were quoted as saying that "the rules have stayed exactly where they are"—which means no sidearms. There you have it. Full cooperation.

EXTRADITIONS

The State Department's statement of explanation makes another astonishing claim on the subject of extraditions. It says:

> The Government of Mexico established the important precedent of extraditing Mexican nationals to the United States under the provision of Mexico's extradition law permitting this in "exceptional circumstances."

Here is my understanding of the actual facts:

First, Mexico says it has changed its policy to allow the extradition of Mexican nationals to the United States. Of course, we are talking about Mexican nationals who are wanted for crimes committed here in the United States.

Second, to my knowledge, the Mexican government has sent three Mexican nationals to the United States. One was Juan Garcia Abrego, head of the gulf cartel, but he was expelled, not extradited, because he held American as well as Mexican citizenship. The other two were for murder and sexual abuse, not for drug charges.

Third, to date, Mexico has never—never—extradited a single Mexican national to the United States on drug-related charges. That, I believe, is a fact.

Now the Mexican Government says, and the State Department apparently believes, that Mexico is prepared to extradite Mexican nationals on drug charges in "special circumstances."

If this is truly a change of policy on the part of Mexico, let us see results. There are 52 outstanding extradition requests for Mexican nationals wanted on drug charges. Mexico should honor these requests now.

It should be pointed out that these extradition requests are for crimes committed in this country. How can a good friend, ally, and neighbor deny extradition of 52 people wanted for drug-related crimes committed here, and the statement still be made that they are fully cooperating in our antidrug efforts?

A good place for Mexico to start would be with Francisco Arellano-Felix of the Tijuana cartel, who is currently in custody in a Mexican prison and wanted on narcotics charges here in the United States. Another good start would be Miguel Caro Quintero, who walks the streets of Sonora without fear of arrest and grants interviews with the Washington Post. He has four indictments pending against him in the United States.

Mexican nationals wanted on drug charges is clearly the highest priority. These include many of the drug kingpins. But there are other sensitive cases as well that need to be resolved.

John Riley Henrique was indicted by a Federal grand jury in the eastern district of California for trafficking at least 150 kilograms of cocaine from Mexico to the United States. Henrique, an American citizen, is thought to be connected with Miguel Angel Felix Guillardo, the mastermind of the 1985 murder of DEA Agent Enrique Camarena.

Law enforcement sources told my office that John Riley Henrique was detained by Mexican law enforcement and then suddenly released without warning. He is still believed to be in Mexico. The Mexican authorities should find him, apprehend him, and extradite him.

T.J. Bonner of the National Border Patrol Council testified before the Senate Banking Committee on March 28, 1996, about the tragic fatal shooting on January 19, 1996, of a Border Patrol agent, our agent, Jefferson Barr. Agent Barr was killed while intercepting a group of marijuana smugglers along the border near Eagle Pass, TX.

Before he died, Agent Barr wounded one of his assailants. The FBI interviewed the suspect, a Mexican national, in a Mexican hospital, and the United States later charged him with murder and sought his extradition. The Government of Mexico sentenced the individual to 10 years in prison on a narcotics-related charge but has refused to extradite him.

For the State Department to say that Mexico is fully cooperating on the issue of extraditions under these circumstances dishonors the memory of Agent Jefferson Barr.

America's law enforcement officers know how serious the problem is. I would like to quote from a March 2, 1997, press release put out by the National Border Patrol Council, local 1613, of San Diego. It reads:

> The certification of Mexico is a clear blow to the efforts of U.S. Border Patrol agents in their daily efforts at thwarting the massive amounts of illegal drugs entering the country every day. Additionally, this certification is a disgrace to the memory of U.S. Border Patrol Agent Jefferson Barr.

THE NEED TO WAIVE SANCTIONS

Some worry that decertifying Mexico will harm our relationship with an important friend and ally. Others worry that it will make Mexico's drug problem worse.

Mexico is a friend and an ally, but I ask my colleagues: Do we do Mexico any favors by turning a blind eye to the depth of the problem? Do we do Mexico any favors by suggesting that the status quo is good enough? Will Mexico take the steps necessary to combat the flow of drugs if the United States keeps telling them year after year after year that they are doing enough and that they are fully cooperating?

The truth is that failure to decertify Mexico makes a mockery of the entire certification process. Columbia is decertified. Mexico is not. And today, the drugs coming from Mexico are the greatest threat. It makes no sense.

I know of few Members of this body, if any, who want to impose sanctions on Mexico. Senate Joint Resolution 21, which the Senator from Georgia and I introduced last week, decertifies Mexico but authorizes the President to waive all sanctions if it is in the vital national interest, and we will give testimony to that resolution in the Foreign Relations Committee the day after tomorrow.

The same is true of House Joint Resolution 58, which passed the House International Relations Committee by a vote of 27 to 5 last Thursday and will likely pass the full House by a large margin later this week.

I believe that we do have vital national interests in Mexico that require us not to impose sanctions at this point. All we are asking for is an honest, accurate assessment of whether Mexico has fully cooperated with us in the war on drugs, and to send the message that this cooperation must improve rapidly or Mexico will be fully decertified next year. This is what the law provides, and the facts, I believe,

speak for themselves. Mexico has not met the test of full cooperation required for certification.

STEPS TOWARD RECERTIFICATION

I realize that the administration has been working feverishly to negotiate agreements with Mexico which will show that progress is being made, and I hope they can do that. But it is too late to improve Mexico's performance in 1996. The year is gone. But let me lay out some of the steps I believe Mexico needs to take in order to be eligible to be recertified, if she is decertified.

First, effective action to dismantle the major drug cartels and arrest their leaders.

Second, full and ongoing implementation of effective money-laundering legislation and rigorously enforced bank regulations with penalties for those who do not comply.

Third, compliance with all outstanding extradition requests by the United States so that cartel leaders and major traffickers can be brought to justice.

Fourth, help at the border. Mexico, as a friend, an ally, and a neighbor, should help enforce the border and prevent the flow of contraband. It is not enough to see this as simply America's problem. And this goes for the seas as well. Not to permit United States military ships to refuel in Mexican ports without 30 days' notice is unacceptable from a friend.

Fifth, improved cooperation with U.S. law enforcement officials, including allowing United States law enforcement agents to resume carrying weapons on the Mexican side of the border, and for Mexico to pay their share of the effort and be fully supportive of United States help.

Any legitimate American law enforcement officer detailed to Mexico and working drugs should be permitted to carry a sidearm—or they should not go.

Sixth, implementation of a comprehensive program to identify, to weed out, and to prosecute corrupt officials at all levels of the Mexican Government, police, and military.

If Mexico takes these steps, I would support recertification even during the current year, which the law allows if there is significant progress in a decertified country.

Mr. President, I believe I have laid out a strong case that Mexico did not earn certification as fully cooperating on counternarcotics in 1996. Have there been instances of cooperation? Of course. But can anyone credibly say that Mexico has fully cooperated with the United States? It is not even close.

It is important for us to be honest with ourselves about this issue. If we are not honest with ourselves, we unreasonably lower our guard against the incredible danger that Mexican drug trafficking poses to our children, our schools, and our communities.

If we are not honest with ourselves, we dishonor the dedication of thousands of DEA and Border Patrol agents who put their lives on the line every single day to try to keep drugs from reaching our streets. I believe today those agents have every right to feel betrayed.

Senator COVERDELL, Senator HELMS, myself, and others will continue trying to disapprove the Mexico certification and enact a vital national interest waiver. Similar legislation is moving through the House. We will make our best effort.

Mr. President, I reserve the remainder of my time and ask unanimous consent that Senator COVERDELL and Senator HUTCHINSON of Arkansas be permitted to speak during morning business charged to the time under my control.

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

Mrs. FEINSTEIN. I thank the Chair. I yield the floor.

REMARKS BY THOMAS A. CONSTANTINE, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION, BEFORE THE HOUSE GOVERNMENT REFORM AND OVERSIGHT COMMITTEE, NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE SUBCOMMITTEE

Mr. Chairman, Members of the Subcommittee: I appreciate this opportunity to appear before the Subcommittee today on the subject of Mexico and the Southwest Border Initiative. My comments today will be limited to an objective assessment of the law enforcement issues involving organized crime and drug trafficking problems with specific attention on Mexico and the Southwest border. This hearing is extremely timely, and during my testimony I will provide the subcommittee with a full picture of how organized crime groups from Mexico operate and affect so many aspects of life in America today. I am not exaggerating when I say that these sophisticated drug syndicate groups from Mexico have eclipsed organized crime groups from Colombia as the premier law enforcement threat facing the United States today.

Many phrases have been used to describe the complex and sophisticated international drug trafficking groups operating out of Colombia and Mexico, and frankly, the somewhat respectable titles of "cartel" or "federation" mask the true identity of these vicious, destructive entities. The Cali organization, and the four largest drug trafficking organizations in Mexico—operating out of Juarez, Tijuana, Sonora and the Gulf region—are simply organized crime groups whose leaders are not in Brooklyn or Queens, but are safely ensconced on foreign soil. They are not legitimate businessmen as the word "cartel" implies, nor are they "federated" into a legitimate conglomerate. These syndicate leaders—the Rodriguez Orejuela brothers in Colombia to Amado Carrillo-Fuentes, Juan Garcia-Abrego, Miguel Caro-Quintero, and the Arellano-Felix Brothers—are simply the 1990's versions of the mob leaders U.S. law enforcement has fought since shortly after the turn of this century.

But these organized crime leaders are far more dangerous, far more influential and have a great deal more impact on our day-to-day lives than their domestic predecessors. While organized crime in the United States during the 1950's through the 1970's affected certain aspects of American life, their influence pales in comparison to the violence, corruption and power that today's drug syndicates wield. These individuals, from their headquarters locations, absolutely influence the choices that too many Americans make about where to live, when to venture out of their homes, or where they send their children to school. The drugs—and the attendant violence which accompanies the drug trade—have reached into every American community and have robbed many Americans of the dreams they once cherished.

Organized crime in the United States was addressed over time, but only after Americans recognized the dangers that organized crime posed to our way of life. But it did not happen overnight. American organized crime was exposed to the light of day systematically, stripping away the pretense that mob leaders were anonymous businessmen. The Appalachian raid of 1957 forced law enforcement to acknowledge that these organized syndicates did indeed exist, and strong measures were taken to go after the top leadership, a strategy used effectively throughout our national campaign against the mob. During the 1960's, Attorney General Bobby Kennedy was unequivocal in his approach to ending the reign of organized crime in America, and consistent law enforcement policies were enacted which resulted in real gains. Today, traditional organized crime, as we knew it in the United States, has been eviscerated, a fragment of what it once was.

At the height of its power, organized crime in this nation was consolidated in the hands of few major families whose key players live in this nation, and were within reach of our criminal justice system. All decisions made by organized crime were made within the United States. Orders were carried out on U.S. soil. While it was not easy to build cases against the mob leaders, law enforcement knew that once a good case was made against a boss, he could be located within the U.S., arrested and sent to jail.

That is not the case with today's organized criminal groups. They are strong, sophisticated and destructive organizations operating on a global scale. Their decisions are made in sanctuaries in Cali, Colombia, and Guadalajara, Mexico, even day-to-day operational decisions such as where to ship cocaine, which cars their workers in the United States should rent, which apartments should be leased, which markings should be on each cocaine package, which contract murders should be ordered, which official should be bribed, and how much. They are shadowy figures whose armies of workers in Colombia, Mexico and the United States answer to them via daily faxes, cellular phones, or pagers. Their armies carry out killings within the United States—one day an outspoken journalist, one day a courier who had lost a load, the next an innocent bystander caught in the line of fire—on orders of the top leadership. They operate from the safety of protected locations and are free to come and go as they please within their home countries. These syndicate bosses have at their disposal airplanes, boats, vehicles, radar, communications equipment and weapons in quantities which rival the capabilities of some legitimate governments. Whereas previous organized crime leaders were millionaires, the Cali drug traffickers and their counterparts from Mexico are billionaires.

It is difficult—sometimes nearly impossible—for U.S. law enforcement to locate and arrest these leaders without the assistance

of law enforcement in other countries. Their communications are coded. they are protected by corrupt law enforcement officials, despite pledges from the Government of Mexico to apprehend the syndicate leaders, law enforcement authorities have been unable to locate them and even if they are located, the government is not obligated to extradite them to the U.S. to stand trial.

In Mexico, as is the case wherever organized crime flourishes, corruption and intimidation allow the leaders to maintain control. These sophisticated criminal groups cannot thrive unless law enforcement officials have been paid bribes, and witnesses fear for their lives. Later in my testimony I will discuss some of these problems in greater detail.

It is frustrating for all of us in law enforcement that the leaders of these criminal organizations, although well known and indicted repeatedly, have not been located, arrested or prosecuted.

THE CALI GROUP AND TRAFFICKERS FROM MEXICO

We cannot discuss the situation in Mexico today without looking at the evolution of the groups from Colombia—how they began, what their status is today, and how the groups from Mexico have learned important lessions from them, becoming major trafficking organizations in their own right.

During the late 1980's the Cali group assumed greater and greater power as their predecessors from the Medellin cartel was brash and publicly violent in their activities, the criminals, who ran their organization from Cali, labored behind the pretense of legitimacy, posing as businessmen, just carrying out their professional obligations. The Cali leaders-the Rodriguez Orejuela brothers, Santa Cruz Londono, Pacho Herrera—amassed fortunes and ran their multi-billion dollar cocaine businesses from high-rises and ranches in Colombia, Miguel Rodriguez Orejuela and his associates composed what was until then, the most powerful international organized crime group in history, employed 727 aircraft to ferry drugs to Mexico, from where they were smuggled into the United States, and then return to Colombia with the money from U.S. drug sales. Using landing areas in Mexico, they were able to evade U.S. law enforcement officials and make important alliances with transportation and distribution experts in Mexico.

With intense law enforcement pressure focused on the Cali leadership by brave men and women in the Colombian National Police during 1995 and 1996, all of the top leadership of the Cali syndicate are either in jail, or dead. The fine work done by General Serrano, who appeared before your subcommittee only two weeks ago, and other CNP officers is a testament to the commitment and dedication of Colombia's law enforcement officials in the face of great personal danger and a government whose leadership is riddled with drug corruption.

Since the Cali leaders' imprisonment on sentences which were ridiculously short and inadequate, traffickers from Mexico took on greater prominence. The alliance between the Colombian traffickers and the organizations from Mexico had benefits for both sides. Traditionally, the traffickers from Mexico have long been involved in smuggling marijuana, heroin, cocaine into the United States, and had established solid distribution routes throughout the nation. Because the Cali syndicate was concerned about the security of their loads, they brokered a commercial deal with the traffickers from Mexico, which reduced their potential losses.

This agreement entailed the Colombians moving cocaine from the Andean region to the Mexican organizations, who then assumed the responsibility of delivering the cocaine into the United States. In 1989, U.S. law enforcement officials seized 21 metric tons of cocaine in Sylmar, California; this record seizure demonstrated the extent and magnitude of the Mexican groups' capabilities to transport Colombian-produced cocaine into the United States. This huge shipment was driven across the Mexican/U.S. border in small shipments and stored in the warehouse until all transportation fees had been paid by the Calif and Medellin cartels, to the transporters from Mexico are routinely paid in multi-ton quantities of cocaine, making them formidable cocaine traffickers in their own right.

The majority of cocaine entering the United States continues to come from Colombia through Mexico and across U.S. border points of entry. Most of the cocaine enters the United States in privately owned vehicles and commercial trucks. There is a new evidence that indicates traffickers in Mexico have gone directly to sources of cocaine in Bolivia and Peru in order to circumvent Colombian middlemen. In addition to the inexhaustible supply of cocaine entering the U.S., trafficking organizations from Mexico are responsible for producing and trafficking thousands of pounds of methamphetamine, and have been major distributors of heroin and marijuana in the U.S. since the 1970's.

MAJOR TRAFFICKERS FROM MEXICO

A number of major trafficking organizations represent the highest echelons of organized crime in Mexico. Their leaders are under indictment in the United States on numerous charges. The Department of Justice has submitted Provisional Warrants for many of their arrests to the Government of Mexico, and only one, Juan Garcia Agrego, because he was a U.S. citizen has been sent to the U.S. to face justice. The other leaders are living freely in Mexico, and have so far escaped apprehension by Mexican law enforcement, and have suffered little, if any inconvenience resulting from their notorious status, I believe that in order to fully expose these syndicate leaders, it is more beneficial to refer to them by their personal names than by the names of their organizations.

Amado Carrillo-Fuentes

The most powerful drug trafficker in Mexico at the current time is Amado Carrillo-Fuentes, who, as recently reported, allegedly has ties to the former Commissioner of the INCD, Gutierrez-Rebollo. His organized crime group, based in Juarez, is associated with the Rodriguez-Orejuela organization and the Ochoa brothers, from Medellin, as well. This organization, which is also involved in heroin and marijuana trafficking, handles large cocaine shipments from Columbia. Their regional bases in Guadalajara, Hermosillo and Torreon serve as storage locations where later, the drugs are moved closer to the border for eventual shipment into the United States.

The scope of the Carrillo-Fuentes' network is staggering; he reportedly forwards $20–$30 million to Colombia for each major operation, and his illegal activities generate ten's of millions per week. He was a pioneer in the use of large aircraft to transport cocaine from Colombia to Mexico and became known as "Lord of the Skies." Carillo-Fuentes reportedly owns a fleet of aircraft and has major real estate holdings.

Like his Colombian counterparts, Carillo-Fuentes is sophisticated in the use of technology and counter surveillance methods. His network employs state of the art communications devices to conduct business. His organization has become so powerful he is even seeking to expand his markets into traditional Colombian strongholds on the east coast of the United States.

Presently, Carrillo-Fuentes is attempting to consolidate control over drug trafficking along the entire Mexican northern border, and he plans to continue to bribe border officials to ensure that his attempts are successful. Carrillo-Fuentes, who is the subject of numerous separate U.S. law enforcement investigations has been indicted in Florida and Texas and remains a fugitive on heroin and cocaine charges.

Miguel Caro-Quintero

Miguel Caro-Quintero's organization is based in Sonora, Mexico and focuses its attention on trafficking cocaine and marijuana. His brother, Rafael, is in prison in Mexico for his role in killing DEA Special Agent Kiki Camarena in 1985.

Miguel, along with two of his other brothers—Jorge and Genaro—run the organization. Miguel himself was arrested in 1992, and the USG and GOM cooperated in a bilateral prosecution. Unfortunately, that effort was thwarted when Miguel was able to use a combination of threats and bribes to have his charges dismissed by a federal judge in Hermosillo. He has operated freely since that time.

The Caro-Quintero organization specializes primarily in the cultivation, production and distribution of marijuana, a major cash-crop for drug groups from Mexico. The organization is believed to own many ranches in the northern border state of Sonora, where drugs are stored, and from which drug operations into the United States are staged. Despite its specialization in marijuana cultivation and distribution, like the other major drug organizations in Mexico, this group is polydrug in nature, also transporting and distributing cocaine and methamphetamine.

Miguel Caro-Quintero is the subject of several indictments in the United States and is currently the subject of provisional arrest warrants issued by the United States government, yet in an act of astonishing arrogance he called a radio station in Hermosillo, Mexico last May indicating that he was bothered by statements I had made that he was an innocent rancher and charges made against him by DEA were untrue. He then had the audacity to give his address and invite law enforcement officials from Mexico and the United States to visit him—yet he remains at large.

The Arellano-Felix Brothers

The Arellano-Felix Organization (AFO), often referred to as the Tijuana Cartel, is one of the most powerful and aggressive drug trafficking organizations operating from Mexico; it is undeniably the most violent. More than any other major trafficking organization from Mexico, it extends its tentacles directly from high-echelon figures in the law enforcement and judicial systems in Mexico, to street-level individuals in the United States. The AFO is responsible for the transportation, importation and distribution of multi-ton quantities of cocaine, marijuana, as well as large quantities of heroin and methamphetamine, into the United States from Mexico. The AFO operates primarily in the Mexican states of Sinaloa (their birth place), Jalisco, Michoacan, Chiapas, and Baja California South and North. From Baja, the drugs enter California, the primary point of embarkation into the United States distribution network.

The AFO does not operate without the complicity of Mexican law enforcement officials and their subordinates. According to extradition documents submitted by the Government of Mexico in San Diego, California, key family members reportedly dispense an estimated one million dollars weekly in bribes to Mexican federal, state and local officials, who assure that the movement of drugs continues to flow unimpeded to the gateway cities along the southwestern border of the United States.

The Arellano family, composed of seven brothers and four sisters, inherited the organization from Miguel Angel Felix-Gallardo upon his incarceration in Mexico in 1989 for his complicity in the murder of DEA Special Agent Enrique Camarena. Alberto Benjamin Arellano-Felix assumed leadership of the family structured criminal enterprise and provides a businessman's approach to the management of drug trafficking operations.

Ramon Eduardo Arellano-Felix, considered the most violent brother, organizes and coordinates protection details over which he exerts absolute control. The AFO maintains well-armed and well-trained security forces, described by Mexican enforcement officials as paramilitary in nature, which include international mercenaries as advisors, trainers and members. Ramon Arellano's responsibilities consist of the planning of murders of rival drug leaders and those Mexican law enforcement officials not on their payroll. Also targeted for assassination are those AFO members who fall out of favor with the AFO leadership or simply are suspected of collaborating with law enforcement officials. Enforcers are often hired from violent street gangs in cities and towns in both Mexico and the United States in the belief that these gang members are expendable. They are dispatched to assassinate targeted individuals and to send a clear message to those who attempt to utilize the Mexicali/Tijuana corridor without paying the area transit tax demanded by the AFO trafficking domain.

The AFO also maintains complex communications centers in several major cities in Mexico to conduct electronic espionage and counter-surveillance measures against law enforcement entities. The organization employs radio scanners and equipment capable of intercepting both hard line and cellular phones to ensure the security of AFO operators. In addition to technical equipment, the AFO maintains caches of sophisticated automatic weaponry secured from a variety of international sources.

A Joint Task Force composed of the Drug Enforcement Administration and the Federal Bureau of Investigation has been established in San Diego, California, to target the AFO; the Task Force is investigating AFO operations in Southern California and related regional investigations which track drug transportation, distribution and money laundering activities of the AFO throughout the United States.

Jesus Amezcua

The Amezcua-Contreras brothers operating out of Guadalajara, Mexico head up a methamphetamine production and trafficking organization with global dimensions. Directed by Jesus Amezcua, and supported by his brothers, Adan and Luis, the Amezcua drug trafficking organization today is probably the world's largest smuggler of ephedrine and clandestine producer of methamphetamine. With a growing methamphetamine abuse problem in the United States, this organization's activities impact on a number of the major population centers in the U.S. The Amezcua organization obtains large quantities of the precursor ephedrine, utilizing contacts in Thailand and India, which they supply to methamphetamine labs in Mexico and the United States. This organization has placed trusted associates in the United States to move ephedrine to Mexican methamphetamine traffickers operating in the U.S. Jose Osorio-Cabrera, a fugitive from a Los Angeles investigation until his arrest in Bangkok, was a major ephedrine purchaser for the Amezcua organization.

Joaquin Guzman-Loera

Joaquin Guzman-Loera began to make a name for himself as a trafficker and air logistics expert for the powerful Miguel Felix-Gallardo organization. Guzman-Loera broke away from Felix-Gallardo and rose to patron level among the major Mexican trafficking organizations. Presently, he is incarcerated in Mexico; however, Mexican and United States authorities still consider him to be a major international drug trafficker. The organization has not been dismantled or seriously affected by Guzman-Loera's imprisonment because his brother, Arturo Guzman-Loera, has assumed the leadership role. The Guzman-Loera organization transports cocaine from Colombia through Mexico to the United States for the Medellin and Cali organizations and is also involved in the movement, storage, and distribution of marijuana, and Mexican and Southeast Asian heroin. This organization controlled the drug smuggling tunnel between Agua Prieta, Sonora, Mexico and Douglas, Arizona through which tons of cocaine were smuggled.

Guzman-Loera, who has been named in several U.S. indictments, was arrested on June 9, 1993 in Talisman, Mexico for narcotics, homicide, and cocaine trafficking and is presently incarcerated at the Almoloya de Juarez Maximum Security Prison in Toluca, Mexico.

EFFECT OF MEXICAN ORGANIZED CRIME ON UNITED STATES

Unfortunately, the violence that is attendant to the drug trade in Mexico is spilling over the border into U.S. towns, like San Diego, California and Eagle Pass, Texas. Last summer, ranchers along the Texas/Mexico Border reported they were besieged by drug organizations smuggling cocaine and marijuana across their property—fences were torn down, livestock butchered and shots were fired at the ranchers homes at night. Ranchers reported seeing armed patrols in Mexico with night vision equipment, handheld radios and assault rifles that protected a steady stream of smugglers back packing marijuana and cocaine into the United States. The problem became so acute that the State of Texas and the Federal government sent support in the form of additional U.S. Border Patrol Agents, DEA Special Agents, Officers from the Texas Department of Public Safety and the Texas National Guard. Life has returned somewhat to normal in that area, as the drug gangs reacted to law enforcement pressure and have moved their operations elsewhere.

DEA information supports widely reported press accounts that the Arellano-Felix organization relies on a San Diego, California gang known as "Logan Heights Calle 30" to carry out executions and conduct security for their distribution operations. Six members of "Calle 30" were arrested by DEA's violent crime task force and the San Diego Police Department for the murder of a man and his son in San Diego. Since that time 49 members of "Calle 30" have been arrested by the Narcotics Task Force in San Diego on a variety of charges from trafficking to violent crimes.

On December 11, 1996, Fernando Jesus-Gutierrez was shot five times in the face during rush hour in the then exclusive neighborhood, the Silver Strand, in Coronado, California, after his death was ordered by the Arellano-Felix organization. In 1993, a turf battle over the methamphetamine market between rival drug gangs from Mexico resulted in 26 individuals being murdered in one summer in the San Diego area.

U.S. LAW ENFORCEMENT STRATEGY VERSUS ORGANIZED CRIME IN MEXICO

The Southwest Border Initiative (SWBI) is Federal law enforcement's joint response to the substantial threat posed by Mexican groups operating along the Southwest Border. The SWBI, now in its third year of operation, is an integrated, coordinated strategy that focuses the resources of DEA, FBI, the United States Attorney's Office, the Criminal Division, the U.S. Border Patrol, the U.S. Customs Service and state and local authorities on the sophisticated Mexican drug trafficking organizations operating on both sides of the U.S./Mexican border.

Through this initiative we have identified the sophisticated Mexican drug trafficking organizations operating along the entire U.S. border. These groups are transporting multi-ton shipments of cocaine for the Colombia groups, as well as heroin, methamphetamine and marijuana. Imitating the Colombian groups, the Mexican organizations are highly compartmentalized, using numerous workers to accomplish very specific tasks, such as driving load cars, renting houses for storage sites, distributing cocaine, and collecting profits. Through the compartmentalization process each worker performs a distinct task and has no knowledge of the other members of the organization.

We are attacking the organizations by targeting the communication systems of their command and control centers. Working in concert, DEA, FBI, U.S. Customs Service and the U.S. Attorneys offices around the country conduct wiretaps that ultimately identify their U.S. based organization from top to bottom. This strategy allows us to track the seamless continuum of cocaine traffic as it flows from Colombia through Mexico, to its eventual street distribution in the United States. However, even though this strategy is extremely effective in dismantling the U.S. based portions of the organizations, we are frustrated by not being able to use this same information to reach the organization's bosses in Mexico and their current counterparts in Colombia. Criminals, such as Carillo-Fuentes and Arellano-Felix, personally direct their organizations from safe havens in Mexico and until we garner the complete cooperation of law enforcement officials in Mexico, we will never be truly effective in stopping the flow of drugs from their country.

The Southwest Border Strategy is anchored in our belief that the only way of successfully attacking any organized crime syndicate is to build strong cases on the leadership and their command and control functions. The long-term incarceration of key members of these organization's command and control will cause a steady degradation of their ability conduct business in the United States and with the assistance of foreign governments, the long-term incarceration of the leadership will leave the entire organizations in disarray. The Cali syndicate once controlled cocaine traffic in the world from a highly organized corporate structure, with the incarceration of the Cali leaders we

see the cocaine trade in Colombia has become far less monolithic and several independent unrelated organizations are controlling the exportation of cocaine to the U.S. and Mexico. This change is a direct result of the incarceration of the Cali leaders and their inability to fully control their organizations from prison.

We spoke to you last year about the successes of Zorro II, conducted under the auspices of the SWBI, during which both a Colombian distribution organization and a Mexican smuggling organization were dismantled and the infrastructure of both organizations were destroyed. Ninety court authorized wire taps resulted in the arrest of 156 people and the seizure of $17 million dollars and 5,600 kilograms of cocaine. Most importantly, neither the Colombian or Mexican organizations have been able to reconstitute these distribution organizations. Zorro II confirmed our belief that cocaine distribution in the United States is controlled by the foreign syndicates located in Colombia and Mexico.

Since Zorro II, we have continued to focus on the command and control function of other transportation and distribution cells operating along the Southwest Border and throughout the U.S. These investigations are time and resource intensive, but yield significant results. Additional investigations, of similar significance and importance as Zorro II, have been developed since that time, however due to the sensitive nature of the investigations. I am precluded from discussing them at this time.

CORRUPTION AND INTIMIDATION: TOOLS OF THE TRADE

Traditionally, organized crime has depended on the corruption of officials, and the intimidation of potential or actual witnesses, as well as violence against anyone who stands in the way of business. The Medellin and Cali traffickers were masters of corruption, intimidation and violence, and used these tools effectively to silence and coerce.

Organized crime figures in Mexico routinely use these tools as well. The recent arrest of the Commissioner of the INCD in Mexico last week is the latest illustration of how deeply rooted corruption is in Mexican anti-narcotics organizations. A good illustration of the extent of corruption in Mexico was revealed when officials, seeking the extradition of two of Arellano-Felix's contract killers, who are currently incarcerated in the United States, submitted papers indicating that the State Attorney General and almost 90 percent of the law enforcement officers, prosecutors, and judges in Tijuana and the State of Baja California have been compromised and are on the payroll of the Arellano-Felix brothers. In addition, several high ranking police officers regularly provide the names of witnesses who give statements against the Arellano-Felixes and have even provided information that assisted in locating targets for assassination. Just recently, the Federal Police in Baja California Norte were replaced with military troops, a tacit admission of the level of corruption in that area. Yet, as we observed with the arrest of Gutierrez-Rebollo, the military is not immune from corruption either.

Historically, corruption has been a central problem in DEA's relationship with Mexican counterparts. In short, there is not one single law enforcement institution in Mexico with whom DEA has an entirely trusting relationship. Such a relationship is absolutely essential to the conduct of business in that, or any other nation where organized crime syndicates traffic in narcotics.

In the brief time we have allotted to us today, I would like to provide you with some recent examples of the corruption which we encounter all too frequently in Mexico.

This January, the Mexican Army raided the wedding party of Amado Carillo-Fuentes' sister. When they arrived at the scene. Mexican Federal Judicial Police were guarding the party. The MFJP had alerted Carillo-Fuentes about the planned raid, and he was able to escape.

The Arellano-Felix organization routinely bribes government officials to obtain information from prosecutors' offices including information on potential witnesses.

Despite the firing of over 1,200 government officials for corruption charges by President Zedillo, no successful prosecutions of these individuals has taken place.

In March 1996, DEA Task Force Agents arrested two individuals who identified themselves as police officers from Sonora, Mexico. Eleven hundred pounds of marijuana were found on the scene, and the police admitted they worked at the stash house.

In July a Mexican Army Division arrested nine Mexican Federal Judicial Police Officers and seized 50 kilograms of cocaine and $578,000 in U.S. currency. The defendants were acting under the direction of the Commandante for Culiacan, Sinalon at the time.

While a great deal of the corruption plagues the law enforcement agencies in Mexico, the Mexican military and other institutions are also vulnerable to the corrupting influences of the narcotics trade. The Mexican Government has replaced police with military officials, who are not fully trained in all of the aspects of narcotics investigations. This situation is far from ideal. Political officials are also not immune to narcotics corruption: DEA has documented instances where public officials have allowed drug traffickers to freely operate in areas under their control. Corruption is the most serious, most pervasive obstacle to progress in addressing the drug trade in Mexico.

In addition to the serious corruption problems plaguing anti-narcotics enforcement efforts in Mexico, murders and violence are commonplace methods of silencing witnesses or rivals. Since 1993, twenty-three major drug-related assassinations have taken place in Mexico. Virtually all of these murders remain unsolved. Many of them have occurred in Tijuana or have involved victims from Tijuana. In the last year, 12 law enforcement officials or former officials have been gunned down in Tijuana and the vast majority of the 200 murders in that city are believed to have been drug-related.

A number of these incidents involving law enforcement officials are a serious indication of the depth and breadth of the power of the traffickers in Mexico.

The Arellano-Felix organization was responsible for setting off a bomb at the Camino Real Hotel in Guadalajara, where they intended to kill a rival trafficker, hosting a party for his daughter. Two men were killed and fifteen people wounded.

In September 1996, Jorge Garcia-Vargas, Sub-Director of the Tijuana office of the Institute for the Combat of Drugs (INCD) and former Commandante Miguel Angel Silva-Caballero were found shot to death in their car in Mexico City. The bodies showed signs of torture, similar to those on the bodies of Hector Gonzalez-Baecenas. Garcia-Vargas' assistant in Tijuana, and three body guards who were tortured and killed five days earlier in Mexico City. Garcia-Vargas' death came only one year after he took the job in Tijuana.

Ernest Ibarra-Santes, the Director of Federal Police Force in Tijuana, and two police officers were executed by machine-gun fire as they drove along a main street in Mexico City. Ibarra-Santes was executed just 29 days after he became Director and two days after he reprimanded his own force stating "The Police had become so corrupt they weren't just friends with the traffickers, they were their servants." A Mexican Army officer has been implicated in this murder.

Baja State Prosecutor Godin Gutierrez-Rico was assassinated in front of his residence in Tijuana on January 3, 1997. Guiterrez a supervisory state attorney and former head of a special enforcement unit that investigated high profile homicides in Tijuana, had assisted DEA in identifying several assassins for the Arellano-Felix organization. Information strongly links the Arellano-Felix's to this murder which was particularly vicious; Guiterrez-Rico was shot over 100 times, after which his body was repeatedly run over by an automobile.

It is hard to imagine that in our own nation, we would stand for such killings and for government inaction in solving the murders. The assassinations in Mexico are akin to three Assistant United States Attorneys, the Special Agent in Charge of the DEA office in San Diego, the Special Agent in Charge of the FBI office in Houston and the Chief of Police in San Diego being murdered callously by drug dealers. Americans would not accept these murders going unsolved and no arrests being made. For any country's law enforcement agencies to be viable partners in the international law enforcement arena, they must apprehend and incarcerate those criminals who murder with such impunity.

COOPERATION WITH MEXICO

The primary program for cooperative law enforcement efforts with the Government of Mexico is a proposed series of Bilateral Task Forces (BTF's). The U.S. and Mexico signed a memorandum of understanding in 1996, outlining the framework for the United States Government and the government of Mexico to conduct joint investigations against targeted drug organizations. These Bilateral Task Forces (BTF's) were established in Juarez, Tijuana and Monterrey. The task forces in Tijuana and Juarez have been limited in their ability to collect intelligence and seize drugs and they have not met their most important objectives of arresting the leaders of the major syndicates and dismantling their organizations.

During bilateral plenary meetings, Mexican officials promised they would allocate $2.4 million from seized assets the U.S. had shared with Mexico towards the financing of the BTF's; however, Francisco Molina Ruiz, the former head of the INCD, advised DEA that he had been unable to obtain the financial support necessary to make these Task Forces operational. The BTF's for the most part are staffed with enthusiastic young officers, however, they have neither received the training nor the equipment necessary to build cases on and arrest these sophisticated and wealthy drug traffickers.

The most significant shortcoming of the B.T.F.'s however, lies in its leadership. On at least two occasions, after having been advised of pending enforcement actions by their subordinates, corrupt command officers in Mexico City compromised the investigations. One involved the attempted seizure of sixteen tons of cocaine belonging to the Arellano-Felix family. To be successful in Mexico, we must be able to share intelligence with the B.T.F.'s with the confidence that it will be promptly acted on and not be

compromised by corrupt officials that is not the condition that we are currently faced with in our relationship with the bi-lateral groups.

Unfortunately, I was recently forced to limit DEA participation in these B.T.F.'s, because of a decision by the Government of Mexico that would no longer allow us to guarantee the safety of our Special Agents while they were working in Mexico. The atmosphere in Mexico is volatile and threats against DEA Special Agents, along the border, have increased substantially; therefore I have rescinded travel authority for all DEA Special Agents to Mexico, to participate in counter-drug investigations, until they are provided appropriate protection, that is commensurate with the risks inherent in these dangerous assignments.

PROSPECTS FOR PROGRESS

Since coming to office, President Zedillo has promised that he would take action against organized criminal groups in Mexico. In that time period he has moved to make significant changes to the law enforcement process by sponsoring the Organized Crime Bill to provide the tools needed to successfully attack the criminal syndicates and formed the Organized Crime Task Force and the Bilateral Task Forces. However, even with the improved process, the infrastructure of the mechanism, itself, is so decimated by corruption that short-term results are very doubtful.

The real test is in the mid and long term. Unless some meaningful reforms are made in the law enforcement systems responsible for targeting and apprehending major organized crime figures in Mexico, that nation, and unfortunately our own, will continue to fight an uphill battle as drugs will continue to flow into cities and towns across the United States. To date, our inability to successfully attack the major organized crime groups in Mexico, as we have the United States and Colombia, is a direct result of our inability to arrest the leadership of these groups.

President Zedillo has acted against corrupt officials, and has stated that he is committed to professionalizing Mexican law enforcement. Yet the bottom line remains; until the major organized crime figures operating in Mexico are aggressively targeted, investigated, arrested, sentenced appropriately and jailed, both Mexico and the United States are in grave danger.

What law enforcement steps are necessary for long-lasting progress against organized crime leaders in Mexico? We faced the same questions in our mutual struggle against the Colombian organized groups during the past decade. What it took was an all-out effort by the Colombian National Police to target and incarcerate the top leaders in Cali. Until the Government of Colombia was put on notice that their lack of commitment to this goal was unacceptable, the CNP did not have the moral backing it needed to move out aggressively. In Mexico's case, it appears that the political will to rid the country of the its narco-trafficking reputation is there; however, what is lacking are clean, committed law enforcement agencies willing to take on the most powerful and influential organized crime figures operating on a global scale.

We hope that efforts towards this end will bear fruit. In November 1996, the Government of Mexico passed an Organized Crime Law which provides Law Enforcement officials with many of the tools needed to successfully attack the sophisticated drug syndicates in their country. Included as part of the Law were: authorization to conduct electronic surveillance, a witness protection program; plea bargaining; conspiracy laws; undercover operations; the use of informants by police.

For these new law enforcement tools to be utilized effectively, the new law mandated the Government of Mexico to form Organized Crime Units to conduct the investigations and further stipulated that the laws could not be enforced until the unit was formed and properly trained. The Organized Crime Units are now in place and consist of 60 officers to investigate crimes specified under the law. The Government of Mexico has agreed to insure the integrity of the Organized Crime Unit through the use of polygraphs and regular background investigations. However, like the Bilateral Task Forces, these units will not be successful and DEA might not be able to share sensitive information with them as long as their supervisors or managers are corrupt.

It is important to remember that law enforcement in the United States did not have wiretap authority and wide ranging organized crime laws such as RICO and Continuing Criminal Enterprise until the late 1960's. The Government of Mexico is effectively 35 years behind us in establishing laws that were critical in our successful dismantling of organized criminal syndicates. If they work properly, the Bilateral task forces and our Southwest Border Initiative can be favorably compared to the Strike Forces established by Bobby Kennedy in the 1960's. This 1990's version of the Strike Force is international in scope and pools the resources, expertise and laws of several federal and state institutions in the United States with those in Mexico.

It is absolutely essential that the Organized Crime Units and the Bilateral Task Forces have integrity insurance programs as part of their charter. Unless these units are trustworthy, informants who cooperate will not be safe, undercover investigations will be compromised and intelligence sharing process will not function at all. As we have seen recently, both the military and law enforcement have been grievously compromised by these criminal groups and this brings into question the ability of any program in Mexico to remain corruption free. However, last week we saw in the arrest of General Gutierrez-Rebollo, that some trustworthy units do exist and can work without compromise.

The problems of establishing a corruption-free law enforcement infrastructure are not insurmountable. However, to become credible in the law enforcement arena the Government of Mexico must ensure the integrity of the units that have the responsibility of tracking down and arresting the syndicate leaders, insuring these individuals are either prosecuted in Mexico and receive meaningful sentence commensurate with their crimes or agree to extradite them to the United States where they will receive punishment similar to that of Juan Garcia-Abrego.

EXHIBIT 2

U.S. GOVERNMENT PRINTING OFFICE,
OFFICE OF THE PUBLIC PRINTER,
Washington, DC, March 10, 1997.

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

DEAR SENATOR FEINSTEIN: We return herewith your manuscript entitled "Re: Remarks by Thomas A. Constantine" submitted to this Office for insertion in the Congressional Record, and respectfully invite your attention to the following regulation of the Joint Committee on Printing:

(1) No extraneous matter in excess of two printed Record pages, whether printed in its entirety in one daily issue or in two or more parts in one or more issues, shall be printed in the CONGRESSIONAL RECORD unless the Member announces, coincident with the request for leave to print or extend, the estimate in writing from the Public Printer of the probable cost of publishing the same.

(2) No extraneous matter shall be printed in the House proceedings or the Senate proceedings, with the following exceptions: (a) Excerpts from letters, telegrams, or articles presented in connection with a speech delivered in the course of debate; (b) Communications from State Legislatures, and (c) Addresses or articles by the President and the Members of his Cabinet, the Vice President, or a Member of Congress.

(3) The official reporters of the House or Senate or the Public Printer shall return to the Member of the respective House any matter submitted for the CONGRESSIONAL RECORD which is in contravention of these provisions.

This manuscript is estimated to make approximately 5 pages of the Congressional Record at a cost of $1,152.00. If you still desire to have this matter published in the Record, permission must again be requested of the Senate for its inclusion and the probable cost should then be announced and this estimate attached to the manuscript sent to the Official Reporters.

Sincerely,

CHARLES C. COOK, Sr.
Superintendent, Congressional Printing Management Division.

EXHIBIT 3

[From the Washington Post, Feb. 26, 1997]

ALLEGED KINGPIN OF SONORA CARTEL UNTOUCHED BY LAW

(By John Ward Anderson)

CABORCA, MEXICO.—Miguel Angel Caro Quintero, identified by U.S. officials as one of Mexico's drug smuggling kingpins, arrived in a pickup truck at his modest horse and cattle ranch here and described life in this small desert town 60 miles south of the U.S. border.

"I go to the banks, offices, just like any Mexican," said Caro Quintero, who has four indictments pending against him in the United States on charges involving cocaine, marijuana, money laundering and racketeering. "Every day I pass by roadblocks, police, soldiers, and there are no problems."

"I'm in the streets all the time. How can they not find me?" he asked at the end of a rare, hour-long interview. "Because they're not looking for me."

Caro Quintero, 33, is identified by U.S. law enforcement officials as the head of the Sonora cartel, which they describe as one of Mexico's main drug mafias. Although arrested here in 1992 on tax charges, he has never been convicted of any crime, and Mexican authorities have never charged him with any drug violation.

U.S. officials see Caro Quintero as a prime example of how weak Mexican laws and an intricate web of corruption have permitted some alleged drug kingpins to operate their syndicates with impunity and live without fear of arrest, conviction or extradition to the United States. At the same time, high-ranking politicians, government officials, judges, prosecutors, and military and police officers have enriched themselves by protecting the syndicates, and they are rarely prosecuted or investigated.

After Caro Quintero's 1992 tax arrest, for instance, the United States and Mexico

launched a joint prosecution effort. "But it was thwarted when Miguel used a combination of threats and bribes to have the charges dismissed by a federal judge in Hermosillo [capital of his home state, Sonora], and he's operated freely since that time," said an official of the U.S. Drug Enforcement Administration (DEA).

Similar allegations of high-level corruption are aired almost daily here, depicting decay in Mexico's justice system and some of its other institutions, including the military.

The recent revelations have prompted a more thorough debate among U.S. officials over whether President Clinton should certify by Saturday that Mexico is a reliable ally in the international war on drugs.

"I don't know if 'collapse' is the correct term" for what's happening to the justice system, Attorney General Jorge Madrazo Cuellar said in a recent interview. "But it's the gravest crisis Mexico has faced in the modern age." On Tuesday, Madrazo announced a "top-to-bottom" reform of his office to address the crisis—the latest in a number of such reforms announced in recent years.

The New York Times reported Sunday that two state governors—Manlio Fabio Beltrones Rivera of Sonora and Jorge Carrillo Olea of Morelos—have aided Amado Carrillo Fuentes, head of a Juarez-based smuggling cartel. Despite numerous U.S. intelligence reports detailing their drug ties, the Times reported, "both [governors] seem to enjoy a tacit immunity from concerted criminal investigation in Mexico and the United States."

A spokesman for Attorney General Madrazo said neither governor is under investigation for ties to drug smuggling.

At the same time, some of Mexico's top alleged kingpins—including Carrillo Fuentes, Caro Quintero and brothers Jesus and Luis Amezcua, who are considered among the world's biggest traffickers of methamphetamine—have no drug charges pending in Mexico. Despite indictments against each of these men in the United States, U.S. officials say they face little threat of being apprehended and extradited for trial in the United States because of tough restrictions against extradition in Mexico's constitution.

Until last year, only two Mexican citizens had been sent to the United States for trial under a 1978 extradition treaty between the two countries. But new laws permit Mexico's foreign minister to find "an exception" permitting extradition. Last year, four Mexican citizens were sent to the United States, including two accused drug dealers.

Juan Garcia Abrego, the head of the Gulf cartel who was recently sentenced to life in prison in a drug trial in Houston, was not extradited but deported to the United States because he held dual citizenship.

Mexican anti-drug officials said Carillo Fuentes has weapons and conspiracy charges pending against him. If arrested, they said, he would be held while drug trafficking charges were filed and officials considered a pending U.S. request for extradition.

Authorities thought they would nab Carillo Fuentes at his sister's wedding in early January, when private planes ferrying guests in and out of local airports led drug investigators to believe that he would make an appearance at the ceremony. But the Juarez cartel chief never showed up, and officials say he may have been tipped off by Gen. Jesus Gutierrez Rebollo, the anti-drug czar who was arrested last week after officials charged he had been an informant for Carrillo Fuentes for years. A federal judge indicted Gutierrez yesterday on charges of aiding and protecting cocaine shipments, the Associated Press reported.

While drug investigations here have been severely hampered by corruption, U.S. and Mexican officials said, until recently they were also crippled by a legal system that did not permit the use of evidence gathered by wiretaps or paid confidential informants. In November, however, Mexico's Congress approved an organized crime bill that legalizes such tactics and institutes a witness protection program.

"We didn't have any legal way to introduce into evidence taped conversations—wiretaps—or to protect witnesses who enter into plea bargains in return for evidence that can be used against kingpins," said Juan Rebolledo Jout, a top Foreign Ministry official. Without such tools, he said, "these people are powerful, they are corrupt, and they are difficult to catch."

However, Mexican officials conceded, a critical problem still remains. Because U.S. cases are often built with confidential informants and wiretaps, it is unclear whether Mexican judges will allow extraditions to move forward if they are based on U.S. cases that used wiretaps and confidential informants before they became legal in Mexico.

U.S. officials said they are beginning a major extradition push for Caro Quintero because there are no charges against him in Mexico. Mexican officials said he is under investigation.

"The problem is, we don't know why he doesn't have charges against him," said the Foreign Ministry's Rebolledo. "We are reviewing how decisions are made and investigations are being carried out."

Caro Quintero denied being involved in any way in drug trafficking. He said he and his family are the victims of a vendetta by U.S. drug agents seeking revenge for the 1985 murder in Guadalajara of DEA agent Enrique Camarena.

Miguel's brother Rafael, co-founder of the infamous Guadalajara drug cartel, was convicted in Camarena's slaying, which U.S. officials frequently cite as the event that opened their eyes to the growing power and menace of Mexico's drug mafias.

With his brother's imprisonment, "Miguel Caro Quintero now runs the organization," DEA chief Thomas Constantine told the Senate two years ago. It is one of "the four major [Mexican] drug trafficking organizations that work closely with the Cali [Colombia] mafia" to smuggle cocaine into the United States, Constantine said.

Caro Quintero called the charges "fabrications" and held up his relatively peaceful lifestyle as proof he is not wanted by the law. He added that he does not believe his brother killed Camarena.

Tall, with jet-black hair and a thick mustache, wearing bluejean pants and jacket with a plain shirt and a white cowboy hat, Caro Quintero looks like he stepped out of a cigarette ad. He said his family—he has three brothers and six sisters—grew up in the neighboring state of Sinaloa, where his father, who died five years ago, owned a cattle farm. He is married and has two sons, ages 7 and 12.

Caro Quintero said his family came to Sonora about 15 years ago. He denied reports that his family owns hotels, movie theaters and huge amounts of land in and around Caborca, which is about 75 miles southwest of the border city of Nogales, in a remote desert region known as a haven for traffickers and clandestine airstrips.

A 1994 indictment in Arizona charged that Caro Quintero negotiated with an undercover DEA agent to set up a series of such clandestine landing strips to smuggle cocaine into the United States.

Caro Quintero said he and his family own only a ranch where they raise cattle and a farm where they grow honeydews and watermelons for export to the United States. He said the family's land holdings total about 25 acres.

"If I had a cartel, I'd have a lot of money and my brother wouldn't be there [in jail]," he said.

STATEMENT OF PRESIDENT ED LADD, CALIFORNIA NARCOTICS OFFICERS ASSOCIATION

The Board of the California Narcotics Officers' Association voted today to unanimously support Senator Dianne Feinstein and Senator Paul Coverdell in their efforts to overturn the President's decision to certify Mexico. The California Narcotics Officers' Association Board, representing over 7,000 law enforcement agents and prosecutors, is the second largest professional law enforcement association in the nation. Today's vote to join with Senator Feinstein on the decertification issue is based on our longstanding experience with the widespread corruption and lack of cooperation shown by the Mexican government.

It is no secret that drugs are a huge problem in California. What may not be widely known is the alarming rate in which narcotics spill over the California border from Mexico. It is estimated that 50% to 70% of the cocaine, up to 80% of the marijuana and 20% to 30% of the heroin are imported in the United States from Mexico. Without the cooperation of the Mexican government in the war against drugs, we cannot put up a fair fight. We strongly urge Congress to overturn the President's decision to certify Mexico.

The impact drugs have on our communities exemplifies the need for the United States to demand full cooperation from the Mexican government in their efforts to stem the flow of drugs into our country. As law enforcement agents and prosecutors, we have witnessed the effects drugs have on our cities and communities first hand. Dangerous drugs are becoming more prevalent on our streets. For example, the supply of black tar heroin brought into California from Mexico is growing at such an incredible rate that the price per ounce has been cut in half in just two years—from $800 per ounce to $400 an ounce. By certifying Mexico again this year, President Clinton is allowing the drug flow to continue unchecked.

The corruption and violence created by the Mexican drug cartels will not be lessened until a strong message is sent that Mexico must improve their anti-drug efforts. The President's decision to certify does not send this message. We simply cannot stand by this decision and we strongly urge Congress to overturn it.

The members of the California Narcotics Officers' Association are happy to support Senators Feinstein and Coverdell and other members of Congress and take whatever steps are necessary to see that full cooperation occurs.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the State Department's statement of explanation on certification be printed in the RECORD.

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

THE WHITE HOUSE,
Washington, DC, February 28, 1997.

MEMORANDUM FOR THE SECRETARY OF STATE

Subject: Certification for major narcotics producing and transit countries.

By virtue of the authority vested in me by section 490(b)(1)(A) of the Foreign Assistance Act of 1961, as amended, ("the Act"), I hereby determine and certify that the following major drug producing and/or major drug transit countries/dependent territories have cooperated fully with the United States, or taken adequate steps on their own, to achieve full compliance with the goals and objectives of the 1988 United Nations Convention Against Illicit Traffic in Narcotics Drugs and Psychotropic Substances: Aruba, The Bahamas, Bolivia, Brazil, Cambodia, China, Dominican Republic, Ecuador, Guatemala, Haiti, Hong Kong, India, Jamaica, Laos, Malaysia, Mexico, Panama, Paraguay, Peru, Taiwan, Thailand, Venezuela, and Vietnam.

By virtue of the authority vested in me by section 490(b)(1)(B) of the Act, I hereby determine that it is in the vital national interests of the United States to certify the following major illicit drug producing and/or transit countries: Belize, Lebanon, and Pakistan.

Analysis of the relevant U.S. vital national interests, as required under section 490(b)(3) of the Act, is attached. I have determined that the following major illicit drug producing and/or major transit countries do not meet the standards set forth in section 490(b) for certification: Afghanistan, Burma, Colombia, Iran, Nigeria, and Syria.

In making these determinations, I have considered the factors set forth in section 490 of the Act, based on the information contained in the International Narcotics Control Strategy Report of 1997. Because the performance of each of these countries/dependent territories has differed, I have attached an explanatory statement for each of the countries/dependent territories subject to this determination.

You are hereby authorized and directed to report this determination to the Congress immediately and to published it in the *Federal Register*.

WILLIAM J. CLINTON.

STATE DEPARTMENT STATEMENT OF EXPLANATION

MEXICO

The Government of Mexico's (GOM) 1996 counter-drug effort produced encouraging resulting and notable progress in bilateral cooperation. President Zedillo has declared the major drug trafficking organizations, and the corruption they foster within governmental structures, to be Mexico's principal national security threat. He has intensified the country's counter-drug effort, in keeping with international human rights norms, both through legal reforms and operationally, through the expanded participation of the nation's military services.

Drug seizures and arrests increased in 1996. Mexican authorities seized 23.8 mt of cocaine, 383 kgs of heroin, 1015 mt of marijuana, 171.7 kgs of methamphetamine and 6.7 mt of ephedrine (its chemical precursor), and destroyed 20 drug labs. Police arrested 11,283 suspects on drug-related charges. Authorities arrested several major traffickers: Juan Garcia Abrego, Gulf cartel leader and one of the FBI's "Ten Most Wanted" fugitives; Jose Luis Pereira Salas, linked to the Cali and Juarez cartels; and Manuel Rodriguez Lopez, linked to the Castrillon maritime smuggling organization.

The Mexican Congress passed two critical pieces of legislation which have armed the GOM with a whole new arsenal of weapons to use to combat money laundering, chemical diversion and organized crime. The GOM established organized crime task forces in key locations in northern and western Mexico in cooperation with U.S. law enforcement. In an effort to confront widespread corruption within the nation's law enforcement agencies, former Attorney General Lozano dismissed over 1250 federal police officers and technical personnel for corruption or incompetence, although some have been rehired, and the GOM indicated two former senior GOM officials and a current Undersecretary of Tourism. He also sought to expand cooperation with the United States and other governments.

The United States and Mexico established the High-Level Contact Group on Narcotics Control (HLCG) to explore joint solutions to the shared drug threat and to coordinate bilateral anti-drug efforts. The HLCG met three times during 1996 and its technical working groups met throughout the year. Under the aegis of the HLCG, the two governments developed a joint assessment of the narcotics threat posed to both countries which will be used as the basis for a joint counter-drug strategy.

U.S.-Mexican bilateral cooperation on drug law enforcement continued to improve in 1996, particularly in the areas of money laundering, mutual legal assistance, and criminal investigations. The USG provided training, technical, and material support to personnel of the Office of the Mexican Attorney General (PGR), the National Institute to Combat Drugs (INCD), the Mexican Treasury, and the Mexican armed forces. The Government of Mexico established the important precedent of extraditing Mexican nationals to the United States under the provision of Mexico's extradition law permitting this in "exceptional circumstances." This paves the way for further advances in bringing fugitives to justice. Both governments returned record numbers of fugitives in 1996.

Even with positive results, and good cooperation with the U.S. and other governments, the problems which Mexico faces remain daunting. The Zedillo Administration has taken important beginning steps against the major drug cartels in Mexico, and towards more effective cooperation with the United States and other international partners, but the strongest groups, such as the Juarez and Tijuana cartels, have yet to be effectively confronted. The level of narcotics corruption is very serious, reaching into the very senior levels of Mexico's drug law enforcement forces, as witnessed by the February 1997 arrest of the recently-appointed national counternarcotics coordinator. President Zedillo acted courageously to remove him as soon as the internal Mexican investigation revealed the problem, but this has been a set-back for Mexico's anti-drug effort, and for bilateral cooperation.

Mexican police, military personnel, prosecutors, and the courts need additional resources, training and other support to perform the important and dangerous tasks ahead of them. Progress in establishing controls on money laundering and chemical diversion must be further enhanced and implemented. New capabilities need to be institutionalized. Above all, the GOM will have to take system-wide action against corruption and other abuses of official authority through enhanced screening of personnel in sensitive positions and putting into place ongoing integrity controls.

While there are still serious problems, and a number of areas in which the USG would like to see further progress, the two governments have agreed on the parameters of a joint approach to combat the narcotics threat, and are at work on developing this strategy. The drug issue will remain one of the top issues in the bilateral agenda and will be one of the main issues discussed during President Clinton's planned visit to Mexico in April.

Mrs. FEINSTEIN. Mr. President, the distinguished Senator from South Carolina [Mr. HOLLINGS], has asked to cosponsor Senate Joint Resolution 19, Senate Joint Resolution 20, and Senate Joint Resolution 21, and has also asked for time, which I would ask be charged to my time.

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

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from California. She has, as usual, done her homework and, her persuasive arguments at last Thursday's caucus where she debated General McCaffrey changed my mind. I had hesitated endorsing her initiative. They taught us in the Army years ago, no matter how well the gunners aimed, if the recoil is going to kill the gun crew, you do not fire it.

I had to question myself on the recoil here, from this particular initiative. What good was it going to do? Would it do more harm than good? It was easily determined, after listening to Senator FEINSTEIN, that it was definitely going to do more good because, in line with the limited time, you find exactly what I have learned through hard experience, in the most recent issue of the London Economist, on page 43:

> The Americans' uncritical support of Mexico may have helped to spread drug corruption in that country over the past decade.

I will never forget, a good 15 years ago or so, when Senator Howard Baker, Senator Paul Laxalt, Senator Simpson from Wyoming, and myself, we were down in Mexico. We had a briefing at that time by President de la Madrid. At that time everything was just peaches and cream. We were getting along fine. We were moving forward on then the drug program and enforcement. I had gone downstairs and forgotten my jacket, raced back up to get it, and President de la Madrid at the time was briefing the Mexican press. My consulate there was interpreting for me. He was giving us unshirted dickens. He said, "We told those gringos from the north that we weren't going to stand for this, we weren't going to do this," that was a report of a totally different meeting than which we had.

My point is they have constantly used the United States against their particular opposition, time and again, in order to maintain office. In that light, I want to say again what I said at the hearing with Secretary Madeleine Albright at the subcommittee for State, Justice, Commerce on last Thursday afternoon, whereby I was

counseling Secretary Albright, immediately after her statement about Mexico and the great progress we were making in the drug effort. I said I didn't want to sound as an upstart, I certainly did not want to sound impudent in any way, but what I had just heard from the Secretary was State Department boilerplate.

Why did I say it was State Department boilerplate? I read, back in the record, the statement made by Warren Christopher 4 years ago. It was almost word for word just exactly what Secretary Albright was saying. You can go back to Secretary of State Baker's statement and I will show you it is almost the same thing. From hard experience, I have learned that Senator FEINSTEIN is on target and doing this Nation a wonderful service. As she points out this influx of drugs is a cancer that is spreading into small towns and communities all over the Nation. It is going to take some harsh action of some kind. We have to break this notion that we are neighbors and can't speak freely about our problems. The situation in Mexico is spinning out of control. The head of the drug effort down there in Mexico, turns out to be an associate of the drug cartels. Yet we had him here for 12 days of meetings.

The problem in Mexico was highlighted in the Dallas Morning News:

> "The intelligence on corruption, especially of drug traffickers, has always been there," said Phil Jordan, who headed DEA's Dallas office from 1984 to 1994, "but we were under instructions not to say anything negative about Mexico. It was a no-no, since NAFTA was a hot political football."

Well, there you are. What we are doing is following a policy to protect our financial interests; our Wall Street, or our economic interests, which of course has not worked out. But that is the motivation. That is the influence, and not really getting to the drugs and the gangs and the corruption and the law enforcement and crime problem that we have in this country.

So, where I indicated I would withhold because I thought it would cause too much damage and I didn't have enough to work with, I went to General McCaffrey's statement. This was in an open session not—a secure briefing. When asked, "If this decertification initiative passed here and Mexico was decertified, what would happen," he said—I almost quote it word for word—"we would not be able to work with our friends on drugs."

The conclusion of this Senator is we have the wrong friends. We have the wrong friends. We have been going through, as Bob Dole says: Same act, same scene, been there, done that, again and again and again. Until we take up something like the Feinstein initiative, here, we are not going to get any results.

Immediately, there is the overreaction. The Senator from New Mexico, Senator DOMENICI, was at the hearing. He said, "Oh, I differ with Senator HOLLINGS absolutely. We don't want to overthrow President Zedillo."

I don't want to overthrow President Zedillo. I know from the politics of Mexico that is the best chance that he stays on, if the United States jumps him; then he is secure in office politically. That is not the intent. I think the man is honest. I think he is working hard at it. But I think it is too great a problem for him. And I think there are going to have to be some changes down there. I don't see how a decertification initiative of this kind, with the evidence at hand, should upset or overthrow.

I was called by the Albuquerque paper over the weekend, that I suggested we overthrow Zedillo. That is how things can get that far out of hand. That is nonsense. If he is that weak that a decertification initiative here, with the facts at hand, would cause him to lose office, then he is very weak and I think maybe that is the problem.

I think it would be a problem for me, you, or anyone else down there. This thing has grown bigger than us all and it is going to take this kind of approach to bring ourselves to any kind of results and stop this. Because it has been going on year in and year out and we have given way to our economic interests in order to continue. As the London Economist says, "The American's uncritical support of Mexico may have helped to spread drug corruption in that country over the past decade."

I agree with that statement. That is an editorial, lost in a news column. We ought to take heed and I am delighted, at this time, to join in, and I thank Senator FEINSTEIN for enlisting me as a cosponsor.

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. HUTCHINSON. 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. HUTCHINSON. Mr. President, I stand here today in full support of House Joint Resolution 58 and Senate Joint Resolution 21, resolutions expressing Congress' disapproval of the President's certification to Congress that Mexico has fully cooperated with United States antinarcotics efforts during the last year.

Section 490 of the Foreign Assistance Act dutifully permits Congress to disapprove Presidential certifications made under this section if it enacts a joint resolution to that effect.

The importance of Mexico's full cooperation with United States antinarcotic efforts cannot be overstated. Drug use among American teenagers has nearly doubled in the last 5 years. Most importantly, more than 70 percent of illegal narcotics entering the United States comes from the Nation of Mexico.

Mr. President, as we all know, on February 28, the Clinton administration certified that Mexico cooperated fully with United States efforts to combat international narcotics trafficking during 1996. However, on February 27, 1 day before the President issued the certification, the day before the administration received a bipartisan letter from 39 Senators, myself included, urging our Government to deny certification to Mexico, the facts unequivocally show that Mexico has not fully cooperated with the United States.

Seventy percent of the illicit drugs that enter the United States still enter through Mexico. There has been no change in those figures or on that front.

The DEA says that Mexican drug traffickers are manufacturing massive and unprecedented quantities of high purity meth and supplying it to distribution networks here in the United States which are destroying our youth and creating a new front in the drug war.

Not 1 Mexican national out of the 100 or more the United States wants currently for trial here in the United States on serious drug charges has been extradited to the United States, despite the numerous requests that our Government has issued to the Mexican Government.

Our own DEA Administrator, Thomas Constantine, has recently said:

> There has been little or no effective action taken against the major Mexican-based cartels. . . . The Mexicans are now the single most powerful trafficking group—worse [even] than the Colombian cartels.

Mexico's counternarcotics effort is plagued by corruption in the Government and in the national police. Among the evidence are that eight Mexican prosecutors and law enforcement officials have been murdered in Tijuana in recent months. The revelation that Gen. Jesus Gutierrez Rebollo, Mexico's top counternarcotics official and a 42-year veteran of the armed forces, had accepted bribes from the cartels casts grave doubts upon Mexico's ability to curb corruption at the highest levels of its own Government.

While there have been increases in the amount of heroin and marijuana seized by Mexican authorities, cocaine seizures remain low. The 1996 levels are half those seized in 1993. And the same holds true on drug-related arrests; they are half the figure of the 1992 level.

Lastly, on the eve of full certification to Mexico, the Mexican police released a notorious money launderer linked to a major drug dealer, and the United States was informed of this fact only after certification was announced.

The Mexican police officers who released the individual are now under investigation as a result of this early release.

In the face of these substantive facts, President Clinton still certified that Mexico was fully cooperating with our antidrug efforts. As a father of three, I cannot in good faith be witness to the corruption of the well-being of America's children.

Mr. President, the resolutions before us are simple. Mexico has failed with regard to antidrug cooperation; however, the President has certified giving them a passing grade.

I say to Members of the Senate, both of these resolutions contain a waiver provision that would permit the President to continue both bilateral assistance and multinational development assistance for Mexico. By adopting these resolutions we are declaring that Mexico has not fully cooperated and therefore should not receive the United States certification.

Mr. President, based on the facts, including the national interest waiver, we must send a message to the Nation of Mexico that the administration made the wrong decision and that these resolutions will set that record straight while preserving stability in our relationship with Mexico.

So, Mr. President, I urge the adoption of both House Joint Resolution 58 and S.J. Res. 21 for the good of the Nation and for the good of our children.

I yield the floor, and 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. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DEWINE. Will the Senator yield?

Mr. DORGAN. I would be happy to.

Mr. DEWINE. Mr. President, I ask unanimous consent that after my colleague is done speaking that I have 10 minutes.

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

Mr. DEWINE. I thank the Senator very much.

THE ROAD AHEAD IN TELECOMMUNICATIONS

Mr. DORGAN. Mr. President, I rise today to offer some reflections to express some concerns about the direction of the implementation of the Telecommunications Act of 1996.

It has been over a year since this landmark legislation was enacted. To my dismay, and I think to the dismay of some others, some of the concerns that I and others expressed a year ago are now concerns that are more real than when we expressed them.

As the dust begins to settle after the major titans in the telecommunications industry battled for advantage under this act, the consumers, unfortunately, appear perhaps to be the losers. I hope that will not be the case in the long run, but I am concerned it shapes up to be the case now unless the course is altered.

Some of this is directly related to the deregulation of the cable television and the media ownership rules under the act. Cable rates, for example, have risen almost three times faster than the rate of inflation, according to the Bureau of Labor Statistics. Consumers are also now getting hit by some preemptive rate increases on local telephone rates.

Finally, the concerns about the direction being taken by the Federal Communications Commission raise the prospect of future increases in telephone rates if the FCC in its universal service proceeding does not implement the Telecommunications Act as we wrote it a year ago.

When the Senate, Mr. President, passed its version of the Telecommunications Act in June 1996, I voted against it for a couple of reasons. First, I feared that the Senate measure would do more to promote concentration in media and telecommunications markets than it would to break up monopolies and to instill competitive markets. Second, in my judgment, the bill put the cart before the horse by deregulating monopoly carriers before the presence of competition.

Despite the fact that it was sold widely on the floor of the Senate as a bill to promote competition in the telecommunications industry, I believed that it would do more to foster and facilitate concentration in the telecommunications industry, producing exactly the opposite of what competition would deliver to consumers.

The Senate version deregulated broadcast ownership rules, and it would have prohibited the Justice Department from evaluating the competitive consequences of the entry into long-distance services by the Bell companies. The conference report then came back and made some improvements in these areas, and I voted for the conference report on final passage with some reservations.

But I remained concerned enough about the issue of media concentration as a result of this act that I introduced legislation to repeal the changes made in the new law on the very same day that the conference report was approved.

I also cited some concerns about increases in rates in the telecommunications services, especially cable services, as a potential problem that Congress is going to have to be concerned about and have to deal with.

Under the Telecommunications Act, the rate regulations of some cable companies were immediately deregulated before the emergence of competition. As a consequence, I am told that some 20 percent of all cable subscribers were left to the mercy of whatever a monopoly might want to do with them upon the date of that enactment.

Now that the new law has been enacted for over a year, let us look at what has happened and see what it means and what might lie ahead. Looking back, at least it seems to me the road ahead may be troublesome.

Let me first talk about local phone rates.

While the local competition rules are currently in abeyance, stayed by a Federal circuit court because of a lawsuit filed by local exchange telephone carriers and by the States, many of the Telecommunications Act's most important provisions have yet to be implemented. But before local competition emerges in any significant way, some local phone companies are already jumping the gun and saying that they want to raise local rates. Last April, most local phone companies filed comments at the FCC indicating that to them deregulation of the local price caps would allow something they called rebalancing of local telephone rates.

Now, the FCC did not follow their recommendations, but several local phone companies have taken their rebalancing efforts to the States, seeking permission to increase local residential telephone rates.

A number of regional Bell operating companies, for instance, are seeking legislation before State legislative assemblies to repeal price cap regulations, which most say will lead to an increase in local phone rates on residential customers. That was not what was contemplated by the Telecommunications Act.

This deregulation they now seek is unnecessary. They say that they want to be deregulated to balance rates with cost. They say that is a necessity for a competitive environment. "Rebalancing" means doubling residential phone rates over the next 4 years for some local phone service customers in my State of North Dakota. North Dakotans are being told that local phone rate increases are necessary "in order to implement the Federal law in a competitively fair manner," in the words of the company seeking deregulation.

I was a hesitant supporter of the final version of the Telecommunications Act that came out of the conference. I did not vote for that legislation nor do I think did my colleagues vote for that legislation to allow an increase in residential telephone rates in this country. Any suggestion by an incumbent local telephone monopoly that the Federal law requires or even contemplates deregulation of local phone rates before there is any real competition for local phone service is,

in my judgment, a gross misrepresentation of both the letter of the law as well as the intent of Congress. I simply do not understand the rationale that local rates must go up because of competition when, in fact, most consumers have not seen the benefits of competition. Local competition, in my State and in most States, does not yet exist.

In the 1 year since the Telecommunications Act was enacted, there has been little change in the actual presence of local competition for telephone service. It seems that the prospect of future competition, not actual competition today, is driving up prices. That is not a derivative of this act, that is an aberration of this act. I do not believe there is one person who would have stood up on the floor of this Senate and said, "We want to pass a Telecommunications Act because we want local phone service charges to go up." This makes no sense and has no justification in law or in the act that we passed.

In fact, the conference committee specifically rejected language that would have mandated that we deregulate price caps under the Telecommunications Act. Instead, the Federal legislation correctly focused on promoting competition and establishing adequate universal service support systems that would prevent the necessity of any dramatic local phone rate increases.

When the Telecommunications Act was being developed, a number of us from rural States who sat on the Senate Commerce Committee created something called the "Farm Team." We went to great lengths to strengthen the bill's universal service provisions. Beginning with the Hollings-Danforth legislation of the 103d Congress, which was S. 1822, and through the entire legislative process in the 104th Congress, a number of us labored very, very hard to structure the legislation to make sure that consumers would not experience significant rate increases for telephone rates. Under the act, Congress mandated that universal service support mechanisms be sufficient and that rates be affordable.

To the extent that competition, actual competition, imposes changes in the traditional revenue streams that have historically been available under regulated environments for local phone companies, this act provides that universal service support mechanisms must be in place to ensure that rates remain affordable.

The Telecommunications Act once again does not sanction dramatic rate increases. There is no relationship between this Federal law that was passed last year and legislation before my home State legislature and others that seek to deregulate local monopoly phone service before there is any real price competition. It seems to me if there are circumstances in which local phone monopolies are being pinched on revenues, the debate should be about how to address that problem through the universal service support mechanisms, not through rate increases on captive customers.

I happen to think that the Bell system that serves our State of North Dakota, U S West, is an excellent company. They do a good job. They are a good strong company. I understand that their mission is to their stockholders. But where there is not effective competition, where a local provider has monopoly service, then there must be good and effective regulation by Government regulators and oversight by State authorities. That is what this issue is, not just to North Dakota, but to many other States, as well.

The Telecommunications Act anticipated a strong role for State legislatures and regulators, but the act does not anticipate that the States would exercise their authority in a manner that would leave consumers unprotected in the face of monopoly service. The objective of the Telecommunications Act is to foster competition and to encourage infrastructure investment. But as we know in rural States like North Dakota and others, competition can be a double-edged sword. In densely populated urban areas, competition can drive down consumer prices to create greater access to advanced telecommunications services. But in rural, less-populated areas, they may never see the benefits of competition, and we do not want to see monopolies extracting higher prices from captive consumers to subsidize services in markets where the carrier faces competition.

We do not want to see the same result in telecommunication services that we see in deregulation of the airlines, or for that matter, deregulation of railroads. We are served in my State with one jet service and one railroad, and in both cases we are paying higher rates than are justified. We pay higher rates in airline service following deregulation despite its promise of benefits for everyone. In our part of the country, we pay anywhere from 20 to 30 to 40 percent more for airline tickets because we do not have competition for jet service. In fact, I can get on a jet in Washington, DC, and fly twice as far and pay half of the cost. If I get on a jet here in Washington, DC, to fly to a city in North Dakota as opposed to flying all the way to the west coast, Los Angeles, I will pay twice as much to fly half as far. Why does it cost that much to fly to a State like North Dakota? Because there is no effective real competition. That is the experience we have had in deregulation of the airline industry.

The railroads, if you put a cargo of wheat on a railroad train in Bismarck and ship it to Minneapolis you pay $2,300 to ship the carload. Put the same carload of wheat on a hopper car in Minneapolis and ship it to Chicago, you do not pay $2,300, you pay $1,000. Why do we get more than double the price in North Dakota? Because between Minneapolis and Chicago there are several railroads competing to haul the wheat, and in North Dakota to Minneapolis there is one. We have long suffered as a result of deregulation, with less service and higher prices.

No one anticipated passing a Telecommunications Act in which the Congress, the regulatory authority, or States would decide that they will deregulate and provide new pricing authority from monopolies to provide local telephone service. Everyone in this room, everyone in this room who played a role in the Telecommunications Act, if this continues, will be required to respond to constituents who are going to ask them, why did you pass a piece of legislation that resulted in increasing local phone service telephone rates all across this country?

In North Dakota, the dominant local service carrier says that they need to rebalance, which means changing rates and means residential rate increases because they are not otherwise going to be able to invest in States in which they provide local phone services. But this company, like most others, has plenty of capital to invest in other things. This particular company purchased a cable company for about $11 billion—the largest cable acquisition in 1996. They also bought a couple of other cable companies for over $1 billion, and they will spend up to $300 million this year alone to upgrade those cable systems outside their local phone company region. That company in North Dakota, which is a dominant local service carrier, has 15 million access lines in its local phone region, and 250,000 of those are in North Dakota. But, it has more cable subscribers in their foreign and domestic systems than it has in local phone subscribers.

The point I am making is that there is nothing wrong with a dominant local phone service carrier having investments outside their region. There is nothing wrong with them asking for the authority to extract more revenue. But there is something wrong with deregulating prices for a monopoly providing telephone service in a region.

As I said, every Member of the Senate will have to answer to that if local telephone rates go up, and we are told that local phone rates have increased throughout most of this country because Congress passed a Telecommunications Act. Every Member of Congress will have to respond to that. The response today is for me to say that there is nothing in this act that would allow the implementation of this act in a manner now described by some of the monopoly carriers and now described by some of the State authorities. The

Telecommunication Act was not passed or was not enacted in order to provide 50 percent increases or double the price of local telephone service around this country.

Now, one other point about this. The Federal Communications Commission is in the process of developing final rules to implement a portion of the Telecommunications Act on universal service. Some of this is very dull and boring and hard to understand. But it will play a very important role in determining how much you pay for local telephone service. If the FCC makes the wrong decision—and I am concerned that they are about to do that—they will guarantee that the universal service fund doesn't work to protect consumers and phone rate users in rural areas.

I come from a county with 3,000 people. My hometown is 300 people. The county seat is 1,200 people. I saw a cost model that described what it would cost to build an infrastructure to serve Fargo, ND, with 80,000 to 100,000 people, versus Mott, ND, with 1,200 people. If you are to build an infrastructure to service phones in Mott, a small town, versus Fargo, a fairly large town, the estimate was $210 per phone for the infrastructure to provide phone service in Mott, ND, and $19 per phone to provide service to Fargo, ND. Why don't we price telephone service that way and say to the folks living in small rural areas, "We're sorry, but it cost more to get the phone service out to you, so your bill is $210 a month"? Why don't we do that? It is because we decide that phone service should be universal. It doesn't matter where you live; the presence of one phone advantages any other phone. The fact that someone in Mott, ND, has a phone makes every phone in New York City more valuable because they can call that phone. That is the notion of universal service.

All of that has been funded and developed by the present universal service system. In some areas, they provide some additional resources to support other areas. The result is that the price affordable and reasonably low phone service is maintained across the country. The FCC is now in the middle of a decision about how to restructure that universal service, as required under the act. If they make the wrong decision—and they are inching in that way, regrettably—they will decide, in my judgment, to erode the foundation of universal service.

Last week, for example, the Chairman of the Federal Communications Commission announced that the Commission is considering excluding intrastate revenue streams from the Federal universal service support mechanisms. That means only interstate revenue streams will be available for those support mechanisms. That, in my judgment, doesn't comport at all with the act that we passed.

It is imperative that the FCC, as well as local authorities, comply with not only the letter but the spirit of the Telecommunications Act that was passed by Congress. The Telecommunications Act is clear on this issue, and Congress never intended for each State to be on its own to ensure that services in rural or high-cost areas must be "reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas." That is what Congress affirmatively desired. We never intended for each State to be left to its own devices to ensure national universal service. We want this to be a universal telephone system that is universally affordable.

I hope the FCC will reject this distinction that has been referenced now by the Chairman of the Commission. To do otherwise, in my judgment, will contradict the intent and the letter of the law in the Telecommunications Act. But the FCC still has ample opportunity to address this concern, and others, under the time frame provided by this act. I was among the group of 25 Senators who sent a letter to the Chairman of the FCC last week highlighting some of the concerns we have about the FCC's deliberations. We have, between now and May of this year, to work with the FCC to develop a Federal-State universal service support system that will ensure affordable telephone rates all around this country. In the absence of accomplishing that goal, we will see a number of monopolies, increased telephone rates, and blame it on the telecommunications bill. Why will it happen? It will happen because the act and the legislation was not implemented the way Congress intended it to be implemented.

One additional point I want to raise is the issue of media concentration. I offered an amendment on the floor on this issue, and I won my amendment, actually. At that point, the majority leader was the major opponent to the amendment. I won by four or five votes. It was 4 o'clock in the afternoon. At about 7 o'clock, there was reconsideration, and another vote was taken. Some people, having eaten a dinner that I am not privy to, decided they had better judgment after dinner than before. They came with arms in casts—having been broken in several places—and they changed their vote, and I lost. My victory was short-lived. My amendment was to strike what I thought was fundamentally unwise deregulation of the 12-station broadcast television rule and the limit on 25 percent of the national audience reach. The bill proposed that we unhitch and let whatever media concentration exists in broadcast properties and television is just fine. That is really what the act did, with no regulation in radio and little regulation on television ownership.

I thought that was, in my judgment, exactly the wrong way to move. I repeatedly said so and offered an amendment and won the amendment for a few hours, and I subsequently lost. But since the enactment of the 1996 Telecommunications Act and, along with it, the lifting of broadcast ownership limits in that act, media acquisitions hit a record $48 billion in consolidation buyouts. In the first year of the act, broadcast television deals increased over 121 percent from the previous year, totaling $10.5 billion. Radio consolidation increased a whopping 315 percent since passage of the act, leading to more than 1,000 deals worth a total of $14.9 billion.

The Telecommunications Act of 1996 increased the national audience reach for television broadcast ownership from 25 to 35 percent. Already, two of the major networks are between 25 and 35 percent. It also allowed unlimited numbers of television stations to rest under one ownership.

Mr. President, I ask unanimous consent that a couple of articles from Broadcasting & Cable magazine be printed in the RECORD. These articles will provide colleagues with a sense of how rapidly the broadcast industry has been consolidating.

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

[From Broadcasting & Cable, Feb. 3, 1997]

TRADING MARKET EXPLODES—1996 SPENDING TOPS $48 BILLION

(By Donna Petrozzello)

Spurred by the Telecommunications Act of 1996, consolidation swept the broadcasting industry last year, ushering in an unprecedented era of megagroups and multibillion-dollar deals.

In June, the $4.9 billion merger of Infinity Broadcasting Corp. into Westinghouse Electric Corp./CBS Radio Inc. riveted the attention of investors and advertisers to the radio industry. In July, News Corp./Fox Television Stations Inc.'s $3 billion purchase of the remaining 80% of New World Communications Group Inc. made News Corp. the nation's leading TV station owner.

Almost without exception, brokers and group owners across the country describe the year as their busiest—and most lucrative—ever. In 1996, $25.36 billion changed hands. That is an astonishing 204.8% increase over the $8.32 billion spent on TV and radio deals in 1995, according to figures compiled by Broadcasting & Cable (see chart at right). And 1996 is the fourth consecutive year of increased station trading since the slump of 1990–92.

Expectations also are high for this year. "Last year and 1997 will represent the two highest levels of station trading in the radio industry ever, and likely will never be surpassed," says broker William J. Steding, managing director, Star Media Group Inc., Dallas.

"Nineteen ninety-six was the best year in our history," says broker Fred Kalil, of Kalil & Co., Tucson, Ariz. "And we already have enough in the hopper for 1997 to beat 1996."

Radio was the champion in 1996, with the all-radio Westinghouse/Infinity merger topping the list of the year's biggest deals (see

box, page 23). The Telecommunications Act did far more to deregulate radio than television, encouraging radio-station consolidation and leaving many changes in the TV rules in the hands of the FCC.

NEW LAW DRIVES THE DEALS

"The Telcom Act drove the deal business," says broker Gary Stevens, of Gary Stevens & Co., New Canaan, Conn. "I've never seen such a quantum leap in the industry, particularly in the radio industry, in so short a time. I think it exceeded everyone's expectations, and it went much faster than anyone could have imagined."

The act allows broadcasters to own as many radio stations as they want, nationally. Locally, the most generous cap still in place allows ownership of up to eight stations in a market with 45 or more other radio stations.

The amount spent on radio in 1996, $14.87 billion, topped 1995's radio total by a whopping 315.5%. Meanwhile, dollars spent on TV stations rose 121.3%. to $10.49 billion. The number of TV deals actually dropped, however, from 112 in 1995 to 99 last year.

"Ninety-six was not as big a year as everybody thought it would be [in TV]," says Steve Pruett, senior vice president, Communications Equity Associates, New York. Early in the year, in anticipation of deregulation, TV stations were drawing multiples of 14, 15 even 16, he says. However, "buyers drew a line [and] there just weren't a lot of sellers. . . . Clearly, [TV trading] was not the deal-a-minute thing that radio was."

PRICES RISE FOR RADIO DEALS

Indeed, "1996 was the most active trading year in the history of radio broadcasting, and there was a tremendous amount of consolidation," says Scott Ginsburg, chairman, Evergreen Media Corp., Dallas. More than 1,000 radio deals were made last year, compared with 737 in 1995.

Prices also ran high as radio stations became increasingly popular investments. The average deal price was $14.64 million last year, compared with $4.86 million in 1995. Multiples, which have risen steadily since the early 1990s, "went out the window" last year, says broker Brian Cobb, of Media Venture Partners, Fairfax, Va. "We've never seen anything like this, ever."

"Consolidation has given buyers the ability to pay great prices and still get good returns on their investments," says broker Glenn Serafin, president, Serafin Bros., Tampa, Fla. "Watching the largest radio companies trade stations in the 12, 14 or 16 times cashflow range" increased trading values even in the smallest markets, Serafin says, like "a rising tide lifts all ships."

But the news wasn't all good. In October, radio companies' stock plunged as much as 20% after the Justice Department limited the number of stations and the amount of radio revenue that American Radio Systems Corp. could control in Rochester, N.Y. The previously fast-paced year went out like a lamb. But by last month, radio stocks had largely returned to pre-October levels.

Justice's "inquiries and companies" digesting earlier acquisitions tapped the brakes a little on trading in the fourth quarter." Serafin says. "But that's temporary. Stocks are rising, capital remains plentiful [and] consolidation is working."

MID-MARKET GROUPS GROW

Midsize groups also gained clout with investors in 1997 and acquired the muscle to grow at unprecedented levels.

"The Telcom Act created a structural shift in the industry that for the first time allowed the creation of middle-market companies that are large enough to be of interest to public markets," Pruett says. "We are looking at a structural change that is permanent."

Nevertheless, some brokers expect smaller, privately held radio companies to survive and perhaps even thrive in 1997. Any private companies still in business are in for the long term, Stevens says: They are not likely to accept a buyout if they haven't already.

Other brokers envision a different scenario. Richard Foreman, president, Richard A. Foreman Associates, Stamford, Conn., anticipates a time when private groups may feel unable to compete with larger entities and eventually will sell.

"In radio, we are hearing the onset of privately held groups being in the minority," Foreman says. "Their plight is that eventually someone will make them a godfather offer they can't refuse."

Operating stations in a market with larger station groups has "made competition more intense. You've got better competitors, and we're finding that the surviving companies are much more savvy and they have more resources," says Jeff Smulyan, chairman, Emmis Broadcasting Corp., Indianapolis.

GROUPS BECOME MEGAGROUPS

The biggest deals of 1996 were marriages of publicly traded radio groups: "1996 was characterized by big-on-small mergers," or big companies buying small companies, Stevens says. "In 1997, we'll see combinations of the big companies with each other."

Although brokers and owners don't expect the frenzied levels of 1996 to last through 1997, they do expect trading to remain strong through year's end.

"The trading dollar volume will be high in 1997, but the number of deals will be lower," Stevens predicts. "There will be fewer—but bigger—deals."

"In terms of the number of [radio] stations, I don't think consolidation will keep up at the same pace," says Robert F.X. Sillerman, executive chairman, SFX Broadcasting Inc., New York. But, he says, "there will be intriguing transactions taking place."

"There's still an awful lot of acquisitions to be done," especially in markets 20–100, says broker Dean Meiszer, president, Crisler Co., Cincinnati. Swaps will continue as buyers whittle down their large deals. "Companies trading [stations with similar] cash flow . . . improve their positions in markets where they want to be," he says.

The year's "hot" properties will be "strong cash-flow stations with a rock-solid niche in a format or [audience] demographic," says broker Michael Bergner, Bergner & Co., Boca Raton, Fla.

"In radio, the most sought-after situations in 1997 will be any market where there is a facility left 'unduopolized,' particularly in large and medium markets," Cobb says.

Ginsburg expects trading to pick up as the year unfolds. He describes 1996 as the first six innings of a baseball game and the first 60 days of 1997 as "the seventh-inning stretch." Now "we're ready to play the rest of the ball game," Ginsburg says. "I think it will last through 1996, but then it will be pretty much done."

"UNPRECEDENTED" TV MULTIPLES

In television, many brokers expect duopoly rules and technology and must-carry issues that have limited the industry's growth to be resolved in coming months, spurring a period of heightened trading.

While television trading stepped up in markets of all sizes last year, "medium and small markets were particularly active," Cobb says. Within the past two years, the number of TV station owners has declined by 20%, he adds. Multiples ranging from 10.5 to 15 "are the highest multiples we've seen. It's just unprecedented.

Pruett predicts "a few more strategic moves in 1997" similar to last year's $1.13 billion purchase of Renaissance Communications Corp. by Tribune Co., and the $1.2 billion merger of River City Broadcasting and Sinclair.

Stevens anticipates a higher pace of TV trading in 1997. "Television is on the cusp of further deregulation, and there will be more duopoly buys in television that will send TV down the same road as radio," he says.

Most brokers agree that 1997 will be another seller's year: "More money than ever is looking for stock values and since the beginning of 1997, radio stocks have rebounded anywhere from 20 percent to 35 percent," Steding says.

"Barring economic catastrophe, 1997 will be just as good a year as 1996," says broker Ted Hepburn, Palm Beach, Fla. "This will even extend into the next century," he says. "Consolidation just can't happen overnight."

[From Broadcasting & Cable, Jan. 27, 1997]

CONSOLIDATION YEA OR NAY

(By Chris McConnell)

WASHINGTON.—More TV consolidation may be around the corner, some broadcasters say.

Others contend it has already happened.

TV broadcasters gathering in Naples, Fla., this week for the National Association of Broadcasters joint board of directors meeting will consider supporting further relaxation of the FCC's TV ownership restrictions. Some broadcasters—particularly those heading smaller groups—fear that such deregulation could open the door to placing more channels in the hands of fewer owners.

Those worries are echoed by advertisers, watchdog groups and even the Clinton administration. They fear that the buying trend—totaling more than $10 billion in TV transactions in 1996 compared with $4.7 billion in 1995—is leading toward an era of Charles Foster Kane—type media moguls.

"Monopoly power, pricing power, is not a good thing no matter what the medium is," says John Kamp, senior vice president of the American Association of Advertising Agencies.

"It's a way for the good old boys to keep everybody out," adds Andrew Schwartzman, president of the Media Access Project.

But others say that much of the feared consolidation already exists. They cite the widespread use of local marketing agreements (LMAs), which allow broadcasters to manage stations without counting them as "owned" facilities. Some 49 of the deals now exist in 45 markets.

"People have been slipping around the rule anyway," says Philip Jones. Meredith Corp. Broadcast Group president Jones—who opposes LMAs and further consolidation—also says relaxing restrictions on owing more than one TV station in a market would merely make people striking the LMA deals "feel less guilty."

"The major (deals) are probably already done," adds William Sullivan, manager of the Cordillera Communications station group.

Those LMA deals will eventually be subject to local ownership restrictions, under the proposal issued by commissioners last November. The proposal would treat new LMAs as owned stations and would grandfather existing agreements until they expire.

The move to attribute LMAs follows a series of actions in Washington to relax the ownership rules. In response to the 1996 Telecommunications Act, the FCC last year eliminated the 12-station cap on TV ownership and raised the national audience-reach limit from 25% to 35%. In 1995 the commission also eliminated the financial interest and syndication (fin-syn) rule.

Such relaxations cleared the way for Disney to buy Capital Cities/ABC and for Westinghouse to buy CBS.

But while the FCC now is proposing to tighten its "attribution" rules, it also is asking comment on whether it should relax more ownership rules to allow common ownership of two UHF stations or a UHF/VHF combination within a market.

Policymakers have differed on the question. President Clinton last fall said that he does not think that allowing common ownership of two TV stations in a market is a good idea.

"Outside of group owners, no one thinks [further concentration] is a good idea," adds Larry Irving, head of the National Telecommunications and Information Administration, "Syndicators and advertisers are scared to say anything."

FCC commissioners, however, do not rule out the notion of some ownership relaxation. FCC Commissioner James Quello says he could see a UHF/UHF or even a UHF/VHF combination in areas where the combination would not give the owner too much control over the local advertising market.

And FCC Chairman Reed Hundt last month asked whether allowing common ownership of two stations might increase diversity of viewpoint and programing in some markets.

That was the argument favored by broadcasters at this month's NATPE convention in New Orleans. Discussing the remaining restrictions, executives on one panel pitched the notion that more consolidation might mean more diversity. Clear Channel Television's Rip Riordan pointed to the use of LMAs to revive stations that otherwise would not be broadcasting.

LIN TV President James Babb, in favoring more relaxation, points to competition with cable and DBS, "We need to be active in proposing that," Babb says.

Others disagree. Hubbard Television Group President Robert Hubbard says important distinctions remain between LMAs and outright ownership. And he predicts that further relaxation of local ownership rules will spur more consolidation.

"We feel very strongly that it's not good for the industry and it's not good for consumers," says Hubbard.

"It removes from the market precisely those stations that have historically provided entry to new and different voices—minorities and women," adds Media Access Project's Schwartzman.

One issue threatening to affect the ownership status of several stations is the must-carry law pending before Supreme Court justices. Defenders of the law requiring cable carriage of local broadcast signals had a rough outing before the court last October, and several expect the court to throw out the law.

Broadcasters say that could threaten the viability of many UHF stations. "It makes the weak weaker," says Meredith's Jones.

"It could be a major negative impact," adds LIN's Babb, who predicts that a struck-down must-carry law combined with relaxed restrictions could accelerate TV consolidation.

Mr. DORGAN. This consolidation is a direct result of a green light provided under the deregulation in broadcast ownership limits in the Telecommunications Act. We have to ask ourselves if this is the result that Congress intended and, if it is, I ask all of those who stood on the floor of the Senate and said this act is going to provide much more competition: How do you square that with the notion that you have many fewer competitors? Competition means many competitors competing in a market system. Concentration is exactly the opposite of competition.

At present levels, I think every one of my colleagues ought to be alarmed. If this consolidation continues, we will soon be facing the question of how we deal with the prospect of a small handful of media moguls controlling the majority of all media sources in this country. At what point is the issue of localism and diversity so seriously compromised that the Congress finally wakes up to pay attention to this situation?

Where is responsibility in these areas? Well, I think the time for that is now. In addition to the deregulation allowed under this act with respect to broadcast ownership, the FCC is considering further ownership rule changes that could further increase concentration. In one proceeding, the FCC is considering changes to its so-called attribution rules that will allow for a more liberal use of local marketing agreements, which they call LMA's. That will allow broadcasters to manage stations without counting them under their ownership column. Currently, there are 49 LMA's in 45 markets, and if the FCC liberalizes those attribution rules, LMA's could become even more widespread. In the strictest sense, station ownership is limited to a nationwide reach of 35 percent. But these so-called LMA's permit far greater influence in many more stations beyond the 35 percent audience reach limit. Liberalizing the attribution rules will further encourage consolidation under this loophole.

In addition, the FCC is also considering changes to the newspaper and broadcast cross-ownership restriction and is seeking comments on what kind of objective criteria should the FCC consider when evaluating waivers to the newspaper/radio combinations.

The prospect of further consolidation in the media industry, I think, should be of serious concern. This wasn't what was contemplated by the Telecommunications Act, although I feared that was going to be result of it. There has been this orgy of concentration in the industry, and that is exactly the antithesis of competition.

It is interesting that on this floor we talk about what we are seeing, especially from the broadcast industry, from television, and from the airwaves, pollution that comes into our living room and hurts our children with excessive violence and course language. Where is the accountability? Where is all that produced? It is produced, apparently, on the coast to be broadcast into our living rooms, and some are fighting—myself included—to see if we can't see more responsibility in what is broadcast during times when children are watching. But you find more and more concentration in this industry, and what you will have is less and less accountability. More concentration is not moving toward more accountability; it is moving towards less accountability. And that concerns me as well.

Mr. President, I wanted to describe some of my concerns today largely because many believe—and I felt it worthy to support something that would encourage competition in an industry that was changing dramatically. The telecommunications industry is making breathtaking changes in our lives, and it can be changes for the good. But also it can be destructive, and changes that are unhelpful to the market system.

I am concerned about local phone companies demanding deregulation of rates before there is effective competition. That would mean higher telephone rates across the country. I am concerned about the FCC and the decision it is going to make on universal service funds which will determine how much someone in one of our local rural counties pays for telephone service. I am concerned about concentration in the telecommunications industry, because I believe that determines what kind of an industry we have and at what price it is made available to the consumers as well. I hope as we have oversight hearings in the Commerce Committee that we will begin to address these issues.

If the Telecommunications Act of 1996 is not implemented as intended, if its implementation is a perversion of the intent of that act, if it moves toward less competition rather than more competition, if it moves toward greater monopoly rather than toward more competition, if it moves toward higher prices for cable television, for telephone service, and for other services in that industry, then I think Congress ought to revisit this issue, because that is not what was intended.

Mr. President, let me finish with one note. I have from time to time held up a little vacuum tube to describe what this revolution is all about, and with it a little computer chip that is half the size of my little fingernail. We are all familiar with the vacuum tube, which is old technology, and the little computer chip. The computer chip is the equivalent of five million vacuum tubes. That is what we have done in this country in terms of technology.

The head of one of our major computer firms, in a report to stockholders, was talking about storage density technology. He said, "We are near

a point where I can believe that we will have in the future the capability of putting on a small wafer all 14 million volumes of work which exist at the Library of Congress," which is the largest repository of recorded human knowledge anywhere on Earth. The largest deposit of recorded human knowledge anywhere on Earth is at the Library of Congress. Fourteen million volumes we will put on a wafer the size of a penny. Think of what that means—the capability of and the development and distribution of information and knowledge. It is breathtaking what is happening. But it must happen the right way to be accessible to all Americans and at an affordable price. If it doesn't, if the on ramp and off ramp doesn't exist in the smallest towns of Alaska, or the smallest towns of North Dakota, or Nebraska, then we will not have built an information superhighway that works for all Americans.

That is why the implementation of this act is so critical to the American people. And it is why I am so concerned about what I think is happening in three areas that will represent a contradiction of what Congress intended with the passage of this act.

So, Mr. President, I hope that the Commerce Committee will have oversight hearings and that we will continue to address these special and important issues.

Mr. President, I yield the floor.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized for up to 10 minutes.

Mr. DEWINE. I thank the Chair.

FLOOD-RAVAGED SOUTHERN OHIO

Mr. DeWINE. Mr. President, I just returned from spending 3 days in flood-ravaged southern Ohio. I had the opportunity to visit with some of the victims in Clermont County, Adams County, Brown County, Scioto County, Jackson County, Lawrence, Gallia, and Meigs counties. When you see the damage up close, it is even more terrifying than it is when you see it on the nightly news, or see it on CNN.

As I visited with the victims, I saw something that was very heartening. I saw something that simply makes you feel good. It certainly made me feel good. That was the number of people who were pulling together in a spirit of community, reaching out to each other to reassure each other, to help each other, to be with their friends, to be with their neighbors. I can't tell you how many different times I saw people who were volunteering to help someone else.

I walked into one home and talked to a woman. I said, "How did your home get cleaned up?" She was an elderly lady. She said, "I had 30 people come in here, 30 of my friends. They came in. They cleaned it up." They cleaned it up in a very short period of time.

This weekend I visited Jackson, OH, in Jackson County. We were walking down a street that had been very heavily damaged. The homes had been heavily damaged by flood water. We came across what looked like 30, 40, or 45 Boy Scouts in Boy Scout uniforms. I asked the leader what they were doing. He said, "Well, we were supposed to be camping out this weekend." These were scouts from four, five, or six different counties. "But we decided to come in here to Jackson." And they literally just started volunteering to clean up people's homes.

So I watched these Boy Scouts for a while as they went about their business moving the debris from that street, going into people's homes and helping them scrub down their floors and get the mud out. It was absolutely an unbelievable thing to see.

That same day I saw the same spirit in New Boston. The Jaycee group was in New Boston. Again, as I was walking down the street and talking to some of the victims of the flood, I saw a bunch of Jaycees. They were out doing the same thing. They were drawn from all over the State of Ohio. They just volunteered to come in that day and were doing that type of cleanup work.

On Sunday morning, yesterday morning, I participated in a church service in the village of Vinton, OH, a small village in Gallia County. Just about every family in that church had experienced some devastation from the flood. Yet, I heard words of hope from the pulpit. I heard words of hope from the members of the congregation.

Frankly, Mr. President, I was reminded of what I saw in Xenia, OH, in 1974 when Xenia went through that tornado. Then, several days later, people still went to Sunday church services. There were people who said, "Why in the world do they do that?" Again, it was, I think, a reaffirmation of faith, people's devotion to each other, devotion to God, and really a showing of spirit of coming together.

The Ohio National Guard has done a fantastic job. The Watercraft Division of the Ohio Department of Natural Resources literally came in and saved life after life—rescued people from the top of homes. The Ohio Department of Transportation is doing a phenomenal job, the Red Cross. I could go on and on. An absolutely tremendous amount of work is being done in the communities to really make a difference in the communities.

My wife, Fran, had the opportunity to work in Ohio several days last week. She worked with the Salvation Army. She worked with the Red Cross and is working with one group of Southern Baptists who are all geared up whenever there is a disaster. They come from all over the State of Ohio and from other States into an area and cook and prepare food for people. They really made a difference. She was very inspired by what she saw them doing. And as she has told me about it, I have certainly been inspired as well.

So these are just a few examples of what we are seeing in the State of Ohio. We are seeing people who are out there making a difference, people who are working with their neighbors, and people are just hanging in there.

I happened to talk to one man in New Boston. His home was flooded in a very quick flash flood. He literally had to knock a hole in the ceiling. As the water was rising inside his house, he had to knock a hole in the ceiling and put his four little children up into the attic. He and his wife then crawled up into the attic. He knocked a hole in the roof, and they were rescued from the top of their house. Yet, when I came across this man, the mayor of New Boston told me that he had been one of the chief volunteers over the last few days. This man who had lost virtually everything in his home, who went through that unbelievable experience, was out leading the cleanup, volunteering for other people. So that is the type of thing we see.

Let me also compliment the FEMA personnel who are on the scene. These are good folks who are out doing their job every day and who are really making a difference.

So the report from Ohio, Mr. President, is that there is a tremendous amount of damage. We think it is $150 million, maybe $200 million. We really will not know until the entire flood has receded and we see what damage has been done. But the good news is people are fighting back. Human spirit is strong and people are helping each other. Again, I think that is the good news that I have to report for the last 3 days I spent in the State of Ohio.

Mr. President, I will at this point yield the floor and yield back my time.

The PRESIDING OFFICER. It is the Presiding Officer's understanding that the Senator from Nebraska, as designee for the Senator from Wyoming, is allowed to speak for up to 30 minutes.

Mr. HAGEL. I thank the Chair.

THE NEED FOR LEADERSHIP ON THE BUDGET

Mr. HAGEL. Mr. President, I ran for the Senate because I wanted to help strengthen America's future. I, like my colleagues here, want to help solve problems. America is reaching out for leadership to put our fiscal house in order.

When we debate the budget, we are debating America's future, the future we leave for our children and our grandchildren—the opportunities they will have, the burdens in debt they will inherit, the America they will know.

Balancing the budget must be our top priority, not because we have some abstract fascination with accounting but because the future of every man,

woman, and child hangs in the balance. The future of our very liberty is at stake.

That is why I strongly supported the proposed balanced budget amendment to the Constitution, an amendment that would have forced Congress to make the hard choices and set priorities, priorities that we have for too long avoided. Despite the support of all my Republican and 11 of my Democratic colleagues, the Senate last week defeated the balanced budget amendment. We lost by one vote.

President Kennedy told us three decades ago that real leaders "are not here to curse the darkness but to light a candle." Without the balanced budget amendment, we are still looking for a candle to guide us to a balanced budget. Now more than ever we need leadership for America's future.

However, when I read the President's budget, I do not like the future I see. This budget offers a future that continues to pile up more and more and more debt. The President's proposal keeps running deficits for as far as the eye can see. Next year, the President's budget actually increases the deficit by more than $25 billion. That is not acceptable.

Three weeks ago, I, along with 23 of my colleagues, sent a letter to the majority leader. As we told the leader, "A path to a balanced budget should be just that—a path on which the deficit decreases every year in as near equal amounts as possible until the year 2002," the year of a balanced budget.

The President has chosen another path. At the end of his path, there is still a pool of red ink. The Congressional Budget Office says the budget that the President has submitted is still $70 billion in the red in the year 2002. That is $70 billion, Mr. President, in the red in the year 2002. That is a far cry from responsible, balanced fiscal policy. That is a far cry from the balanced budget the President promised us. And it gets worse.

The President's budget offers a future where we put off tough choices until "tomorrow." We all know that in the world of the Federal budget "tomorrow" never comes. Our $5.3 trillion debt is proof enough of that fact. We have to act today if we are to balance the budget and save programs like Social Security and Medicare for years to come.

We need to act today if we are to save programs that protect education and the environment. We need to act today if we want to maintain a strong national defense that will preserve our children's freedom as it has preserved ours. We need to act today if we care about tomorrow.

The President's budget does not act today. The truth is it does not act at all; it is a fraud, and the people need to know it is a fraud. Mr. President, 98.5 percent of the deficit reduction in the President's budget comes in the last 2 years of his 7-year plan—98.5 percent. Those are not my figures. Those numbers come from the nonpartisan Congressional Budget Office. Does anybody here remember the President's first State of the Union Address when he promised to rely on CBO's figures? Well, the CBO has spoken. It says the President's numbers just do not add up.

The President's plan is very clear. He plans to put off the tough and painful choices until he is out of office and somebody else will have to make them. That is not leadership. That is business as usual. That is disaster.

But even that is not all. The President's budget offers a future where taxes go up and families must work harder to have less. The President may put off real deficit reduction until later, but he does not procrastinate when it comes to raising taxes, for example. Despite the President's claim that he will cut taxes, the Joint Committee on Taxation reports that the budget the President has submitted will result in a net increase in taxes of $23 billion over the next 10 years. There is no tax cut. This budget includes at least 39 specific tax increases, and they are permanent. By contrast, those tax cuts that the President proposes expire by the year 2002. The bottom line is simple: The President's tax cuts are temporary and conditional, but his new tax increases are permanent. That is fraudulent. That is wrong.

Last week, 13 of my colleagues joined me in a second letter to the majority leader. We made it very clear to the leader that we will not vote for any budget plan that increases taxes. Any solution to our budget problems that relies on tax increases is really no solution at all; it is just more debt.

Federal Reserve Chairman Alan Greenspan testified recently before the Senate Banking Committee that "Ultimately, you cannot solve long-term deficits from the receipt side." He added, "It's got to be from the expenditure side." That means cut spending.

That is why we are here. I came to Washington, as did many of my colleagues, to cut spending, cut taxes and cut Government. We came to take power and authority away from the Federal Government and return it to the States and to the people. We did not come to destroy. We came to renew, to renew the American dream for future generations of Americans, to renew the freedom that made this Nation great and kept it strong.

The President's budget does none of this. It increases spending. It increases taxes. It increases the power of the Federal Government.

This body must be about the work of the future, not the past. It is immoral for us to mortgage our children's and grandchildren's future. The truth is the future begins now. It is in our hands. It is time for us to lead. We must balance the budget with a real balanced budget.

Mr. President, I thank the Chair. I yield back my time.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the Senator from Vermont and I were going to speak. I know he has a time limitation, so I yield to him.

NGAWANG CHOEPHEL

Mr. JEFFORDS. I thank my colleague. I will be very brief. I understand Senate Resolution 19, concerning the imprisonment of Tibetan ethnomusicologist Ngawang Choephel may be coming to the floor later in the day, and I want to speak in favor of it. It will be most useful if we pass this legislation, and I will be most pleased to vote for the passage of this legislation.

This case has a special resonance in Vermont because Mr. Choephel was a Fulbright scholar at Middlebury College from 1993 to 1995, and has hundreds of friends throughout the State. He is well known as a talented and compassionate individual, who cares deeply about the culture of the Tibetan people.

Indeed, it was while he was researching and recording traditional folk song and dance in Tibet in the fall of 1995 that he was arrested by the Chinese authorities and held incommunicado. It was over a year before the Chinese Government acknowledged in letters to me and other Members of Congress that he was in custody.

The charges filed against him by the Chinese Government—that he was in Tibet to spy for the Dalai Lama, shocked and outraged those of us who know Ngawang well. His subsequent conviction at a secret trial and an incredible 18-year sentence are an injustice and have been widely and justifiably condemned by society in general.

I hope this resolution will help to convince Beijing to reconsider its actions in this case, and to release Ngawang immediately and unconditionally. The Chinese Government needs to understand that its handling of this and other human rights cases, and its continued repression of the minority rights in Tibet, are serious setbacks to the Chinese-American relationship and make it difficult to pursue cooperation in other areas.

I yield to my good colleague and friend from Vermont.

Mr. LEAHY. Mr. President, I thank my friend and colleague from Vermont. I thank him for his strong support on the issue of Ngawang Choephel. He and I have heard from so many Vermonters who met Ngawang Choephel at his time in Middlebury and feel as we do.

I also thank Senator MOYNIHAN for his support of this former Middlebury College student and this Fulbright scholar, and also for his support of other prisoners of conscience in Tibet.

Senator MOYNIHAN has been a stalwart supporter of Tibet and its people for as long as I can remember. The fact he has sponsored this resolution gives added weight to it.

Like so many in Vermont, I was outraged when I heard of Mr. Choephel's 18-year prison sentence in December. This followed a secret trial and followed a year of incommunicado detention. The Chinese Government has not released a shred of evidence that Mr. Choephel committed any crime. In fact, I understand the entire 16 hours of videotape that he sent out of Tibet prior to his arrest contained only footage of traditional Tibetan music and dance. That is what he studied at Middlebury College and that is the reason he returned to Tibet.

The frustrating aspect of this is that China has done so much to destroy a lot of the tradition of Tibet, the history, the writings, the music, the dance. Mr. Choephel was simply preserving for future generations what is so important in this ancient, ancient culture. When the Chinese authorities finally acknowledged that Mr. Choephel had been arrested, and they did not do that until a year after he disappeared despite numerous inquiries on his behalf, the State Department called for his immediate release. Even after he was convicted, the Chinese Government refused to release any information to support the charge against him.

Many of us suspect that his arrest and sentence were intended to intimidate the Dalai Lama's supporters in the United States. The Dalai Lama's supporters have voiced their support for Mr. Choephel, but I am not aware of any relationship between Mr. Choephel and the Dalai Lama. If the Chinese authorities' purpose was to scare off these supporters, they are going to be disappointed. It is only going to embolden those like myself who support Tibet and its people.

I have written several letters to Chinese and United States officials, as has Senator JEFFORDS and Representative SANDERS and others. I was in Beijing in November, and I asked President Jiang Zemin personally about the case of Ngawang Choephel, and I raised the case of Ngawang Choephel with the other Chinese authorities with whom I met. Just last week I sent letters to President Jiang Zemin and Vice President GORE. The Vice President is due to travel to China in the near future. Those letters were signed by the Democratic leader, Senator DASCHLE, and by Senators FEINSTEIN, GLENN, KEMPTHORNE, and DORGAN, all of whom were on the November delegation to China.

Of course there have been all kinds of articles and editorials on Mr. Choephel's behalf in this country.

I said to the Chinese that here, at a time when we are celebrating the 50th anniversary of the Fulbright Scholarship Program, a Fulbright scholar from Vermont is arrested unjustly. It shows a lack of any sense of history on the part of the Chinese in this because, of course, the first Fulbright scholarships 50 years ago were used in China. Now, on the 50th anniversary of the Fulbright scholarship, the Chinese arrest a person who was simply recording an ancient culture.

So, our resolution calls for the release of Ngawang Choephel. It urges United States officials to raise his case in their meetings with China's officials, to support a resolution on human rights in Tibet and China at the U. N. Commission on Human Rights, to urge the Chinese Government to allow international human rights groups to monitor human rights in Tibet, and to support an exchange program for Tibetan students. It says, instead of bringing the curtain down on Tibet, open the doors to Tibet, open them to this wonderful, wonderful culture.

The resolution makes clear to the Chinese Government that the United States Senate considers improvements and respect for human rights in China and Tibet a priority. There would be no better way for the Chinese Government to demonstrate sincerity on human rights than to release Mr. Choephel.

This resolution and the support for Mr. Choephel that we all share are not intended to embarrass or unfairly single out China. We want relations between our two great countries to improve. But our purpose is to call attention to a terrible mistake that has been made in the hope that China's Government will review the case and set Mr. Choephel free. I intend to keep writing and speaking about Ngawang Choephel until that day comes. So I thank Senator MOYNIHAN for his leadership as well as the other dozens of Members of Congress, the hundreds of Vermonters, and Americans around the country who have signed letters in support of Ngawang Choephel.

The Chinese should look at the names on these resolutions. This is not a Democrat or Republican issue, not conservative or liberal issue. It goes across the political spectrum in this body. What it says is that we are as interested in human rights as anybody else. It also says, when you have an ancient culture like the Tibetans', an ancient religion, ancient music, ancient writings and speakings, they cannot be stamped out by anybody and they should not be stamped out by anybody. The Chinese should respect the culture of the Tibetans.

The Tibetans pose no threat to the People's Republic of China. But actions in trying to suppress, to eliminate, to destroy their religion, their culture, their music and their writings, that poses a threat to all, including those of us in the United States, the greatest democracy on Earth.

Mr. President, I ask unanimous consent a letter about Mr. Choephel to Vice President GORE signed by all Members of the Daschle delegation to China be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, February 11, 1997.

Hon. ALBERT GORE,
The White House,
Washington, DC.

DEAR MR. VICE PRESIDENT: We learned recently that you plan to visit China this spring. We were in Beijing in November, where we met with President Jiang Zemin. Among the issues Senator Leahy raised with the President was the case of a Tibetan named Ngawang Choephel, a former Fulbright scholar at Middlebury College in Vermont where he studied and taught ethnomusicology. When he returned to Tibet in 1995 to make a video about transitional music and dance, he was detained on charges of spying and held incommunicado for 15 months. Last month, after a secret trial, he was sentenced to 18 years in prison.

Mr. Choephel sent many hours of video footage to India before he was detained, which we understand deals only with traditional music and dance. Other than referring to an alleged "confession," the Chinese have never produced any evidence to support the charge that Mr. Choephel engaged in espionage on behalf of the United States or anyone else. The State Department has urged the Chinese to release him.

We believe the Chinese government has made a tragic mistake. Over forty Members of Congress have signed letters to President Jiang and the Chinese Ambassador calling for Mr. Choepel's release. We urge you to stress the administration's view that Mr. Choephel should be released, and to ask President Jiang to personally look into this case.

Sincerely yours,
PATRICK LEAHY,
THOMAS A. DASCHLE,
DIANNE FEINSTEIN,
JOHN GLENN,
BYRON L. DORGAN,
DIRK KEMPTHORNE.

Mr. LEAHY. Mr. President, I urge all Senators to support this resolution.

I do not see others on the floor seeking recognition. Could I ask the Chair what the parliamentary situation is?

The PRESIDING OFFICER. The Senate is in morning business with a limitation on speaking for 5 minutes except by unanimous consent. That time will expire at 3 p.m.

Mr. LEAHY. Mr. President, I see other Senators have come to the floor so I will yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. 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. BAUCUS. How many minutes do I have, Mr. President?

The PRESIDING OFFICER. Five minutes.

Mr. BAUCUS. I thank the Chair.

(The remarks of Mr. BAUCUS pertaining to the introduction of S. 415 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

VETERANS SAY "RATIFY THE CHEMICAL WEAPONS CONVENTION"

Mr. JEFFORDS. Mr. President, I would like to say a few words today about the Chemical Weapons Convention [CWC], which has been submitted to the Senate for advice and consent.

Various aspects of this historic treaty are now being debated. However, I would maintain that one of the most important considerations for the Senate is how the CWC will affect our military forces in the field. Will it or will it not help reduce the threat of a poison gas attack against U.S. troops? As the Persian Gulf war demonstrated, this threat is real and must be addressed.

After reviewing the accord, I have concluded that the CWC will indeed help to protect U.S. fighting forces from chemical attack. But don't just take my word for it, consider the opinion of several respected veterans groups and military associations who have come out in favor of the CWC, including the Veterans of Foreign Wars, the Vietnam Veterans of America, the American Ex-Prisoners of War, AMVETS, the American G.I. Forum, the Korean War Veterans Association, the Jewish War Veterans of the U.S.A., and the National Association of Black Veterans.

VFW Commander in Chief James E. Nier, in calling for Senate ratification of the CWC, said: "This treaty will reduce world stockpiles of [chemical] weapons and will hopefully prevent our troops from being exposed to poison gases as we believe happened in the Gulf War."

The Vietnam Veterans of America lists ratification of the CWC among its top legislative priorities, noting that the treaty would be "a substantive step toward preventing chemical weapons exposure problems for veterans in the future similar to those experienced by Persian Gulf War veterans and the veterans of prior wars."

As a member of the Veterans' Affairs Committee, I can vouch for the fact that these groups are among the most unflinching supporters of American national security interests and would not support the CWC if they believed that it put America's fighting forces at greater risk.

Several of our Nation's best-known and most decorated veterans have spoken out in their own right in support of the CWC, including Gen. Colin Powell, Gen. Norman Schwarzkopf, and Adm. Elmo Zumwalt.

In a hearing before the Senate Veterans' Affairs Committee in January, General Schwarzkopf made no bones about his views on the matter. "We don't need chemical weapons to fight our future warfares," he told the committee, adding "By not ratifying the [CWC] we align ourselves with nations like Iran, Libya, and North Korea, and I'd just as soon not be associated with those thugs in this particular matter."

Admiral Zumwalt, in an editorial in the Washington Post, stated that those who oppose the CWC "do a grave disservice to America's men and women in uniform." "Militarily," he wrote, "this treaty will make us stronger."

Those who now lead our troops have also registered their unequivocal support for the treaty. Joint Chiefs of Staff Chairman General Shalikashvili testified last year that the CWC is "clearly in our national interest" and "would reduce the probability that U.S. forces would encounter poison gas in future conflicts." The influential Reserve Officers Association of the United States, representing over 100,000 active-duty, Reserve, and retired military officers, declared in a February 19 resolution that "ratification of the CWC will enable [the U.S.] to play a major role in the development and implementation of CWC policy, as well as providing strong moral leverage to help convince Russia of the desirability of ratifying the convention."

Mr. President, even the treaty's supporters admit that the CWC is an imperfect treaty. However, all international agreements, by their very nature, involve some compromises. This particular treaty has been signed by 161 countries and involves the most comprehensive verification regime of any international arms control accord to date. Moreover, 68 countries have already ratified the CWC, which means that the treaty will come into effect on April 29 whether or not the United States ratifies it. In view of this, the only issue at hand is whether the United States is better off within the treaty regime, working with others to reduce the threat, or on the outside, with a handful of rogue states like Libya and North Korea.

Almost 6 years ago, then-President Bush foreswore the use of chemical weapons under any circumstances and began efforts, supported by Congress, to destroy our existing stockpiles of chemical arms. That remains U.S. policy. Doesn't it make sense, as long as we're destroying our own chemical weapons, to do everything we can to make sure that others follow suit? The CWC is our most effective tool for accomplishing this task.

Those who oppose the treaty have come up with no better alternative than to have us sit on our hands. Negotiating another treaty is out of the question—there is no international interest in a new treaty and, even if there were, such a treaty would take years to negotiate. So why not embrace the strong treaty we have now and make the best use of it?

Failure to ratify this treaty will have serious negative consequences for the United States. We would cede our longstanding international leadership on multilateral arms control issues and lose influence over the way the CWC is implemented. And, ironically, the U.S. chemical industry, which strongly supports the treaty and which participated in the negotiations leading up to it, would be subject to trade restrictions that could cost it up to $600 million a year in sales.

However, the greatest consequence of failure to ratify the CWC would be that U.S. military forces would be placed at increased risk of poison gas attack.

In fiscal year 1997, the United States will spend over $800 million on chemical and biological weapons defenses. This is money well spent. Our troops must be prepared to deal with this horrible threat. However, it would be folly to spend these funds without doing something concrete to reduce the long-term threat posed by chemical weapons.

Mr. President, veterans groups and military associations have spoken with a clear voice. They want the scourge of chemical weapons eliminated and agree that the Chemical Weapons Convention advances this goal. Let's not ignore their pleas. Let's ratify the Chemical Weapons Convention as soon as possible so that we can get down to the business of rolling back chemical arms programs worldwide.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Ms. COLLINS). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

AUTHORIZING EXPENDITURES BY THE COMMITTEE ON GOVERNMENTAL AFFAIRS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Senate Resolution 39, which the clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 39) authorizing expenditures by the Committee on Governmental Affairs.

The Senate proceeded to consider the bill, which had been reported from the Committee on Rules and Administration, with an amendment to strike all

after the resolving clause and insert the following:

That (a) Senate Resolution 54, agreed to February 13, 1997, is amended by adding at the end the following:

"AUTHORIZATION OF ADDITIONAL FUNDS

"SEC. 24. (a) IN GENERAL.—A sum equal to not more than $4,350,000, for the period beginning on the date of adoption of this section and ending on December 31, 1997, shall be made available from the contingent fund of the Senate out of the Account for Expenses for Inquiries and Investigations for payment of salaries and other expenses of the Committee on Governmental Affairs under this resolution, of which amount not to exceed $375,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended). The expenditures by the Committee on Governmental Affairs authorized by this section supplement those authorized in section 13 and may be expended solely for the purpose stated in this section.

"(b) PURPOSE OF ADDITIONAL FUNDS.—The additional funds authorized by this section are for the sole purpose of conducting an investigation of illegal activities in connection with 1996 Federal election campaigns.

"(c) REFERRAL TO SELECT COMMITTEE ON ETHICS.—The Committee on Governmental Affairs shall refer any evidence of illegal activities involving any Member of the Senate revealed pursuant to the investigation authorized by subsection (b) to the Select Committee on Ethics.

"(d) FINAL REPORT.—The Committee on Governmental Affairs shall submit a final public report to the Senate no later than January 31, 1998, of the results of the investigation, study, and hearings conducted by the Committee pursuant to this section.".

(b) Section 16(b) of Senate Resolution 54, agreed to February 13, 1997, is amended by—

(1) striking "$1,339,109" and inserting "$1,789,109"; and

(2) striking "$200,000" and inserting "$300,000".

(c) The Committee on Rules and Administration shall continue to conduct hearings on campaign reform.

Mr. WARNER. Madam President, on Thursday of last week, the Rules Committee reported out an amendment to Senate Resolution 39, and it is my understanding that the present business is that pending amendment, which does amend, if decided by the Senate, rule 39.

The PRESIDING OFFICER. The Senator is correct.

Mr. WARNER. Madam President, I thank the Chair. We will now proceed to discuss the amendment as passed by the Rules Committee on Thursday of last week, the 6th of March.

Madam President, the responsibility of the Rules Committee is to entertain, from all committees of the U.S. Senate, their requests for funding. We have, in Senate Resolution 54, which has been adopted by the Senate, the budgets for all of the committees of the Senate for their fiscal year, which runs from March 1 through February 28.

The Committee on Governmental Affairs, in Senate Resolution 39, submitted their request for funding. In the initial consideration of Senate Resolution 39 by the Rules Committee, the committee determined that they would grant a portion of the funding request, and that is reflected in Senate Resolution 54.

The Governmental Affairs Committee still had, under Senate Resolution 39, the balance of their request, which was considered on the 6th of March by the Rules Committee. After a full debate—and certainly in the judgment of the chairman, myself, and actively participated in by Senators on both sides, as we had nearly 100 percent attendance at the committee hearing on both sides—the committee voted to provide $4.35 million for the Committee on Governmental Affairs as a supplemental to the request as reported in Senate Resolution 54.

Now, how did we arrive at that figure? You can look at the request of the distinguished Senator from Ohio—indeed, a request that, by and large, was supported by most on that side of the aisle—that there be a definitive date for cutoff, and that date by the senior Senator from Ohio was December 31 of this calendar year, 1997.

If I took that and viewed it as a reduced period of time; namely, that the Governmental Affairs Committee could begin its work using the supplemental funds, March 15, from a practical standpoint, through December 31, 1997, it would appear to this Senator that we would have, by and large, given that committee the funding profile in dollars in proportion to the timing from which those funds may be expended.

The next question was the scope. I worked with other colleagues, primarily those on the Rules Committee, and I devised a formula, in consultation with the distinguished majority leader and others, whereby looking at the original Watergate resolution, we took from that the concept that we would allow the Governmental Affairs Committee to expend the supplemental budget for such investigations that they felt were illegal in connection with the 1996 Presidential election and congressional elections—not delineating between the House and Senate, but simply all Federal elections in calendar year 1996.

So it seems to me that the Rules Committee, in a fair manner, recognized the dollars that we needed, gave the Governmental Affairs Committee a scope of the investigation and illegal—illegal is a very broad scope. It goes beyond. And I will at a later time today put into the RECORD the definitions of illegal. But it goes beyond just criminal assertions of allegations of criminal violations. It goes beyond that. So it is a broad scope. Then the Rules Committee took from the proposal, which the senior Senator from Ohio will address momentarily, a termination date of December 31, 1997.

In addition to the Rules Committee, I think very importantly recognizing the essential need for the Senate of the United States to actively participate in determining what happened, certainly in 1996 in connection with the ever-increasing number of allegations—most of them regrettably could border on or do, in fact, constitute illegal—it was essential that the other committees of the Senate take on their responsibilities, which is traditional under the allocation in the Senate of the responsibilities among the several committees. Therefore, we charged the Rules Committee, of which I am privileged to be the chairman, the duty to continue its hearings on campaign finance reform, gave it a sum of $450,000 to be used by that committee in enlarging and broadening the scope of their operations in the overall context of campaign reform and campaign financing. So the Rules Committee will take on an added role.

In addition, if there is that development by the Governmental Affairs Committee or the Rules Committee of facts which should be examined by the Ethics Committee of the U.S. Senate as those facts relate to a Member of this body, it will be incumbent upon the Ethics Committee to review any allegations we feel merit the judgment of that committee as it relates to an individual in the U.S. Senate.

So, Madam President, I feel that the Rules Committee unanimously, regrettably—bipartisan, yet unanimous among the Republicans—has addressed this tough issue, and we are here today for the purpose of amending Senate Resolution 39 such that they can have the additional funds and under a very carefully crafted and proscribed scope of activities within a time limit of December 31, 1997.

Madam President, I yield the floor so that my distinguished colleague from Ohio can present his views.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Madam President, we are now into the second week in March. The Senate has been operating for approximately 2 months. I don't know that we have had much in the way of accomplishment during that time period. Certainly, there are national problems that should be addressed.

For example, we ought to be working on balancing the budget instead of just trying to pass amendments, which we tried to do, and it failed. We also have a series of problems with our health care system. Managed care may be saving money, but there is increasing evidence that it is happening at the expense of lower quality of health care. So, for uninsured Americans, that continues to be a major problem. As far as health care goes, we are going to have a debate, I guess, about partial-birth abortion.

In other areas, the stock market has gone through the roof. Unemployment

is at a 25-year low. But there is concern about the future, and about Social Security and Medicare. But there are no serious proposals by the Republican majority to deal with these issues. Well, today we have an opportunity. We have an opportunity to have the possibility of beginning a serious discussion about a serious issue: the campaign finance system used by both political parties in the United States.

The American people are disgusted by what they see in campaign finance. And they should be. Along with the steady drumbeat of antigovernment ideologues, it is a major factor in America's loss of faith in our institutions of government. It is that serious. All you have to do is look at the polling data and such things as decreased participation in voting. If this trend continues, if America goes downhill because of the lack of confidence in our Federal Government, I say that we face a crisis that could literally threaten the foundation of democracy in the United States.

There is a remedy to avert this crisis, as I see it, and to begin the restoration of public support for this system of government. The remedy requires that we reform the campaign finance system. It is a wonderful place to start because it certainly needs reforming.

Will this get a serious examination by Congress, or will we get sidetracked by a partisan political circus? The jury is definitely out on that at this time. We have before us a resolution to fund a Senate investigation which, if the scope were made broader than it currently is, has enormous potential as a tool to stimulate public pressure on Congress to enact meaningful campaign finance reform, honest campaign finance reform.

Recent revelations about fundraising involving 1996 Federal races are disturbing. They involve both parties in both congressional and Presidential campaigns. The truth is that the current fundraising system, both Presidential and congressional, is scandalous. Having said that, in my opinion, most Members of Congress are honest elected officials, both over in the House and here in the Senate. They are honest elected officials trying to do a good job, albeit from different political philosophies. But that is our system. But the general public perception that money gets its way in determining policy is, indeed, true for too many.

There is a public perception that access follows money, and anybody who has been around Capitol Hill very long knows that sometimes it does. Access can alter the balance of arguments weighed by a Member and his or her staff when deciding a course of action, be it a vote on the floor or in committee, a colloquy on the Senate floor, introduction or cosponsorship of a piece of legislation, floor speech, insertion of language in a committee report, or a communication with an executive branch agency requesting an action, or the withholding of an action. But even when there is no connection whatsoever between a donation by a person to a politician and the latter's specific action as a legislator favoring that person, the perception of a payoff, even the possibility of a perception of a payoff, is corrosive to public trust in our Government. We must dispel this growing perception that Congress or parts of Congress are for sale if we are to reverse electoral apathy and restore faith in our Government. Gift bans have not done it. Honoraria bans have not done it. Only deep changes in the campaign finance system will do the job, and it will not be easy.

The question is what should be the relationship of the Governmental Affairs Committee investigation to the drive for effective bipartisan campaign finance reform? The resolution before us, S. 39, as amended by the Rules Committee, states that the supplemental funds to be given to the Governmental Affairs Committee for this investigation are for the sole purpose of an investigation into illegal activities in the 1996 Federal election campaign.

There are two things wrong with this statement of scope for the investigation. The first thing is that it is a bald-faced attempt by the Republican majority of the Rules Committee to undo a unanimous bipartisan agreement among the members of the Governmental Affairs Committee to have a broad investigation that would examine improper as well as illegal activities along with previous campaigns. Contrary to the claims of the Rules Committee chairman that his language tracks the Watergate resolution, the fact is that the Watergate resolution called for an investigation of improper and unethical activities as well as illegal ones.

I am looking at a copy of the Watergate resolution that was passed in the Senate back in 1973. It was submitted by Senator Ervin, Sam Ervin and Mike Mansfield. In part 15 on page 8, it says they are "to look into any other activities, circumstances, materials or transactions having a tendency to prove or disprove that persons, acting either individually or in combination with others, engaged in any illegal, improper, or unethical activities in connection with the Presidential election of 1972, or any campaign, canvas, or activity related to such election."

That is the language of one of the parts of what the Watergate Committee was to look into—any illegal, improper, or unethical activities in connection with the Presidential election of 1972.

The narrowing of the scope of the Governmental Affairs investigation by the Rules Committee is nothing more than a blatant pander to those elements in the Republican Party that do not wish to reform the campaign finance system and who are quite willing to scuttle the Governmental Affairs investigation if necessary to avoid creating public pressure to pass a decent bill.

How does narrowing the scope to illegal activities avoid this problem for the Republicans? The first thing to understand is that the problem with the campaign finance system is not just what politicians do that is illegal. It is what politicians do that is legal that is an equal scandal, and it happens every single day on Capitol Hill and with both political parties.

Let me give you an example. Let us talk about soft money. That is the best example. One of the most pernicious influences in politics these days is soft money. Let me give you an example of that. Let us say Senator X, whoever it might be, solicits $50,000 or $500,000 in soft money from a potential donor to his or her party, ostensibly for party-building purposes, get-out-the-vote drives or the like. But the party can then turn around and use the money on an issue ad during the Senator's reelection campaign that helps him or her and hurts the opponent.

According to the Department of Justice, Senator X can even do the solicitation for that $500,000 from his or her office because the solicitation is not for his or her campaign specifically but, rather, for the Senator's party.

This practice should be illegal, but it is not. Suppose Senator X wants a direct contribution to his or her campaign from a potential donor, direct to his personal campaign. In that case, Federal election law prohibits the donor from contributing more than $1,000 per person, and it must be in the donor's own name.

But that same donor can go out and collect checks of $1,000 for Senator X from everyone he knows, bundle them together, and send them to the Senator's campaign. Let us say Senator X calls from the Senator's office for those donations. If Senator X calls, he is committing an illegal act. But if Senator X calls from outside, it is OK.

Suppose Senator X is so grateful, wherever the call came from, for the donor's willingness to help that the next time the donor is in town and wants to talk to Senator X about a legislative matter he has an interest in, Senator X not only lets him into his office but he welcomes him and listens to his pitch. And suppose that Senator X is sufficiently concerned about maintaining the donor's political help that the Senator does what the donor wants on the issue and there was no discussion linking the donation to the donor's request or to the Senator's action.

In that case, there has been no bribe. But it is certainly the case that Senator X made his decision on the issue

as a result of the donor having had access to the Senator, access that was based at least in part on the donation the Senator was given.

Now, suppose Senator X made the original call to the donor from the Senator's office phone instead of from an outside phone. That would be a violation of law. You cannot do that.

Let me pose the question. Which is the worst ethical lapse, making the phone call from a legally prohibited place or letting the money influence the Senator's vote? I submit that the answer is not even close. Senator X's constituents and the people generally will have been ill served if he lets money influence his decision, and that overshadows the question of whether the phone he used was a private phone or a Government phone.

What is the point of this fictitious example? Well, the resolution before us, which limits the scope of the investigation only to illegal activities, would allow an investigation of whether Senator X committed an illegal act by using a Government phone for the direct solicitation if there was an allegation that he had done so but would allow no investigation of the contribution, and if a soft money contribution was involved, whether Senator X's party had spent that money on certain ads helpful to the Senator's campaign, a legal practice but one that should be illegal.

It is not just the independent expenditures by the major parties that is the problem. There are also the independent expenditures by outside private groups including tax-exempt organizations that should be investigated for possible collusion with party organizations. The Washington Post had an article yesterday concerning nonprofits. To quote them: "Mysterious organizations that funded a flurry of attack ads at the end of the 1996 election," that were targeted mainly against Democratic candidates. No one apparently knows who supports them. One group, the Coalition for Our Children's Future, spent $700,000 on ads, mailings, phone banks, to help Republican candidates from Louisiana to California.

Another group, Citizens for Reform, spent $2 million on ads, including a mailing labeling a Democratic candidate for Congress as sexist and anticonsumer. And this organization is tax exempt. They are not supposed to deal in political matters. In the case of tax-exempt organizations, collusion with a political party would be illegal but would not involve criminal penalties. In the case of a so-called 501(c)(3) tax-exempt organization, which is prohibited from engaging in political activity, there is the question of whether the placing of certain issue ads should be considered political activity under certain circumstances.

Will this be investigated by the Governmental Affairs Committee under the funding resolutions' current scope statement? That will depend on how the word "illegal" is interpreted. I must say, at several points along the way we have had different interpretations of that word.

Madam President, I ask unanimous consent that the Washington Post article be printed in the RECORD at the end of my remarks.

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

(See exhibit 1.)

Mr. GLENN. That is only the beginning of the problems with this resolution. It also requires that if any evidence of illegality is discovered in the 1996 campaign activities of a Member of Congress by a Member of Congress, then such evidence is to be referred to the Ethics Committee.

Does that mean the committee's investigation is to be terminated at that point? And, if the evidence comes to the attention of the committee before an investigation has even been initiated, does that mean the committee is to defer to the Ethics Committee for the investigation of the Member? Does referral to the Ethics Committee mean that Governmental Affairs will defer to the Ethics Committee on any possible criminal referral to the Department of Justice? We need answers to all of those things, obviously.

What if we are into an investigation and there is something that pops up that looks as though it might be an ethical matter and might be illegal, which this committee would be permitted to deal with? Since there is this special provision with regard to ethics in the Senate, in referring it to the Ethics Committee, do we have to stop any investigation before anything comes out beyond a point where there has been just an allegation of illegality?

So, let me return to the question of the meaning of the word "illegal" in the resolution. What is the standard to be used by the Governmental Affairs Committee to determine that an activity involves an illegality and is therefore subject to an investigation? Is illegality meant to be equivalent to criminality? Or is it broader and includes activities that are in violation of law but subject to only civil penalties or no penalties at all? The answer to this question will determine whether the activities of tax-exempt organizations engaged in political activity will be investigated.

I believe the questions I am raising need to be answered during this debate so Members will know precisely what they are voting on when the time comes. These questions also need to be answered in order to examine whether the 54 subpoenas issued thus far by the chairman of the Governmental Affairs Committee are within the new scope of the investigation.

Let me turn to some other deficiencies in the resolution. These are also deficiencies of omission. My remarks stem once again from my belief that a balanced investigation of fundraising by both parties, highlighting legal transgressions as well as their legal but ethically dubious fundraising activities, could be effective in pointing the way toward real reform. Conversely, an unbalanced, partisan investigation suggesting that the problems lie solely or even mainly with one party would be destructive to forging a consensus and would lead to political games, possibly including an attempt to pass reform legislation crafted not so much to fix the system as to give one party a fundraising advantage over the other.

As the ranking Democrat on Governmental Affairs, I have urged the chairman of the Governmental Affairs Committee to follow standard Senate practices and enter into a written agreement that the investigation will be carried out in a bipartisan manner with an agreed-upon agenda and with fairness. That involves ensuring that both the majority and minority: have contemporaneous access to all documentary evidence received by the committee; have the right to be given adequate advance notice of, to be present at, and to participate equally in all depositions and investigatory interviews; have equal opportunity to obtain and present relevant evidence on the subjects of the committee's inquiry; and, are treated equally and without discrimination in the discharge of the committee's administrative responsibilities.

I regret to say that no agreement on these matters has been reached thus far. This has most egregiously shown up in the way subpoenas have been handled thus far.

I am hopeful that passage of a funding resolution for the committee's investigation will be the occasion to put this investigation back on a bipartisan track. I believe that failure to do so will redound to the credit of no one and mark the first major stain on this committee's record of bipartisan cooperation during my 22-year tenure on it.

Finally, I must comment on that part of the resolution that provides for authorization of some $450,000 in additional funds for the Rules Committee to examine those aspects of campaign fundraising that are outside the scope of the Governmental Affairs Committee's investigation under the terms of this resolution as currently written. It is certainly true that the Rules Committee has legislative jurisdiction over campaign finance reform and, therefore, can look into soft money and independent expenditures, among other things, as policy matters.

But the Rules Committee is not basically an investigative committee. I could not recall the last time it ever

issued a subpoena. We made some inquiry into this and found that no subpoenas have been issued by the committee since at least 1980. We do not know whether any were before that time or not. They may do hearings, but that is not the same as an investigation as conceived under this resolution.

Let us not deceive the public about this. Recent press reports clearly indicated that at least two members of the Rules Committee, Republican members of the Rules Committee, would not vote for the funding resolution for the investigation that originally came out of the Governmental Affairs Committee because the scope of the investigation would have included legal as well as illegal congressional fundraising practices. Those Members were concerned that the result of such an investigation might be to raise public pressure on Congress to pass campaign finance reform legislation.

The fact is, there is little support for campaign reform among my Republican colleagues. The McCain-Feingold bill has only one other Republican cosponsor, and that is Senator THOMPSON, to his credit. So we know what game is being played with the Rules Committee rewrite of the previously-agreed-to scope of the Governmental Affairs Committee's investigation. It is a game in which legal but improper congressional fundraising is kept off the table while a parade of Presidential fundraisers for the Democratic Party and the Clinton-Gore campaign are brought before the cameras at televised hearings, to give the impression that all the problems are with the Democratic Party and there is no need to change the laws.

I do not believe it will work. I do not believe the American people are that naive. I believe they will see through such a strategy were it to unfold. Chairman THOMPSON has said congressional fundraising should be on the table. I agree with him. That is one of the reasons I was disappointed when none of his first 65 subpoenas were directed toward congressional fundraising. I and my Democratic colleagues will attempt to broaden the scope to include legal activities that are improper, which is where many of the major campaign finance problems are, and which should be thoroughly investigated by the Governmental Affairs Committee. So, I hope—in fact I invite Chairman THOMPSON to join me in cosponsoring an amendment I plan to offer to broaden the scope, and I invite him to join me in voting against tabling any such amendment.

I also invite all Members of the Senate, Democratic and Republican, who truly want to change our system to join us.

Let us look at it from your children's perspective of 20 years from now. Whichever party is in the majority—and that may have changed in that time, maybe before that—but look at your children as adults out there, taking part in the political system at that time. Whichever party is in the majority at that time, I am sure we can all hope that political fundraising will not be the mess that it is today. One way to gain that end is to assure that investigations are carried out now without fear or favor and spotlighting the dark corners, whether illegal or legal, but in either event, wrong, improper, and unethical.

The resolution before us does not take us in that direction, and that is why I also urge Senator THOMPSON, even if we fail to pass such an amendment, to seek every opportunity at our committee level to examine and thoroughly investigate any alleged illegal fundraising activities by Members of Congress, in the House or Senate. That will at least be a start, and I pledge my full support to such efforts.

So I await with interest his proposed agenda and subpoenas in this area.

At the appropriate time today, before we finish this debate, I will have an amendment to submit. I would like to lay it down this evening. I doubt all the people on either side of the aisle who wish to speak on the amendment will return before we go out of session, but I would like to have time later on to submit the amendment before we go out of session this evening.

I yield the floor.

EXHIBIT 1

[From the Washington Post, Mar. 9, 1997]

FOR THEIR TARGETS, MYSTERY GROUPS' ADS HIT LIKE ATTACKS FROM NOWHERE

(By Charles R. Babcock and Ruth Marcus)

Campaign watchdog groups and government regulators are concerned about the emergence of mysterious organizations that funded a flurry of attack ads at the end the 1996 election and could play an even larger role in coming campaigns.

The groups, with bland names such as Citizens for Reform and the Republic Education Fund, spent millions of dollars on television advertising, mailings and telephone banks in the closing weeks of the campaign, mostly on the side of the Republicans. None of their activities was reported to the Federal Election Commission (FEC).

"The public has no idea who these people are or where they're coming from or who funds them," said Charles Lewis, executive director of the Center for Public Integrity, which monitors political ethics. "They are trying to influence the political process and the public is in the dark."

For example, a group called the Coalition for Our Children's Future spent more than $700,000 on television and radio ads, mailings, and telephone banks to bolster GOP candidates in key races from Louisiana to California.

The last-minute onslaught, financed in part by a donor who demanded a written confidentiality agreement, was conducted without the knowledge or approval of the group's directors. Two of the directors resigned in protest after The Washington Post informed them of the late ads, saying they never approved the expenditures. They said they still do not know exactly what was done or the source of funding.

Former director Deborah Steelman, a GOP lobbyist, said she thought the group had been inactive since spending more than $4 million on advertising backing the GOP's legislative agenda in 1995. "Clearly, the organization created another mission of which we were not a part," she said.

Like the more identifiable AFL-CIO and environmental groups that also ran advertising, leaders of organizations such as the coalition say their television commercials were not political because they did not explicitly endorse a candidate. Since they were engaging in "issue advocacy," they said, they were not required to report to the FEC the source of their funds or how much they spent.

One group created last spring and calling itself Citizens for Reform spent $2 million in the closing days, according to its president, conservative activist Peter Flaherty. In California, it sent mailings into the district of Democratic Rep. George Brown accusing him of being sexist and anti-consumer. The Consumer Federation of America, cited as the source in one flier although it endorsed Brown, denounced the mailing as "extremely misleading and grossly unfair." In Montana, the group bought television time calling Democratic congressional candidate Bill Yellowtail a convicted criminal who "preaches family values . . . but took a swing at his wife."

Another new group called Citizens for the Republic Educaiton Fund obtained at least $1 million in late ads, according to director Lyn Nofziger, longtime political aide to Ronald Reagan. In Texas, it bought television ads against Democratic congressional candidate Nick Lampson that said he had been accused of Medicare fraud. In Erie, Pa., another television ad denounced "big labor bosses" for trying to buy "a Congress they can control."

Some ads were so inflammatory that the Republican candidates they were designed to help denounced them. And some stations would not run some ads or pulled them off the air after complaints by Democratic candidates. Leaders of the groups targeting Democrats say they operated independently and they and GOP officials said the groups were not fronts for the party.

Nofziger called it, "outrageous" that advocacy groups like his are allowed to "go and run political ads and call them education." He added, "We wouldn't have had to do it if it had not been for labor" and its attacks on GOP candidates.

The Flaherty and Nofziger groups were run by a Washington-based firm, Triad Management, that advertises itself as sort of an underground version of the Republican Party. A Triad marketing video includes testimonials from Sen. Don Nickles (R-Okla.) and several House members aimed at recruiting donors for what the video labels a "privatized Republican national coalition."

Triad's Carolyn Malenick, a former fundraiser for Oliver L. North, says on the video that labor has always been the "rapid fire" of the Democratic Party. "If the Republican Party needs that quote 'rapid fire' where're we going to find it?" she said. "If we need to move or have $100,000 put into a congressional race tomorrow where're we going to find it?" Malenick declined to be interviewed.

Mark Braden, Triad's attorney, said the group was not a front for the GOP or a particular special interest, like the tobacco industry. Malenick's donors are mostly individuals from "ideologically driven networks," he said.

While most of the late negative issue ads with mysterious sponsors targeted Democratic races, a labor-funded group, the '96 Project, paid for voter guides mailed in the name of other groups in 14 races. The project paid $50,000 for mailings in six House districts where the fliers said they were "sponsored" by local or state affiliates of the National Council of Senior Citizens, a group made up predominantly of retired union members. There was no mention of the '96 Project in the mailings.

Scott Wolf, director of the project, said there was no intent to deceive the public on who was behind the mailings, which made GOP candidates look unfavorable on key issues.

His group also paid for mailings in eight races "sponsored" by the Interfaith Alliance, a group of ministers formed as an alternative to the Christian Coalition, according to the alliance's Greg Lebel. Lebel said "it never occurred to us" voters might be misled because the eight mailings said only that the '96 Project "prepared" the voter guides.

Most of the late money from obscure groups was spent on television. And Federal Communications Commission officials who monitor political advertising say their authority over broadcasters is limited. Charles Kelley, chief of enforcement for the FCC's mass media bureau, said the agency wants to know "who is the attempted persuader" in such ads. The question, he said, is "what legal authority we have, if any, to obligate the true sponsor to step forward."

The FCC managed to do that in a case in Oregon last fall, when it discovered that a group calling itself Fairness Matters to Oregonians was being financed by the Tobacco Institute. The FCC ruled the group's ads, which opposed an increase in the state cigarette tax, could be aired but the tobacco Institute had to be identified as the sponsor.

Various campaign reform proposals in Congress attempt to address the late attacks by saying the name or image of candidates cannot be mentioned in ads in the last 60 days before the general election. But many lawmakers and interest groups say such proposals would put unconstitutional limits on their First Amendment rights.

Flaherty, who also heads the Conservative Campaign Fund PAC, said concerns about sponsorship are misplaced. "Most people when they see an ad don't focus on who put it on, but focus on the message," he said. "If the message has strength and credibility it will persuade people. If it doesn't, it won't." In applying for tax-exempt status, which allowed it to avoid paying taxes on investment income, Citizens for Reform told the IRS it had no plans to spend money "attempting to influence" elections. But asked whether the group's advertising had been effective, Flaherty said, "I think we made a big difference. It was an absolute onslaught in some of these areas by labor and liberal groups and I think we helped stanch the bleeding artery."

Perhaps the most peculiar of the late ad campaigns was the one run in the name of the Coalition for our Children's Future, which spent money in six House districts, the Louisiana Senate race and 12 Minnesota legislative races, according to Executive Director Barry Bennett.

Two directors, Dirk Van Dongen, president of the National Association of Wholesaler-Distributors, and Donald L. Fierce, a GOP consultant and former Republican National Committee aide, resigned in protest; two others, Steelman and Gary Andres, had left the board earlier.

How the unauthorized advertising campaign was launched and how races were targeted remains murky. Bennett, working in Ohio at the time of the election as chief of staff to then-Rep. Frank A. Cremeans (R), at first said he did not know of any extensive late advertising. Then he acknowledged he had signed the secrecy agreement with the donor and signed blank checks to pay a Houston political consultant who ran the advertising campaign. Bennett said he did so without telling board members.

Bennett and the group's fund-raising consultant, John Simms, said the consultant, Denis Calabrese, approached them last summer and helped connect them with some donors, who they declined to identify. Calabrese, who has worked on industry's side to make it harder to win large damage awards in lawsuits, did not return numerous phone calls.

Bennett said he had tried without success, after the Post inquiries, to obtain copies of the television scripts from Simms' firm. He said he had no idea what the coalition, organized to address federal issues, was doing in Minnesota statehouse races.

"Am I embarrassed by this?" Bennett said before he stopped returning phone calls. "Yes . . . I understand we've created a huge mystery here and that's our fault."

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from Virginia.

Mr. WARNER. Mr. President, there are others anxious to speak to this. I see Senator HATCH is here, and I want to, just in reply to my distinguished friend and colleague, say a few words here, and then Senator HATCH, hopefully, will take the floor momentarily.

First, I want to make it very clear, I am not going to personalize this debate in any way or use the word "pandering." Nobody is pandering anybody around here. What we are trying to do is how to get as quickly as possible to the point where the U.S. Senate, in several committees, can start looking into this very important issue, hopefully in a fair and objective manner, for the best interests of this institution and our country.

I have been in politics—I am almost hesitant to mention how many years—but it is a good 40-plus, and I have never in my lifetime ever seen a situation engulfing this great Nation, casting more doubt in the minds of the voters with regard to how we, those who serve in the Congress and those who serve in the executive branch as the President and Vice President, go about the process of elections, and we have to get at the bottom of this thing as quickly as possible.

I have indicated my support for Chairman FRED THOMPSON as a man I have absolute faith in, who can deal with this matter fairly and objectively, and I have said that for weeks. Never once have I deviated, and I do not think there will ever be a basis that I shall deviate. I said from the beginning that I want to support him as an individual. I want to support the work of his committee. But there is a very careful delineation of responsibilities here among the several committees, and there is clearly, within the jurisdiction of the Rules Committee, which I am privileged to chair, the right to superimpose our own judgment on the scope and activities of the other committees of the Senate as it relates to those funds under our jurisdiction.

This is in no way any bald-faced effort by myself or other members of the Rules Committee, particularly the distinguished majority leader, who was just on the floor consulting with me minutes ago, no way to try to do other than what I have just said, which is to get the Senate on the track as quickly as possible. We just have to get beyond all of this procedure business and get on with the business.

I said that I drew this scope language, drawing from the Watergate. I never said I used it. I have read it now probably 25 times and studied the history of it. I know all the words that are in it. It is interesting. In the Watergate resolution, I ask my friend, if he wants to debate it later on, whether or not you find any authority in there to investigate the Congress. I do not find it in the Watergate resolution, but it is very clearly expressed in this resolution as adopted by the Rules Committee. We in no way tried to obfuscate that issue.

This volume is the "Authority and Rules of Senate Committees" for the last fiscal year, but it is applicable to this. I would like to just read the question of jurisdiction of the Rules Committee, and it is found on page 155 of that book. It states we have the authority to investigate "corrupt practices."

Now that is about as broad as any charter can be—as broad as any charter can be. Then go to section 5:

> Federal elections generally, including the election of the President, Vice President, and Members of the Congress.

There it is. That is the jurisdiction of the Rules Committee.

Now go over to the jurisdiction of the Governmental Affairs Committee—and I urge my colleague from Ohio to take a moment or two to look through this book so that he can reply—found on page 101, and in detail on page 102, where it says, the committee is duly authorized, or a subcommittee thereof is authorized to study and investigate.

You do not find—at least I haven't thus far in studying it—that precise language as it relates to the Rules Committee concerning jurisdiction over precisely what it is that the U.S. Senate must investigate. If anything, this volume gives clearly the authority to the Rules Committee, and I find less specificity as it relates to the Governmental Affairs Committee.

Lastly, as to campaign finance reform, the generic subject, the Rules Committee held a number of hearings last year. We already commenced our series of hearings this year. The distinguished majority leader designated the

majority whip, Mr. NICKLES, and a group of us, including the Senator from Virginia speaking, and it is our responsibility to try to come up with a grouping of proposals which we have reason to believe will effect the greatest possible reform in this generic subject of campaign finance reform.

You bet there are areas which I would like to see changed. In my last campaign, I experienced spending by my opponent—and I do not castigate him in any way at this point in time, nor did I ever—but clearly he had the authority under the Supreme Court decision to spend all the money of his personal funds he wished. He set a record in the history of the U.S. Senate races from the first day this body was constituted through and including today for the greatest amount of money spent for a State per capita in the United States.

I think we should enact some legislation that would curtail, in some manner, the limit of an individual to expend millions and millions and millions of dollars. In the case of my race, it is presumably in excess, it was reported, $10 million out of personal spending. Maybe subsequent records will show an additional amount, but that is not here to argue. The point being, the only way that can be done is by a constitutional amendment. I would not want to see this body rest its entire package of reforms that a constitutional amendment is going to be adopted in this area of campaign finance reform.

My own personal opinion, it is highly unlikely that such an amendment, even though I would favor certain types of constitutional amendments on campaign reform, that that can be achieved; essentially, the first amendment, which, again, would require a constitutional amendment. There are many areas of campaign finance reform that would be solely predicated on the ability to get a constitutional amendment in order to achieve those goals.

I would not want to see this body pass a package of campaign finance reform proposals knowing full well in our hearts that the Federal court is going to strike down in large measure a number of those provisions.

So I look forward to continuing to work with the distinguished majority leader and the majority whip in seeing what we can come up with in a package of campaign finance reform proposals which can be adopted by this body and, Mr. President, can withstand the essential scrutiny that will come about by the third branch of Government, namely, the Federal court system.

Mr. President, I now yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, it befalls me to make a few comments here today concerning why this investigation is so important. Before I do, I want to compliment the Rules Committee and the people on the Rules Committee who have handled this very difficult subject matter and have done it in a credible and responsible way.

I also personally believe that no two people could handle this matter better than the chairman and ranking member of the Governmental Affairs Committee. Senator THOMPSON has had extensive experience in these matters and Senator GLENN is known as an eminently fair and worthy person here in this body. I have total confidence in both of them that they will be fair, they will be thorough, they will be tough, and they will do what is right.

We simply have to get to the bottom of this. The American people are concerned about it. Certainly the media has written extensively about these matters. It is incumbent upon the Senate in its oversight capacity to investigate these matters fairly and thoroughly.

As we take up Senate Resolution 39 today, I would like to just take a few minutes to emphasize one major point: That there is a serious number of very, very troubling matters to investigate, simply at the very core of Senators THOMPSON's and GLENN's inquiry.

Merely in recent press reports—if that is all you had—there are very substantial and troubling questions that must be answered regarding whether foreign money and foreign influence has infiltrated the American political process. While numerous other allegations of improper fundraising at the White House and by the White House have surfaced in the media in the past week or so, that is not what I want to talk about today.

Even putting aside all of those allegations, the fact is that we have before us very serious allegations that China funneled funds into American elections in an attempt to influence American policy and policymakers. The gravity of these allegations should not and must not be underestimated. Were our national interests sold out? I hope they were not. But this matter must be pursued, and it must be done in a thorough, fair, and honest manner.

Later this week the Judiciary Committee will forward a letter to the Attorney General requesting that she apply for an independent counsel. To date, she has refused to do so in this matter. I do not read anything sinister into that—I believe that the Attorney General is an honorable, ethical person of integrity. She has applied for the appointment of no less than four independent counsels since she has been Attorney General. I think she has shown that she is a person who can act. But to date she has refused to act on this matter.

Accordingly, Congress must be all the more vigilant. And given the apparent conflict of interest, the public will be relying on Congress to ascertain the facts and get to the bottom of this whole affair.

The Governmental Affairs Committee inquiry into fundraising improprieties is, in my opinion, one of the most important congressional investigations in history and involves some of the most serious allegations we have seen to date about our electoral system and our Government. The press and congressional committees have uncovered material facts that prompt numerous questions:

First, did a foreign government try to influence our national elections and our domestic and/or foreign policy?

No. 2, were millions of dollars of foreign money laundered through various groups to the Democratic National Committee, particularly by three individuals—Charlie Trie, Johnny Chung, and John Huang, all of whom have some ties to China.

No. 3, were there violations of any of our existing laws, such as the Hatch Act, the Ethics in Government Act, and our current Federal elections laws?

The breadth of this particular investigation is immense. We cannot allow ourselves, in an attempt to satisfy the tendentious cause for a broad inquiry into congressional campaigns, to interfere with what is a serious matter.

Investigating the 1996 Presidential campaign alone will require a very substantial budget and a substantial amount of time—I presume even more time than the Rules Committee has allowed in this instance, which is only until the end of this year or approximately 8 months. I suspect this will go on beyond that and will have to go on beyond that because of what will be brought out. Let us focus for a moment, however, in terms of the breadth of this investigation, on one individual—Mr. John Huang. He was born in China. He worked for the Lippo Group, a huge conglomerate based in Indonesia with large business interests in China. Lippo is owned and controlled by the Riady family—Mochtar, James, and Stephen. These are also Chinese natives.

By 1994, Huang was the top Lippo executive in the United States.

Huang was appointed Deputy Assistant Secretary for International Economic Policy in our Department of Commerce in September 1994.

Let me just go down through what John Huang did while employed at Commerce—just a quick glance. He was, according to reports, given a top security clearance without the usual background check, which is all but unheard of; 78-plus visits to the White House; 70-plus calls to Lippo during this period of time; 39 classified top secret briefings dwelling on China and other countries in Asia; 30-plus phone conversations with Mark Middleton or associates; 9 phone messages from or

calls to Webster Hubbell; 9 phone messages from the Chinese Embassy officials; 5 months of top secret clearance before joining the Commerce Department. In other words, even before he got in this very important position in Government, he had 5 months of top secret clearance. Why? That is a question that is going to be a big question in this matter.

Huang enjoyed a top secret clearance for 5 months of top secret clearance before joining Commerce and nearly a year after leaving Commerce to join the Democratic National Committee. Why? Why would those security clearances go with him outside of Government? Why would he be permitted this kind of access to very sensitive information? These are questions that are very important. Taken with the $780,000 severance pay Huang received from Lippo prior to joining the Commerce Department, these facts naturally raise questions.

This next chart involves a meeting at the White House to discuss the Huang transfer from the White House to the Democratic National Committee on September 13, 1995. It was an Oval Office meeting. The President was there. James Riady, the Lippo executive was there. Bruce Lindsey, the Deputy White House Counsel, was there. Joseph Giroir, who is, I believe, the former top partner in the Rose Law Firm, the Lippo joint venture partner/adviser, former Rose Law Firm partner, and, if I recall correctly, was the managing partner of that firm, and none other than John Huang, former Lippo executive, Principal Deputy Assistant, Secretary of Commerce.

At this meeting, it was decided that John Huang would move from the Commerce Department to the Democratic National Committee as vice chairman of finance.

We do not know what happened at this meeting, although some extremely troubling explanations have been reported by the media. Each one of these people, it seems to me, with the possible exception of the President, will have to be questioned regarding just what went on at that meeting, why Huang left Commerce, and why he was immediately transferred to the Democratic National Committee as the finance vice chairman, why James Riady, was even at this meeting. That is a very important meeting.

Let me put another chart up here.

This is John Huang at the Democratic National Committee. These are examples of illegal funds raised by Huang. The Wiriadinatas raised $450,000, all of which was returned by the DNC. Pauline Kanchanalak, $250,000. She has since left the country. She is now in Thailand. All funds returned by the DNC. Wogesh Gandhi, $250,000. He testified he had no assets. All funds returned by the DNC, the Democratic National Committee.

Cheong Am America—or John H.K. Lee—$250,000. Like Kanchanalak and others, Cheong Am America—or John H.K. Lee—has disappeared. All of these funds were returned by the Democratic National Committee. Hsi Lai Buddhist Temple, $166,750: This comes from a temple where the residents take a vow of poverty; $74,000 of the $166,750 was returned by the DNC. All together, that we know of, John Huang raised $3.4 million, $1.6 million of which has been returned by the Democratic National Committee.

These are just a few of some of the problems that I think the Governmental Affairs Committee is going to have to go into. I do not see how they can avoid doing it. To give a picture of some of the people who seem to be involved in this, let me just highlight some of the other individuals involved in this affair.

We start with John Huang, former top Lippo executive in the United States, who had a $780,000 severance package when he went to Congress. He had multiple contacts while there with Lippo.

The former Democratic National Committee vice chairman raised more than $3.4 million, $1.6 million was returned, and he visited the White House during this period more than 75 times. C.J. Giroir, in the Lippo joint ventures, former Rose Law Firm attorney, met with James Riady, President Clinton, and Lindsey on the Huang move to DNC, and donated $25,000 to the DNC. Mark Middleton, former White House aide from Little Rock, met with James Riady and President Clinton on that occasion, Far East business interests, had unlimited access to the White House after his departure.

Charles Trie, Little Rock restauranteur, received a $60,000 loan from Lippo, and he arranged with the former Lippo executive Antonio Pan to get a Hong Kong dinner for Ron Brown. Trie also attempted to give $600,000 to the Clinton legal trust fund, and he visited the White House at least 37 times.

Mark Grobmyer, Little Rock attorney, close friend of President Clinton, consultant to Lippo, Far East business interests, met with James Riady, Huang and President Clinton. Soraya Wiriadinata, daughter of Hashin Ning, former Lippo executive, contributed $450,000 to the DNC, and it was all returned, according to the committee. Soraya has gone back to Indonesia.

S. Wang Jun, Lippo joint ventures, Chinese arms merchant, senior executive at CITIC and COSTIND, Chinese Government entities, and attended a White House conference. Webster Hubbell, former Associate Attorney General, received a $250,000 consulting fee from Lippo—would not say why he got that.

Charles DeQueljoe is the president of Lippo Securities in Jakarta, gave $70,000 to the Democratic National Committee and was appointed to the USTR office. Pauline Kanchanalak, a Thai lobbyist who worked with Huang when he was at Lippo, contributed $253,000 to the DNC, and it was all returned. She had frequent contacts with Huang. She visited the White House at least 26 times. And then we come back to John Huang himself.

Now, all of these people are going to have to be interviewed. We are going to have to find out what the facts are here. What was going on? Were there illegalities?

In that regard, these are key players who have taken the fifth amendment: John Huang, Charlie Trie, Pauline Kanchanalak, Mark Middleton, and Webster Hubbell. I do not see how anybody on the other side of the floor can argue that this set of hearings should not go on, or that this would not take almost every second of any committee's time, and I am only talking about one aspect of it. There are many other aspects to this.

The key players who have left the country—and we have not been given reasons why they left the country—are John H.K. Lee—gone. If he is going to be interviewed, it is overseas. Charlie Trie, gone, after taking the fifth. Pauline Kanchanalak, gone—as far as I know, back in Thailand, after having taken the fifth amendment. Arief and Soraya Wiriadinata, gone. Charles DeQueljoe, gone. And James and Mochtar Riady, gone. They left the country.

All this is a brief discussion of one aspect of this. There are other aspects of this, but this is a brief glimpse into some of the serious allegations the Government Oversight Committee will have to look into. I emphasize the point with which I opened, just that at the core of this investigation is a vast series of matters which must be looked into. This will be one of the most important congressional investigations in history. I hope it is not obstructed by partisan tactics and politics. I hope with all my heart it is not. I think the American people expect as much.

When I found out over the weekend that the FBI—and I did not know this before—had notified seven Members of Congress that they might be receiving laundered funds from a foreign country, mainly China, I was kind of shocked at that, because if they informed those seven Members of Congress, surely the FBI informed the White House. I have been led to believe by the FBI they informed the National Security Council. That being the case, why are all these people having such access to our White House under those circumstances? As chairman of the Judiciary Committee, as chairman of the committee that oversees the Justice Department and the FBI, naturally, I have to be concerned about it.

Now, in addition to all of this, there are newer revelations coming out every

day. I challenge the Government Affairs Committee to substantiate these allegations, to look into them.

Let me just list some of the new revelations about the campaign finance scandals that were first reported after the Governmental Affairs Committee made a request of $6.5 million to investigate the scandal.

First, Deputy Chief of Staff Harold Ickes made a telephone call from Air Force One to warn of the wiring of the money to the Democratic National Committee and additional funds to nonprofit organizations. There is some indication they used Air Force One for the purpose of raising funds. I hope that is not the case.

Second, questions have been raised concerning whether the White House database was created for official—as opposed to political—purposes, since it contained individuals' Social Security numbers, nicknames, relations to the First Family, pet political issues, and sometimes a photograph.

Third, China may have sought to influence U.S. policy through the direction of foreign campaign contributions to the Democratic National Committee and actions taken at the Chinese embassy. It has been disclosed that Huang had contacts with the embassy while he worked at Commerce.

Fourth, the NSC, National Security Council, at the White House provided the White House with warnings about Johnny Chung, who has ties to the Chinese Government, who was nonetheless subsequently granted access to the White House on numerous occasions, even though they knew about those ties.

Fifth, Huang approached two business associates and offered to pay them $45,000 if they would take $250,000 from him and donate it in their own names to the Democratic National Committee. That is illegal.

Sixth, the White House fired four staff members whose salaries were being paid by the Democratic National Committee while they were working at the White House. I don't know whether that has ever been done before, but it should not be done.

There are other allegations, but let me just mention a couple of other things. The Democratic National Committee returned another $1.5 million in illegal or questionable campaign funds that have to be looked into. The FBI warned, as I have said, seven Members of Congress that the Chinese Government was laundering money into the United States' election process. The FBI warned the National Security Council as well. We checked that today. And I have to tell you, just this one set of allegations could take more than a year or two just to get into them. It's going to take overseas travel; it's going to be very difficult with people taking the fifth amendment, with people possibly hiding documents and withholding them, and with just this one problem burgeoning and getting bigger every day.

So I commend the Rules Committee and the majority leader for getting this thing off dead center and providing the money so the Governmental Affairs Committee can look into these matters and resolve them one way or the other.

I wish some of these things were not true. I certainly don't wish anyone any harm. But, unfortunately, if you look at the facts that I have just given to you today, I think it's very unlikely that these matters are going to be disproven. But I hope they can be.

It is going to be up to this Governmental Affairs Committee to look into it. I think that committee is very capable of doing this. The two leaders are among the best in the Senate. I expect them to do a terrific job. Senator THOMPSON, in particular, has had extensive experience because of his experience in the Watergate investigation and other investigations since then. He is an excellent lawyer, one of the best who has ever served in the Congress of the United States. I don't know anybody who will be more fair and more decent to the people who are being investigated. I think the same goes for the distinguished Senator from Ohio, Senator GLENN, for whom I have great friendship and fondness, and who I know will do an honest and decent job here.

I don't think we should get so caught up in this context, in some of the issues that are being raised collaterally. I know the distinguished Senator from Ohio is not raising campaign finance reform to take the edge off of these issues.

I don't want to get into that today, because I think that is irrelevant to what needs to be looked into by the Governmental Affairs Committee. Now they are going to have a charter to proceed and, I think, a fair amount of money to at least begin these investigations. Hopefully, these investigations can be completed within the time allotted. But, if not, I think the Senate is going to have to look at it and extend the time if this burgeons into what many think it will.

With that, I thought some of these matters were important to bring out today in the beginning of this debate, so people realize this isn't just some little erstwhile decision by the Rules Committee; this is a very important, well-thought-out resolution of what has been a very difficult set of problems, which had a tendency to be greatly politicized over the last few weeks.

I commend the chairman of the Rules Committee, the majority leader, and the others who have worked so hard on this important matter for the work they have done.

Mr. WARNER. Mr. President, I thank my distinguished friend and colleague, the senior Senator from Utah. Indeed, he points out, really, the tip of the iceberg here, in terms of the scope of the problem of all the issues that befall the Senate of the United States. There is plenty of work for everyone. I urge that it be done in accordance with the established rules and precedence of the U.S. Senate as to the allocation and responsibilities among the several committees.

I certainly join in the Senator's observation about the chairman of Governmental Affairs, Senator THOMPSON, and my good friend, the senior Senator from Ohio. A note of irony here. The two of us used to do a lot of the investigation for the Senate Armed Services Committee a decade or so ago, and I thought we did it rather well. By the way, Mr. President, we didn't have any charter or much money, but we got the job done and did it quite well, for the wonderful men who preceded us on the Armed Services Committee, Senators Stennis, Tower, and Jackson. They gave us special tasks and we followed through.

Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, with all due respect to my colleagues—and I have a lot of respect for my colleagues on the other side—I think the decision of the Rules Committee doesn't represent a step forward, it represents a great leap sideways.

The Governmental Affairs Committee had voted unanimously to have a full inquiry. The inquiry certainly was going to focus on illegalities, but also on improprieties. That's the way we should proceed. The Rules Committee has stripped down the scope. And for people in the country who care fiercely about our getting away from auctions and back to elections, for people in the country who care about our getting away from what we have right now, which is pseudo-democracy, with big money dominating, back to authentic democracy, what the Rules Committee has done represents not a step forward, but a great leap sideways. It is a great leap sideways from an investigation that has to take place.

Mr. President, I know that sometimes we don't know what we don't want to know. But, quite frankly, I don't believe that this Congress is going to be able to step sideways from a full investigation into all of the ways in which money has come to dominate politics today in the United States of America.

Mr. President, my colleague Senator GLENN, at some point in his prepared remarks, said something like: Even what is legal quite often can be scandalous when you are looking at all the ways which money and politics interact today, and it really undercuts the

whole idea of representative democracy. He is absolutely correct. We all know that there are all sorts of examples of, No. 1, too much money being spent in these campaigns; No. 2, too much special interest access, we all know all about that; No. 3, too much of a money chase with Senators spending way too much time, more than any of us want to, raising money; No. 4, therefore, a system where regular people, ordinary citizens, which I do not use in a pejorative sense but in a positive way, don't even think they can play the game. That is what we are facing—money determining who gets to run, money determining who is considered a viable candidate, money determining the outcome of an election, money determining what issues are on the agenda, money determining which people are here lobbying every day and which are left out, and money determining the outcome. This really represents a corruption. But I am not talking about corruption as in the wrongdoing of individual officeholders. I am not here to bash any colleague on either side of the aisle. I am talking about a corruption which is systemwide. It is systemic. It is systemic corruption in the following sense: Too few people with this system we have right now, this rotten system we have right now, have far too much wealth, power, say, and access to decisionmakers, and the vast majority of people are left out of the loop. That is what is going on in the country.

My colleagues want to narrow the scope of inquiry. The Rules Committee basically has made an end run around the Governmental Affairs Committee. The Governmental Affairs Committee at one point in time had a unanimous vote. What happened? What happened? At one time the Governmental Affairs Committee said we are going to be a reform committee, and we are going to look at illegal behavior—by the way, we should; I am not defending any of it—and, in addition, we are going to look at improper behavior, what is inappropriate, and if people have special-color stamps for big contributors, maybe that is not appropriate, and if people take folks on trips and give them access to Republicans and Democrats based on their being big contributors, maybe that is not right. If people have special meetings, special dinners with special access to Senators because they are big givers or heavy hitters or well connected, maybe that is not right. Or if there is evidence of people being invited to help write legislation because they are big givers, maybe that is not right. Or if there is a meeting with a business community or labor community and one party or the other says, "We noticed you have made contributions to Members of the other party, and you had better not do that or you're not going to have access to us," that is not right. The list goes on and on.

What is legal is scandalous. This whole system needs to be turned not upside down—it is upside down right now—but right side up. We need to get the big money out of politics. We need to get the big money out of politics. Anybody who believes in free and open elections, anybody who believes in political equality, anybody who believes that each person in the United States of America should count as one and no more than one, should be genuinely horrified with this system that we now have.

Mr. President, I think—I hope I am proven wrong—but I think the action of the Rules Committee represents not a step forward but a great leap sideways. I have my doubts as to whether or not we are going to pass the reform that gets the big money out of politics. Given the scope now at least of Governmental Affairs, they are not going to be looking at soft money, they are not going to be looking at independent expenditure, they are not going to be looking at what the New York Times yesterday in their editorial called systematized influence peddling, which by the way is a bipartisan invention. And when we narrow the scope and don't look at all of the abuses—we can have abuses; they may not be illegal but they are abuses—it is arrogance. It is what people in the country hate. It is what destroys confidence on the part of people in our political process. When we don't look at any of that, how convenient it will be. Because, if we do not have a full inquiry into all of these abuses, into all of this improper behavior, into all of the ways in which legally big money has come to dominate politics, guess what? We don't make the case for reform.

My concern is as follows: I think if we are not careful—on this point, even though I am in sharp policy disagreement with him, I think Senator WARNER is the best when it comes to civility. I do not have any question about him at all when it comes to civility. But my concern is that we have to really be careful so that what doesn't happen here—is that you have just got people going after each other with accusations, throwing bombs at each other, and all of the rest—is that we don't get down to what should be the real business, which is when push comes to shove there is plenty of blame on all sides. I include myself as being a part of the problem. I want to be part of the solution. I have said, in my not so humble opinion, that everybody in public office should hate this system and want to change it because when you run for office you have to raise money. I just finished running for office, and I raised money. You call people. You call people to ask them to support you. We do that. You may believe—and I did believe and I do believe—that the compelling necessity to raise money in these campaigns, given the current system, that it has never once influenced any position you have taken on any issue. You may believe that. But I'll tell you something. It doesn't look that way to people. Even if you are very honest—and I think my colleagues are—it doesn't look that way to people. We have to change this system.

My real concern—and we will have an amendment or several amendments on the floor of the Senate starting tomorrow—is that what the Rules Committee has done is not moving us forward, but, as I say, it is a great step sideways. It is a great step sideways from full inquiry. It is a great step sideways so the Governmental Affairs Committee is not really looking at all of the abuses. It is a great step sideways in not looking at the full range of problems and not looking at all of the ways in which money dominates politics. Therefore, is it is a great step sideways from reform.

I mean, ultimately here is the litmus test for all of us. Speeches can be made. I am making this speech right now on the floor. Words can be uttered. But really the litmus test is, are you or are you not, regardless of political party, interested in change? Are you interested in getting this big money out of politics? Are you interested in having these Senate races with less money being spent? Are you interested in elections as opposed to auctions? Are you interested in reducing special interests access to decisionmaking? Are you interested in a system where there is a level playing field for challengers? Yes, challengers who can challenge all of us who are incumbents whether we are Democrats or Republicans. I will tell you. I do not think most people in the country think we are interested in that. I do not think most people in the country think we are going to pass any significant reform. I think most people in the country think that this is as much of a debate between ins and outs as Democrats versus Republicans, and the ins don't want to change a system that is really a great benefit to the ins; that is to say, people who hold office.

I am telling you that I think all of us are under a lot of scrutiny. And I think we had better figure out a way that we push through some significant reform, and it had better not be cosmetic, it had better not be one of these pieces of legislation that has a great acronym, a kind of made-for-Congress look; you know, sounds great, but as a matter of fact very little substance by way of really changing this system. I do not think we are heading in that direction. I think the Rules Committee decision takes us not forward, but again I think it represents, if not a retreat, the best I can say is it is a step sideways. That is why we will have an amendment or amendments on the floor demanding a full inquiry.

By the way, Mr. President, in the debates that I have been in, the argument I usually have to deal with is, "Well, this is just some kind of convenient strategy because you don't want to focus on the illegalities." Of course, we do. But there is nothing mutually exclusive about saying get the facts about illegalities, then there is a full investigation and people are held accountable, but also look at the abuses, also look at the improprieties, also look at the reform issue, also go down the path of changing the system for the better.

Mr. President, that, I think, is the missing piece. That will be our challenge on the floor of the Senate, and that is the direction that we have to go in.

Mr. WARNER. Mr. President, will the distinguished Senator yield for a question?

Mr. WELLSTONE. I am pleased to.

Mr. WARNER. I listened very carefully to the Senator's remarks—indeed, I thank him for his comments about the Senator from Virginia. I have also found the Senator from Minnesota to have the same characteristics although I disagree with him on a number of issues.

As I listen to the Senator, it seems to me the Senator has pretty well made up his mind. The Senator has in mind already a framework of ideas and concepts that should be legislated by this body, am I not correct?

Mr. WELLSTONE. Mr. President, the Senator is correct that I can see a number of pieces of legislation, and I am going to outline some of them in a few moments, that I think would make sense, but I also am interested in the give-and-take with colleagues and fashioning compromise if I think it represents a step forward.

Mr. WARNER. Mr. President, I understand that. But I think the Senator is pretty well of a mind to let us get on with the business. The Senator knows what has to be done in exchange with colleagues. Yet, the charter given by the Rules Committee for the additional funding, that sum of money on top of the normal budget for Government Affairs, goes to December 31. You are not going to wait until December 31 to hopefully get the legislation that you have resolved to have one way or another put on the floor, am I not correct? As a matter of fact, do I have reason to believe that you would like to see that legislation enacted before July 4 of this year?

Mr. WELLSTONE. The Senator from Virginia is absolutely correct. I do think—if I could finish.

Mr. WARNER. Go ahead.

Mr. WELLSTONE. There is an A and a B part. A, I do not think people in the United States of America need to be convinced that there are huge problems, and I do not think they believe we do not already know what many of those problems are. It is not like all of a sudden we have to get all sorts of more and more investigation to know what we can do. But I think the investigation can be helpful if you have a full scope of inquiry. I think now where we have gone with the Government Affairs Committee is a step sideways, and I think we should take action.

Mr. WARNER. Mr. President, on this issue I wish to engage my colleague. Clearly, in this resolution we have added additional money for the Rules Committee. If the Senator will examine the document which I referred to earlier, the authority and rules of the Senate, you see in here the clearest of jurisdiction given by the Senate over decades to the Rules Committee to do precisely this, the broadest type of authority. You do not find in here, incidentally, the same authority for Government Affairs. Why? Because they are charged with investigating violations of law. They are not a committee that originates legislation in this area. That is for the Rules Committee.

So it is very clear to this Senator, and I think other Senators will soon recognize, that we are not sidestepping any issue, I say to my friend and colleague. We are simply adhering to the traditional guidelines, precedents and the written prescription for the committees of the Senate to perform their duties. I would urge the Senator to think about whether or not this is sidestepping, or, rather, using the rules and precedents of the Senate set forth in this volume and elsewhere with great clarity.

Mr. WELLSTONE. Mr. President, to respond to the question—and I believe my colleague has asked a question—I do not know any other way to say this but to be straightforward and honest. The proof will be in the pudding. But I think once upon a time the Governmental Affairs Committee under the leadership of Senator THOMPSON was going to look at illegalities; it was going to look at improprieties; it was going to be a full scope of inquiry, and I think we were looking in the proper direction.

With all due respect to my colleague, whom I respect, I think the majority of the Rules Committee is not interested in reform. I think the Rules Committee could very well be a burial ground for reform. Now, if I am wrong, I am pleased to be wrong. But right now, as I think about some of the people who are most active on the Rules Committee and some of the people I have heard speak on this, certainly some of them have made it crystal clear that they are not interested in any reform at all.

Mr. WARNER. Mr. President, I can certainly answer just for this Senator.

Mr. WELLSTONE. Yes. And I am not talking about the Senator from Virginia.

Mr. WARNER. I am in favor of reform, although I have not supported McCain-Feingold because I find there are serious questions as to whether the majority of that bill can be upheld in the Federal court system. That is my concern. And my concern is it totally ignores the very serious problem in this Senator's mind whereby labor unions compel their membership to donate by taking it out of their paycheck before it even gets to the union family.

But anyway, I am not here to try to raise all the red hot irons. I want to keep, hopefully, this debate focused on this volume which lays out the authority of the several committees and the fairness of the resolution in this Senator's mind. I take umbrage, personal and otherwise, at the Senator's comment—he wants to generalize—that the Rules Committee is the burial ground for campaign finance reform. Other Senators can speak to their thoughts on this. But certainly for this Senator, I am very anxious to participate in reform. As I said earlier, I am working with the distinguished majority whip in trying to bring together a series of concepts which will withstand Federal court scrutiny, in our judgment, and which will move forward in substantial reform.

So I say to my friend, I have listened very carefully to his comments, but I do urge him to look at this volume, which prescribes the duties of several committees, and to reflect once again on the fairness of the proposed resolution. We can move forward, Mr. President, with campaign finance reform irrespective of the timetable that is given, whether it is to the Rules Committee or the Governmental Affairs Committee. We can move forward. And that is a judgment call of the 100 Senators to work on collectively under their respective leaders.

The PRESIDING OFFICER. Does the Senator from Virginia yield?

Mr. WELLSTONE. I think I have the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair, and I thank my colleague from Virginia. I say that I felt I was just expressing my honest opinion about what I think is going to happen in the Rules Committee. And my comment was not aimed at my friend from Virginia.

Mr. President, I will say one more time—and I will finish up because I see my colleague from Mississippi is here and I know my colleague from Mississippi is going to agree with everything I am saying so I am anxious for him to get the floor. But let me just finish up. Two points.

One, I think it is problematical, I think it is suspect, I think it is weaving and bobbing and dancing around and a big step sideways to have moved the Government Affairs Committee away from what should have been the scope of the inquiry. We are going to come out here to the floor with language which is going to make it clear

that we are serious about reform. And we know that what is key to reform is an investigation not only of illegalities—and you get into a definitional battle over that—but also what is improper, what is not appropriate. You name it. And also all of the ways in which money and politics have now interacted in such a way as to severely undercut the very idea of representative democracy and really undercut the trust people have in our political process. That is No. 1.

No. 2. I just think people in the country are scratching their heads and saying, these folks in the Senate, they are saying that they actually need a lot of time to study all of these problems and they do not want to make a commitment to any date to bring up any piece of campaign reform legislation; permit us to be a little skeptical. We have this idea that politicians are pretty good at delay, and they are pretty good at sidestepping issues, and they are pretty good at not getting down to the work; permit us to be a little skeptical.

How much more do people need to know about abuses, improprieties or illegalities in order to make some change? Many of us, my colleague is right, are pushing for some action. Now, I am not arrogant enough to say that one person has all the ideas about what should be done, but I do get very concerned about sidestepping here, narrowing the scope of inquiry here, delaying here and maybe, just maybe, at the very end laboring mightily and producing a mouse—hardly any kind of reform. I want to tell you, if we do that, people in the country should hold us accountable.

I think that my colleagues, some colleagues, fail to make a distinction. I could be wrong about this. But I am coming to believe that every day there is a headline about something new. I think people read it and they just quickly go on to other stories. I think part of the reason is, unfortunately, people's expectations are not very high, and that should trouble all of us. But at the very core, what is inside of people in this country, is we do not like this system at all. We do not feel as though we are well represented. We feel ripped off and we want you to change it.

I would say to my colleagues—yes, we talked about McCain-Feingold. I support McCain-Feingold. I worked with both Senators from the word go. I think it is an important, significant reform effort.

If I had my way I would go the "Maine option," legislation which really gets the interested money and private money out; a major overhaul of the system. If not, Senator COCHRAN and I had an opportunity to be at a show last night and I said, "Look, I will come to the floor with an amendment just to prohibit soft money." We are going to take action. There are a variety of different approaches and there are other things that can be done that represent reform. But I say to my colleagues, ultimately it gets down to this. We have to dramatically reduce the amount of money that is spent. We have to dramatically reduce the influence of interested dollars and special interest access to decisionmakers. We have to dramatically reduce this money chase. And we have to move toward something that approximates, more or less, a level playing field so we have competitive elections and so challengers have a chance against incumbents.

If we do not do that, we have not done the job. I think people are going to hold us to that standard. So we might be debating kind of the process we are going through to get to the end. But we need to get there together at the end.

I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. WARNER. Will the Senator yield for just one moment?

Mr. COCHRAN. I am happy to yield to my distinguished chairman.

Mr. WARNER. Mr. President, I think the record should reflect our distinguished colleague, the senior Senator from Kentucky, has just made a statement with regard to his future. Otherwise he would be here today, participating in this debate. Senator FORD returned home to make a very important statement regarding his future. I know my colleague from Ohio has looked over that statement in which he has indicated that he no longer is going to pursue a career in the U.S. Senate, but is to return to greener fields. I just thought we should put that in the RECORD, as to his absence here today.

Mr. GLENN. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield?

Mr. COCHRAN. Yes. I want to praise Senator FORD, too. But we set aside this time for debate on the resolution. We had 2 hours in morning business and we will have additional morning business time, I am sure, later. I hope we could debate the resolution, but I will be happy to yield to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. I thank my friend from Mississippi. I just want to reinforce what the Senator from Virginia just said. Senator FORD, as ranking minority member on the Rules Committee, would normally be on the floor, managing this bill. Since I had been ranking minority member over at Governmental Affairs, which is involved with this very deeply, he asked me to take his place here today. I should have noted that at the beginning of the session today, before I made my speech.

But he will be missed. I was sorry to see my good friend, WENDELL FORD, who came here the same time I did, make a decision to not run again. I know some of the pangs of going through that decision, having gone through those pangs myself just a short time ago. And I am sure I will want to say more tomorrow, but that is the reason he is not here floor-managing the bill.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I think we should make it clear at the outset that those of us who are supporting this resolution as reported by the Rules Committee favor looking very carefully at our current campaign laws. The Federal Election Campaign Act sets out some very strict rules and guidelines and laws with respect to how our Federal election campaigns ought to be conducted. Some of us agree that those laws can be improved and are in favor of making changes. For example, I think one of the clear deficiencies in current law is the failure to require disclosure from all of those who spend money in the Federal election campaign process. There is no law against participating. We like to have full participation by all American citizens, by all of those who are eligible to vote in our country, and we need to continue to examine the process to see if we are doing a good enough job of trying to get everybody's involvement in the process. So there are a lot of things that we can do to improve the system.

But I hope that our friends who are urging immediate vote on a single proposal, certainly ought to allow a full debate to occur and a free exchange of ideas. This Committee on Rules has had a number of hearings under the leadership of the distinguished Senator from Virginia on this subject. And in this resolution there is a provision that further campaign reform issues will be examined by the Rules Committee, in the context of this resolution on this investigation.

Having said that, I think we do need to support, though, the passage of this resolution now so investigation can move forward. The Governmental Affairs Committee is charged under this resolution with responsibility of conducting an investigation into illegal activities surrounding the 1996 election campaigns. We do not single out the President's reelection campaign. We say the campaigns that were conducted in 1996, the challenge of the Republican candidate, the campaigns of all Members of Congress, the campaigns of those Senators who were up in the last cycle—all are to be the subject of the investigation by the Governmental Affairs Committee into illegal activities.

Further, if any Senator is found to have engaged in illegal activity, that is to be directly referred to the Ethics Committee for prompt attention and review.

What are these facts that support and are the basis for the resolution? I think it is important for us to look at what the facts are, to look at what the allegations are, some of the charges that have been made. One of the individuals who was mentioned by the Senator from Utah is John Huang. It is said by reports that he raised more than $3.4 million for the Democratic National Committee. Where did this money come from? That is a fair question. That is a very legitimate question, and it ought to be answered by this investigation.

John Huang was given a security clearance while he was still working for a private enterprise, the Lippo Group, and before he started to work at the Department of Commerce. A legitimate inquiry by this investigation committee is: Why did he get a security clearance before starting a job with the Department of Commerce? And he kept his security clearance, even after he left the Department of Commerce and went to work for the Democratic National Committee. Another legitimate inquiry is: Why did someone who is a full-time fundraiser for the Democratic National Committee need a security clearance? Or why was he permitted to have a security clearance?

During his tenure with the Commerce Department and at the Democratic National Committee, he had several visits with officials of the Embassy of the People's Republic of China. A legitimate inquiry: What were the purposes of these visits? Which Chinese officials at the Embassy did he visit and why?

Another person who was mentioned by Senator HATCH, as involved in the reports and who was involved actively in the election campaign of 1996, is Johnny Chung. Johnny Chung is said to have donated a total of $366,000 to the Democratic National Committee. A legitimate inquiry: Where did Chung get this money? Another reported fact: Johnny Chung visited the White House more than 50 times, despite the fact that the National Security Council staff had issued a memo describing him as a hustler, and warning officials at the White House of that. Why did Johnny Chung have such free access to the White House? That is a legitimate inquiry. Who did he see when he went to the White House on these occasions, and for what purpose? One day, during a radio address by the President of the United States, Johnny Chung brought six Chinese officials with him to be spectators, and to witness the President's radio address, 2 days after giving a $50,000 check to a senior White House official to pass on to the Democratic National Committee.

Charlie Trie is another person who has been mentioned today. Charlie Trie was a fundraiser for the Democratic National Committee and the Clinton's legal defense fund. He is said to have raised more than $600,000. What were the sources of these donations? What did he expect in return, if anything? Charlie Trie visited the White House more than 23 times. Who did he see when he was there? What were the purposes of his visits? Charlie Trie arranged to have Wang Jun, a Chinese arms dealer, attend a White House event with the President.

These are legitimate subjects of inquiry into an investigation into possible illegal conduct in connection with the 1996 Presidential election campaign. It seems to me that these are not only questionable activities that raise questions about purposes of fundraising, but connections with a foreign government which was very actively involved in developing new trade relations with our country, in testing our relationship with other countries in that region of the world, and just this past weekend there were new revelations in connection with the fact that the Chinese Government was said, by our own Federal Bureau of Investigation, to be targeting Members of Congress, to influence for the purpose of enhancing China's position with respect to legislation and national policy here in the United States.

The question that is legitimate for us to undertake to answer in this investigation is what connection do these associates of the Democratic National Committee or the President—John Huang, Charlie Trie, Johnny Chung, and others—have with this effort by the Chinese, if any? These are legitimate inquiries.

Has there been a revelation or a discussion or a briefing at the White House by the FBI on these same subjects? And when did those briefings occur? Before these people were given free access to the White House? Or later? Or when?

Did these activities on the part of the Chinese Government become common knowledge at the White House? If they did, who knew about it? Somebody is bound to have known about it. You don't have this kind of seemingly unlimited access with high-level officials in our administration without somebody knowing why they were there.

What were their interests? One, of course, was a Department of Commerce official interested in trade, organizing trade missions all around the country. But not only that, Mr. President, let me show you a chart, for the purpose of information for Senators, reflecting information that may be close as a circle of interest.

Here we have the three persons I was talking about where there is clear evidence of a lot of fundraising activity, a lot of access with the White House and with top officials in the administration, one working at the Department of Commerce. This is John Huang, who was former top U.S. Lippo executive. Lippo is the Indonesian conglomerate already described by Senator HATCH and others. He was a top Democratic National Committee fundraiser. He had a top-secret security clearance at Commerce—even before, we have now learned—and had almost unlimited White House access.

Johnny Chung visited the White House at least 50 times, brought several Communist Party officials, Chinese Government officials, to the White House, and maintains business relationships in China.

Charlie Trie, Little Rock restaurateur, has visited the White House from 20 to 30 times; owns a home and restaurant in Beijing.

All three participated in very productive fundraising activities for the Democratic National Committee or the President's legal expense fund. Approximately $4.5 million was raised by these three individuals for the Democratic National Committee. The Democratic National Committee said it is returning $2.2 million of those contributions. For the President's legal expense fund, Charlie Trie raised $639,000, all now ruled by the lawyers as returnable and should be returned.

Then look at this. These are interesting connections as well. Does this form a link, the link to China that gets the foreign government involved in our election process? It seems to me clearly to indicate a reason to go forward immediately with the passage of this resolution and to go forward with this investigation to find out what the facts are. But here are what some of the allegations are in the reported facts that we can verify with an investigation.

Wang Jun, the foreign arms dealer who was brought to the White House, chairman of Poly Technologies, a Chinese arms manufacturer. He is also chairman of CITIC, which is the largest state-run business in China. He visited the White House on February 6, 1996, as a guest of Charlie Trie.

Ng Lap Seng, a member of CPPCC. This is the Chinese Government's national advisory board. He has multiple business interests in China, Hong Kong, and Macao. He is partners with Charlie Trie in San Kin Yip International Trading Co.

And the Lippo Group, which was discussed in some detail by Senator HATCH. Mochtar and James Riady are the family members who have large interests, if not controlling interests, in the Lippo Group. Lippo has vast business interests in China, business partners with China Resources, a Chinese Government-owned entity.

The CP Group, this is the largest foreign investor in China, $2 billion investment, 130 joint ventures. Chairman Dhanin serves as economic adviser to the Chinese Government. Dhanin visited with President Clinton in the White House on June 18, 1996, arranged by Pauline Kanchanalak through John Huang.

The connections are with Huang, Chung, and Trie with investors, leading industrialists in China, in Indonesia, all with Chinese ties, all with very big stakes in the outcome of Government policies here in the United States and legislation here in the United States, and, apparently, Members of Congress were selected to be supported or encouraged or lobbied, or whatever happened, and we don't know what happened. We don't know if anything happened, but we need to find out what steps were taken to try to influence decisions in this Government by the foreign government.

The question about whether passing a bill to reform campaign finance law cures all that, of course, begs the question. That is not the question, and it is certainly not the answer. The question is, What are the illegal activities that are involved in these transactions, if any? That is not only an appropriate area for inquiry by this U.S. Senate, it is mandatory, it is a duty, it is a mandatory responsibility, it is a duty we have.

So I urge my colleagues to adopt this resolution. It is a product of an effort to try to resolve differences that some on the other side of the aisle have had with the effort that we initiated in the Governmental Affairs Committee to put together a resolution to define scope and a budget and a process.

But I have confidence, Mr. President, in the chairman and the ranking Democratic member, Senator THOMPSON and Senator GLENN, who are totally dedicated, in my view, to a fair but full inquiry of the allegations that are apparent and are begging to be investigated so that we can find out what the facts are.

If laws need to be changed, we can recommend changes in the law. If we simply need to disclose whether people are innocent of the charges that have been made against them, that is an important part of the responsibility, too. To clear those whose names may have been tarnished by published reports that we have seen in the newspapers and heard in the broadcast media, that is part of the obligation of this committee as well, which I think will be taken very, very seriously.

So I am hopeful that the Senate will approve the resolution, Mr. President. I congratulate the chairman for his leadership in this.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I thank my distinguished colleague.

We are particularly fortunate on the Rules Committee to have a very significant number of senior colleagues, of which my good friend, the senior Senator from Mississippi, is one. And three members of the Rules Committee, three who voted for this resolution, are also members of the Governmental Affairs Committee. That, in my judgment, is a very, very important aspect of this debate. They looked at it from both perspectives. They have counseled this chairman as well as others on the committee. I think that goes a long way to say that this was a resolution carefully crafted and thoughtfully arrived at. I thank my dear friend.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I rise not for a lengthy statement here, but just to say that most of the remarks on the other side of the aisle this afternoon have been involved with "The China Link," as it is called on the diagram I see on the other side right now, and with the China connection, with Mr. Huang, Mr. Chung, Mr. Trie, and what may have happened.

I am not quite sure what relevance all these things have to do with S. 39 that is before us on the floor now and which we are debating. Because everyone is agreed, everyone I know on the Rules Committee, the Governmental Affairs Committee, the White House, the President, everybody is agreed that some things went awry in this area. And even the President has said, yes, he wants to see this brought out. Let us find out what happened. Let us correct it. Let us cure it and let us get on with it.

I do not know whether our debate here on the floor is going to take up time pushing this idea that somehow, or implying at least, that we are trying to avoid some sort of discussion or the President is trying to avoid some kind of discussion on Huang, Trie, and others, because I do not think that is the case. I know the Justice Department, as I understand it—and this is just from news reports; I have not talked to the people over there—but as I understand it, they have 25 FBI agents assigned to investigate exactly this matter that we are talking about on the floor this afternoon. So if we need to, on the Governmental Affairs Committee, get into those areas because they involve, obviously, allegations of illegality, we will do so.

So I just want to make that comment that we are united, I think, in the Senate on both sides of the aisle and down to Pennsylvania Avenue to the White House on finding out what happened with Mr. Huang, Mr. Chung, and Mr. Trie, and bring that information out so we can correct whatever the situation was or get new legislation if that is needed to correct it. So we are all committed to that. I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, it is imperative that the public have a full picture of the questionable campaign fundraising practices which have risen to the surface in such quantity. These practices are not the sole domain of one party. Both parties raise money in comparable ways. Republican practices as well as Democratic practices must be investigated and made public. Otherwise, there is going to be no confidence and no credibility in this investigation. Unless we have an investigation into fundraising abuses by both parties, the committee's investigation—and here I am talking about the Governmental Affairs Committee's investigation—will turn into a partisan squabble.

Both Democratic and Republican activities at both ends of Pennsylvania Avenue must be investigated, and then let the chips fall where they may. There must be a full and thorough investigation into the campaign finance practices of the last election, and to the extent practices of earlier elections shed light on current practices or set the context for our consideration of current practices, the Governmental Affairs Committee should include and voted to include those election cycles in our investigation as well. Whatever we do in this investigation will also hopefully contribute to the enactment of campaign finance reform.

With those goals in mind, the members of the Governmental Affairs Committee met and together unanimously decided on language relative to the scope of this investigation. Members on both sides of the aisle were satisfied with the result and with the sense of accomplishment that we felt. Senator GLENN said just before the vote on the scope resolution:

> I think we have made really a lot of progress in this regard. . . . I think this sets down in language what we had talked about, what you, Senator Thompson had indicated you were for, what we were for.

And Senator LIEBERMAN described it as "an extraordinarily positive piece of work."

That agreed-upon scope in the Governmental Affairs Committee was not an expansion of Chairman THOMPSON's statement of scope which he made on the Senate floor on January 28 when he announced his plans for the committee's investigation. It was the embodiment, for all practical purposes, of what Senator THOMPSON had described in his floor statement. Senator THOMPSON said at that time:

> The investigation that we are now undertaking is neither a criminal investigation nor a seminar on campaign finance reform, although it involves elements of both.

And continuing, Senator THOMPSON said:

> Based on the information before us at this time, it is an inquiry into illegal and improper campaign finance activity in the 1996 Presidential campaign and related activities. . . . Now certainly our work will include any improper activities by Republicans, Democrats or other political partisans. . . . We are investigating activities here, not political parties.

We had a disagreement over how much the investigation would cost, but we did not have a disagreement over what the scope should be. We had a disagreement over the length of the investigation. Democrats on the committee thought we should have a goal for an end date so that we could responsibly, and in a reasonable amount of time, report to the Senate on our findings and conclusions. We thought, looking back at previous investigations, that a year would be appropriate. The congressional investigation into Watergate lasted just over a year. And we thought an end date as well as the funding could always be adjusted if the public interest warranted an extension depending upon the state of the evidence at the time the agreed-upon end date was reached.

We had also hoped for, and actually expected, progress on working out bipartisan procedures for the conduct of the investigation. The committee directed the staff to work on an agreement on procedures to ensure that there was bipartisan access to witnesses, documents and depositions.

So that's where we were after the last Governmental Affairs Committee meeting. We had a unanimously agreed-upon scope resolution, progress on bipartisan procedures, and differences over money and length of time. How did we get to where we are today? Well, this whole thing took a dramatic detour to, and then a dramatic detour in, the Rules Committee.

Republican members of the Rules Committee decided to narrow the unanimously adopted scope of the committee investigation. Initially, some of the Rules Committee wanted to leave Congress out of the investigation altogether. But they soon realized that that would not pass muster with the media or with the American people. So they concocted a formulation, something that made them look like they were covering Congress but, in effect, leaving out the most sensitive areas to Members: soft money and independent expenditures. Republicans raised much more soft money than Democrats, and outspent Democrats 10 to 1 in independent expenditures.

The Rules Committee majority no doubt thought that if they could get the Senate to strike the word "improper" from the Governmental Affairs Committee jurisdiction and leave the scope covering only illegal activity, then they could deflect or avoid the possible resulting pressure to pass campaign finance reform. I have no doubt that that was the goal of many members of the Rules Committee—to deflect or avoid pressure to pass campaign finance reform.

That pressure would come from the bipartisan investigation in the Governmental Affairs Committee not only into what is illegal but into what should be illegal, what is improper, to what has an odor about it, to what is excessive. That is what the Governmental Affairs Committee, on a bipartisan basis, wanted to look at. Not just as to what was illegal technically but as to what we should consider as a legislative body to make illegal.

Now, the Rules Committee decided to put in language about referring allegations of illegal conduct against Members to the Ethics Committee and referred the issue of soft money and independent expenditures, and those are the 800-pound gorillas of campaign finance in the 1990's. Soft money, independent expenditures currently—the legal portion of those activities—were referred to the Rules Committee. But it is the Rules Committee whose majority does not want the Governmental Affairs Committee to have a full-blown investigation in the first place.

Now, that is where we are. The Rules Committee is proposing to this Senate that a unanimously agreed upon resolution of a standing committee of this body to investigate improper activity should not be permitted. Now, I do not know whether this has been done before in the history of this body where you have a committee with jurisdiction which votes unanimously on an investigation, which is then denied that investigation by the Rules Committee. Perhaps it has happened before, I do not know. I have asked the Democratic staff on the Rules Committee if they know of any precedent for this. They do not know of any.

We are not talking about reducing the funding. Here we are talking about limiting the scope of an investigation within the jurisdiction of a standing committee of this body, unanimously voted upon by that standing committee. Now, anybody who has been following this sad story will see through it because I do not think, again—and I will make this challenge to my dear friend from Virginia, Senator WARNER, and he is my dear friend; I will make this challenge to him, because we should know whether or not the Rules Committee has ever in this way limited the scope of an investigation unanimously voted on by a standing committee of this body.

We are not talking about limiting the money. We are talking about saying you may not investigate improper activity. That is clearly within the jurisdiction of the Governmental Affairs Committee. There is no doubt that the Governmental Affairs Committee has jurisdiction to look into improper activities of the kind laid out in our full-scope resolution.

By the way, I have no doubt that the Rules Committee has jurisdiction to do what it has decided it wants to do, as well, that that jurisdiction is not exclusive. The Governmental Affairs Committee has the jurisdiction. There is nothing improper about its jurisdiction. For the Rules Committee to tell a standing committee of this body you may not look into improper activity within your jurisdiction, I believe, is unprecedented. If it has a precedent, then it seems to me this body ought to hear about it from the Rules Committee.

Again, to make clear what we are not talking about, we are not talking about reducing the funding, and we are not talking about the question of whether the Rules Committee has jurisdiction, as well, because clearly they have both jurisdiction to reduce the funds and to take up an issue themselves. What we are talking about is something that is clearly within the jurisdiction of the Governmental Affairs Committee and unanimously adopted by the Governmental Affairs Committee.

Now, in setting aside the Governmental Affairs Committee resolution, the Rules Committee and the resolution before the Senate struck the very key word "improper." Here is what the unanimously passed resolution of the Governmental Affairs Committee said:

> The [committee] shall conduct a Special Investigation into illegal or improper fundraising and spending practices in the 1996 Federal election campaigns. . .

Here is what the Rules Committee substitute says:

> The additional funds authorized by this section are for the sole purpose of conducting an investigation of illegal activities in connection with 1996 Federal election campaigns.

The key word missing from the Rules Committee substitute is the word "improper."

What they are restricting us to investigate on the Governmental Affairs Committee is illegal activities. We are barred from using these special funds—and I emphasize it is these special funds which are at issue—from investigating improper activities. If the Rules Committee version of this resolution passes, and I hope it will not, the Senate would go on record as affirmatively denying an investigative committee of the Senate from investigating improper campaign activities. I think that is a precedent which this body should reject on a bipartisan basis because it puts us in the exact wrong direction in terms of what this Nation wants us to do, which is to both look at illegal as well as improper practices.

Now, some people say, what about the illegal practices which have been alleged. My answer to that is we ought to look at it even though that is usually left to prosecutorial bodies and courts. We ought to look at illegal activities. We should not shy away from that—illegal activities by whomever. But we surely should look as well at improper activities, which activities, at least arguably, should be made illegal.

We are also doing something else in addition to restricting us from looking

at the soft underbelly of campaign financing, which is soft money, we are also risking the very investigation of the Governmental Affairs Committee, because the legislative purpose, which is to change the laws, is being put into question by the restriction of the Rules Committee. If we could only look at illegal activity, things already illegal, and we cannot look at things which arguably should be made illegal, then the question of legislative purpose arises. That is what the courts have ruled must exist before subpoenas can be enforced.

A Federal district court in the Icardi case said that:

> The court does hold that if the committee is not pursuing a bona fide legislative purpose when it secures the testimony of any witness, it is not acting as a "competent tribunal" even though that very testimony be relevant to a matter which could be the subject of a valid legislative investigation . . .

So the resolution that is proposed by the Rules Committee substitute not only strikes the key word "improper" that would give the Governmental Affairs Committee the direct authority to investigate practices that are now legal but should be made illegal—because that is what the word improper allows us to do. What the substitute resolution of the Rules Committee does is fails to include any reference whatever to a legislative purpose. In this case, campaign finance reform. The silence on this point is deafening, and I am afraid the silence on this point, the removal of the word "improper" is also going to jeopardize the investigation which is left into the jurisdiction of the Governmental Affairs Committee.

Finally, I want to read one portion of the committee report of the Governmental Affairs Committee that supports the broader scope resolution which had been unanimously adopted by the Governmental Affairs Committee. This is what we said, Democrats, Republicans, unanimously. Or this is what the committee report, more accurately, the Governmental Affairs Committee, says about the broad scope resolution:

> The allegations that have been made are very serious and go to the fundamental workings of our democratic government. The faith of the people in their government and in their system of government is at risk. Our Constitution is premised on the fallibility of human enterprises, including governments. The founders of this Republic did not believe that the errors of Government were self-correcting. They knew that only constant examination of our shortcomings, and learning from them, would enable representative government to survive. They believed, correctly, that this process makes America stronger, not weaker. We must have the same faith.

And then the committee report of the Governmental Affairs Committee says the following:

> These allegations of improper activities must be investigated. The committee intends to investigate allegations of improper activities by all, Republicans, Democrats, or other political partisans. It will investigate specific activities, not on the political party against which the allegations are made.

The Senate, if it adopts the Rules Committee resolution, will undermine the solid, bipartisan work of the Governmental Affairs Committee. A unanimously adopted resolution of that committee that has jurisdiction to investigate improper activities will be undermined by, instead, a partisan resolution of the Rules Committee, adopted on a partisan vote, which narrows the scope of the Governmental Affairs Committee on the use of these special funds.

So, again, while my friend from the Rules Committee, the chairman, is here, let me repeat one point. There is no doubt that the Rules Committee has jurisdiction to entertain the kind of hearings that it is going to have. There is no doubt that the Rules Committee can reduce the funding that has been provided. But I don't know of—and I welcome my friend correcting me if I am wrong—a precedent where the Rules Committee has told a committee of jurisdiction in this body which unanimously adopts a resolution to investigate an activity that it may not do so with the funds that are appropriate or allocated. I know that we can use other funds for that purpose. But we are talking here about a special funding resolution and a unanimously adopted, bipartisan resolution of the Governmental Affairs Committee to investigate something within its jurisdiction. For the Rules Committee to remove the word "improper," it seems to me is unprecedented and unwise, given the tremendous necessity to change the way campaign financing is done in this country.

I yield the floor and would be happy to respond if my friend from Virginia, the chairman of the Rules Committee, desires.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I thank my distinguished colleague. Since he came to the Senate, I have valued his views greatly and his friendship a good deal more. Although we differ from time to time, let us see if we can't come to some fundamental understanding here. Has the Senator had an opportunity to review the document, which I referred to today, the "Authority of the Rules of the Senate on Committees?" If not, I urge that the Senator take a little time to look through it. I read it as saying very clearly, that the broadest jurisdiction possible is in the Rules Committee to look into the subject before us—namely, campaign finance reform, campaign finance violations, the whole generic subject. It is silent with respect to the Governmental Affairs Committee. Most respectfully, it is silent on that subject.

The distinguished Governmental Affairs Committee is not a legislative committee in the context of this subject. I wonder if the colleague will take the microphone and we can have a colloquy. The first question is—you have not had a chance, but you will look at this?

Mr. LEVIN. That is correct, and we would be happy to.

Mr. WARNER. Second, you agree that Governmental Affairs is not a legislative committee.

Mr. LEVIN. The investigative jurisdiction of the Governmental Affairs Committee was the question I directed to my friend.

Mr. WARNER. I want to take it step by step. But as far as legislation, to the extent that the Senate hopefully will adopt legislation on campaign finance reform and campaign finance violations, this Senator is going to—and has and will continue to—work vigorously toward that goal. At the current time, the distinguished majority leader has designated the majority whip to head a task force on this side of the aisle, and I am a part of that. I can assure we are working diligently. So that's the legislative action.

The second point I wish to make is, I don't know of anything done by the Rules Committee in this particular resolution, or in any other thing the Rules Committee has done, which would deter the Senate or forestall the Senate from taking up campaign finance reform whenever the concurrence as to the timing comes with the distinguished majority leader and the minority leader. That is traditionally the function of those two leaders. That is a subject that is being actively discussed between the leaders. So nothing we have done deters that. That is a separate timing, a separate subject.

But we see when we pick up the papers, there is something new on this subject every day. It is the most distressing period I have ever seen.

Mr. GLENN. Will my friend yield?

Mr. WARNER. Yes. This is a colloquy. Go ahead.

Mr. GLENN. I thank my friend. I reply that the Governmental Affairs Committee has more broad jurisdiction on investigations than any committee here. It doesn't mean that we do those things legislatively then, but we are a committee that does investigations. We have done broad investigations in drug matters, for instance, and investigations and hearings regarding that. Yet, we turn that legislation over, we turn our information over to other people to form the legislative background they need to bring it here to the Senate.

We have conducted hearings on espionage in the past, and we certainly don't have authority in those areas. But we are given broad investigative powers and staff and money to look into these things as part of our regular jurisdiction.

This committee was known through the years as a committee that took on

organized crime. It was known back in those days, originally, as the Truman committee, PSI subcommittee that we have, and the McClellan subcommittee. We took on organized crime. But we didn't do the legislative matters, the legislating that had to be done. We turned the results over to other committees.

More recently, we have looked at fraudulent health programs involving the District of Columbia here and West Virginia and, I believe, part of Virginia, also. We didn't propose to do the legislation in those areas. For many years, I have personally been as involved as anybody in the Senate on matters regarding nuclear nonproliferation. Yet, primarily, that was not something we had to go ahead and put legislation in on, although I did use that to put legislation in many years ago. We have had investigations on terrorism, and it fell to other people to have the legislation.

Mr. WARNER. I readily accede to all this history, which is important. Indeed the Senator has been on the committee for 22 years, has he not?

Mr. GLENN. I have indeed.

Mr. WARNER. I am just pointing out that this resolution goes to the authority to investigate until December 31. Is the Senator suggesting that we are going to wait in the Senate until December 31 to review a final proposal on campaign finance reform? I hope not.

Mr. GLENN. I respond to my friend, no.

Mr. WARNER. There is a clear separation between the two trains that are moving—your investigation, which is important, and campaign finance reform, which, in my judgment, is equally as important. They are on different tracks.

Mr. LEVIN. Can I ask a factual question?

Mr. WARNER. The previous speaker said this Rules Committee resolution sidetracked campaign finance reform. I took serious question with him on that.

Mr. LEVIN. I think that is the likely outcome. We will know that. Is my friend from Virginia suggesting that the Governmental Affairs Committee does not have jurisdiction to investigate improper campaign activities?

Mr. WARNER. I didn't say that, Mr. President. The authority is very clear with respect to the Rules Committee, but it is less clear with Governmental Affairs. If the Senator sees a passage which I have missed—it is rather lengthy—but it is less clear, in my judgment.

Mr. LEVIN. Just to clarify the colloquy, I heard my friend say the committee can use regular funding to look into improper activity.

Mr. WARNER. That was my next point.

Mr. LEVIN. Is there any doubt that the committee has jurisdiction to look into improper activities under its broad jurisdiction—quoting the Governmental Affairs Committee jurisdiction—to have the duty to study the efficiency, economy, and effectiveness of all agencies and departments of Government, which would include the Federal Elections Committee.

My question of the Rules Committee chair is, Is there any question about the jurisdiction of the Governmental Affairs Committee to investigate the propriety of campaign financing and fundraising? Is there some doubt about that?

Mr. WARNER. Mr. President, we are coming to a very important point, and I was going to raise that because I had this in my hand at the time I yielded for the colloquy with the Senator from Ohio. Senate Resolution 54, the omnibus resolution of the Rules Committee for all committees, under which $4.533 million was allocated to the Governmental Affairs Committee—there is nothing in here respecting exactly how it will go about it. That is a matter that is up to the collective wisdom of the members of the committee under the leadership of the very fine chairman, and, indeed, equally fine ranking member. What the Rules Committee decided is, if you wish to have additional funds, that is within the province of the Rules Committee to say that those funds will be for a specific purpose, and that purpose being—we know exactly what it is. But it would seem to me that that action by the Rules Committee, subject to whatever the Senate does in working its will on this resolution—however this resolution emerges—hopefully, in my judgment, will emerge intact. There may be a technical change here or there. That should certainly be a precedent to the members of the Governmental Affairs Committee—a sort of guidepost as to how collectively, exercising the majority vote in this, the members should expend all the funds, in my judgment.

Mr. LEVIN. The collective wisdom of the Governmental Affairs Committee, unanimously adopted, is that we should look at both illegal and improper activities. I do not think there is a slightest doubt that both of those are within the investigative jurisdiction of the Governmental Affairs Committee. And nothing my friend from Virginia here today says anything to the contrary. Both illegal and improper activities are within the investigative jurisdiction of the Governmental Affairs Committee. And here we have a Rules Committee on a partisan vote saying to a committee of jurisdiction that has jurisdiction to investigate both illegal and improper activity: "Sorry. This additional funding can only be used on what is already illegal. You may not investigate activities which maybe should be made illegal." I believe that is unprecedented. I am not saying the Rules Committee cannot do that. I am saying it is unprecedented. I believe it is unwise for the Rules Committee to do that institutionally. More importantly, I believe that the Nation requires an investigation of both illegal and improper, and that is what with the bipartisan unanimous vote of the Governmental Affairs Committee was.

It is to me just the wrong message to send to the country that we are not going to let the investigative body look into improper activities, particularly involving soft money; independent expenditures which are now for the most part legal, not totally because there are some questions of illegality. But there are some. Most of the soft money is probably legal. Most of the independent expenditures are probably legal. But much of it deserves scrutiny and investigation.

What the Rules Committee has done is to deny—in a unanimous vote by the Governmental Affairs Committee—use of these additional funds to both look at improper and illegal activity. And I just hope the Senate as a whole will not set this precedent.

Mr. WARNER. Mr. President, with that I await the will of the Senate to work on it. But I point out that there is $4.53 million. There is no proscription in there. But I would think that however this resolution emerges it should be a guidepost for the conduct of the investigation of this committee.

Mr. President, I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I want to compliment my colleague from Virginia, and echo some of the comments that he has made. I happen to have the distinction, as a couple of us do, to serve on both committees. I serve on the Rules Committee, and I serve on the Governmental Affairs Committee. I think the resolution that the Senator from Virginia brought to the floor—and I compliment him for it—says that we should abide by the jurisdiction of the committees. The Rules Committee has jurisdiction over campaign finance reform. It has had that jurisdiction for years. One of the reasons I became involved in the Rules Committee, one of the reasons I participated in the committee, and one of the reasons I requested time for participating, was because I am interested in campaign finance reform legislation, not just oversight on illegal activities. That is what the Governmental Affairs Committee investigates. That committee will be investigating a lot of things that have been discussed on the floor today and tomorrow and probably will be investigating these matters for some time this year, and rightfully so.

I believe I even heard the President of the United States say that we should investigate some of the alleged laundering of foreign money to the Democratic National Committee. We should

investigate whether foreign nationals have tried to influence American elections. I do think, however, that the Rules Committee can work on campaign reform and simultaneously have hearings on legal activities dealing with soft money and with independent expenditures. I do not think that it is appropriate that those hearings should be mixed up with the hearings on illegal activity.

Think about it. We are talking about having people testify under oath and perhaps, by subpoena. I know from some of the subpoenas submitted by the minority that appear to focus on money spent by these groups—groups such as the Christian Coalition, Right to Life, the Sierra Club, the unions, and so on. A lot of organizations raise money and use that money to "educate their voters." Maybe they do a lot more. Maybe they want to educate every voter in America. Organized labor put in millions of dollars in this last election. I am on the Rules Committee and I hope that we have hearings. I would say to the chairman of the Rules Committee, have hearings on soft money. What influence did it have on independent expenditures?

I think it is perfectly proper for the Rules Committee to investigate campaign finance reform. We put in an extra $450,000 in this resolution for the Rules Committee to investigate "legal but improper" activities. If somebody deems a legal act to be improper, well that is the eyes of the beholder. But the Rules Committee, the committee of jurisdiction, the committee that will be charged with writing campaign finance reform, should be the committee that is going to be trying to figure out how you handle soft money.

For those who have not really looked into campaign finance reform before, I will tell you: There is not an easy answer on soft money. Some people just say ban it. Well, if you just automatically say ban it, you probably have not thought about it very much. You probably have not thought, "Wait a minute. Are we going to tell an organization they can't communicate their views to members on legislation pending or on a Member's vote on whether they are for their side or against this side?" I do not think we want to do that. I think that can become an infringement on the people's rights of free speech. I think it may very well be declared unconstitutional. I really do not have any interest in us passing legislation just to have it to be declared unconstitutional by the courts.

So my point is that issues concerning independent expenditures and soft money are not easily dealt with. I will tell my colleagues on the other side of the aisle that I would be happy to work with others that have ideas. I think there is a real imbalance in today's electoral system. Under today's laws, individuals are limited donations of $1,000. But you have unlimited expenditures on soft money. So an individual can only put in $1,000. But you might have a wealthy person put in $10 million to try to educate the populace on a particular issue. Another example, as the Senator from Virginia found out, you might run against a very wealthy candidate that might put in $12 million or $15 million and just swamp the airwaves. Yet, a Senator or another individual, if they don't have a lot of resources, would be limited to $1,000 per election, and $2,000 for a primary and general election. There are some real imbalances here and I would like to see us work to correct those.

I think that is properly done in the Rules Committee, not the Governmental Affairs Committee. The Governmental Affairs Committee is not going to be marking up the legislation on this issue. When you are dealing with the oversight on independent expenditures, on soft money, on legal campaign activity and the investigations, the Rules Committee should lead. The investigations under the Governmental Affairs Committee is where we have the subpoena power. That is where we are talking about trying to uncover what has happened. We have constitutional responsibilities within this committee to exercise oversight and find out if the laws have been broken. That is one of our responsibilities on Government Affairs and we need to do it.

I don't think it would be fair to be calling on people who have allegedly broken the law, having them sworn in, giving depositions under oath, making statements before the Governmental Affairs Committee, and then the next week be calling in groups under the same circumstances that were acting legally under the current system. I think they would be unfairly tainted with the same broad brush of illegal activity. I do not think that is right. I think it would be a mistake.

So I compliment my colleague from Virginia. I think he has designed a good resolution, a resolution that we can pass. It is a resolution that protects the jurisdictions of each committee. We actually have three committees involved. We have the Governmental Affairs Committee, which has very broad jurisdiction.

My colleague from Michigan asked if they can not investigate everything else. The Governmental Affairs Committee basically has the authority under its legislative authority to investigate almost anything related to Government. And so some people say, why even bother trying to delineate what they can investigate? They can investigate anything. However, I think what we have come up with a solution to let the Governmental Affairs Committee investigate the illegalities of the last election, whether it be congressional or presidential. Let the Rules Committee conduct hearings on campaign finance reform and soft money and include hearings on improper activities, if there truly were improper activities. Maybe we can come to a consensus on how to handle soft money or independent expenditures. And if we find Members who have violated the rules or the laws, have those be referred to the Ethics Committee.

Some people say that the Ethics Committee is a chamber that no one hears from. I have been in the Senate now 17 years, and I can think of at least 5 Senators who are not here primarily as a result of the Ethics Committee. They do make a difference and they changed people's careers. They caused people to retire. They caused people not to run for reelection or they caused expulsion from the Senate. So the Ethics Committee does exercise its responsibility.

I compliment my colleague from Virginia. I think the delineation and protection is important. Frankly, if I was chairman of the Rules Committee, I would guarantee you I would be down here fighting for my committee's jurisdiction. We do it all the time. The Rules Committee does have jurisdiction over campaign finance reform and it should fight to protect that. It should have any hearings on independent expenditures. And my colleagues, if they want to get into it, I am all for it. Have the hearings. But to me it is in the right scenario. It is not putting people under oath and subpoenaing documents and making them submit to the same procedures as when illegal activities before a committee are under consideration.

Mr. WARNER. Mr. President, will the Senator yield for a question?

Mr. NICKLES. I would be happy to yield.

Mr. WARNER. First, I as chairman wish to give assurance of the Senator, who is a member of the committee, and other members, it has been the intention of the Rules Committee to continue as we did last year with extensive hearings—six in total. We will continue this year, and we will deal with those issues relating to soft money and independent expenditures. Somebody thinks you can take a hand and remove soft money but it is just all driven into the independent expenditure. And then you come straight to the first amendment and an individual's right to speak and to spend, which the Supreme Court of the United States has basically equated under their interpretation of the Constitution. Am I not right on that?

Mr. NICKLES. I think the Senator is correct. We may well have the debate on this this week, just to answer my colleague. We may well have the debate on whether or not we will have a constitutional amendment to limit the first amendment as it pertains to speech in campaigns. Some people advocate that. I do not happen to be one.

But again that is a fair debate and one that we will probably have in the Chamber.

Mr. WARNER. Mr. President, if I could continue with the question, and I recognize two other Senators are seeking recognition so I will be brief, but several of our colleagues, and I respect their views, have come during the course of this very good debate this afternoon on this issue and tried to indicate in their judgment that this action by the Rules Committee is a deterrent, stalling or in another way impeding the progress of the Senate on the generic subject of campaign finance reform, which we have been working on now for some 2 years, and I do not think this is in any way a deterrent. As a matter of fact, the Governmental Affairs committee is to go on until next December.

It would be my hope and expectation that the distinguished majority leader and the Senator from Oklahoma in consultation with the minority leader would work on a schedule that is mutually agreeable. And I also wish to commend the Senator for taking the leadership in consultation with the majority leader to have a specific task force within our group that is now assessing what can be done and what will withstand constitutional scrutiny of the Federal courts to put a package together. It would be wrong to put a package through here if we all knew, many of us being lawyers, that it was going to be struck down by the Federal courts. But it is an easy thing to go out amidst this public concern, rightful concern about campaign finance reform, shovel the legislation out knowing that in a year's time it will be struck down by the courts. And that is wrong.

So I wonder if the Senator would just take a minute to describe the work of the task force. We have now had three meetings. In my judgment, we are making progress and I hope that the Senator shares that judgment.

Mr. NICKLES. I thank my colleague. Let me just make a couple of comments, Mr. President. One, we do have a group that is currently working on campaign finance reform. And to those who are saying that this effort of having the Rules Committee have jurisdiction over campaign reform is a stall—I think it is quite the opposite. I think having the Rules Committee retain its historical, legitimate jurisdiction over campaign reform is the right thing to do. I also think it is the best thing to do if you want to have real campaign reform, if you want to get something passed.

Now, we can work simultaneously. I believe the Governmental Affairs Committee is going to be swamped. It has numerous allegations to review. Allegations have been made almost on a daily basis for weeks and weeks now. The list is very long. If you tack on to that, an additional general oversight on campaign reform, I think that bogs down the process for, one, getting the original investigation resolved and, two, it bogs down campaign reform.

Now, I think by separating the two oversight responsibilities by having hearings on campaign reform in the Rules Committee, it will allow the Rules Committee to consider those issues and to go ahead and work on legislation. We may have to do the legislation in a couple of pieces. Some people are very adamant on passing campaign reform legislation this year and they think we can only do it in one piece. I would urge my colleagues—and I see my friend from Wisconsin here—who are really interested in campaign reform to think of possibly what we can do. What can we put together now that has bipartisan support that we can pass?

I can think of several things. Full and immediate disclosure for soft money, for independent expenditures and for all hard money. There is a lot of money under the table right now. We do not have any idea, for example, how much total money that organized labor put into the campaigns. We do not have any idea how much different groups have put in. We could require immediate disclosure, and I bet we could get an overwhelming vote, even a unanimous vote, for immediate disclosure.

I think we can do some other things. There are a lot of other good ideas but I do not know that I should throw all of them out because I am starting to negotiate on these with my Democrat colleagues who want to make some real reform. Maybe we could come up with a consensus package now that includes reform on individual and special interest money. Some people advocate confining money to being raised in their State or district. I am for looking into that. Let us negotiate and see if we cannot put together a package by having oversight in the Rules Committee to include issues of independent expenditures and soft money. Let us see if we can come up with an agreement on that. Maybe the hearings will evolve to where we can come to a consensus on these issues. Also, maybe at the conclusion of the Governmental Affairs Committee, we may find other statutes that need to be changed.

Most of the things that we are looking at investigating right now concern statutes that are fairly clear. In some cases, they have been ambiguous. I noticed the statute in section 607, where it says it shall be unlawful for any person to solicit in a Government building. And the Vice President said he is exempt from the law. I find that to be a stretch. I do not see an exemption there for the Vice President. But if he is correct, maybe we need to change the law.

And so maybe these hearings will evolve and we will learn a little bit more about what should be included in our laws. I am happy to do that. But I do not think the Rules Committee has to wait on the Governmental Affairs Committee to act. I am willing to act earlier. I am very, very serious about trying to work to see if we cannot come up with bipartisan consensus legislation. Once we have passed that, to see if we can come up with those elements that we can agree upon such as making sure, for example, that all contributions for political campaigns are voluntary. To me that is a fundamental right. We should have that in a package.

So let us put together a package, pass it and then if we determine because of the Governmental Affairs Committee hearings or the Rules Committee hearings that we need to do further work, we can address it and pass that possibly later.

So again, I compliment my friend from Virginia for his resolution. I am hopeful that we will be able to pass it soon. I am hopeful—I see my colleague from Ohio—that we will be able to work together in the Governmental Affairs Committee in a bipartisan fashion to get the facts out and to conclude. I will tell my colleague I was one that said let us try to wrap this up this year. I do not want this thing going on forever. So we will work towards that end. I thank my colleagues, and I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, that was a very interesting dissertation as part of this debate by the distinguished majority whip.

I would like to also note that the former chairman of the Governmental Affairs Committee, the senior Senator from Alaska, participated throughout the debate in the Rules Committee on this issue. He, as well as anyone, understands that committee, the scope of its jurisdiction, the wisdom of preserving the jurisdiction, and he voted solidly with us on this matter. So we have three members, the distinguished Senator from Oklahoma, the distinguished Senator from Alaska, and the distinguished Senator from Mississippi, who spoke today in strong support of this resolution.

So we are particularly fortunate that we have three members of the other committee that served on the Rules Committee and who gave their unqualified support for this resolution.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I will not make prolonged remarks this evening, but I must reply to some of the things that have been said here because the implication, at least, has been that somehow Governmental Affairs was usurping jurisdiction or something, and that Rules are protecting their

turf in making sure this jurisdiction was not taken over by Governmental Affairs. I think we need to briefly review the bidding and how we got where we are.

When all this matter of campaign finance reform first came up, there were a number of committees in the Senate that thought they had a piece of this and wanted to have hearings or were quoted in the paper as saying they might look into it. We had Commerce, Judiciary, Foreign Relations, the Rules Committee, and Governmental Affairs—all were involved. What was decided in centering this in Governmental Affairs was not a decision made on the Democratic side at all. To concentrate this in the Governmental Affairs Committee was a decision of the Republican leadership, that they did not want this strung out all over the lot. And with Governmental Affairs having the preeminent investigative authority in the Senate, they would concentrate everything there. The newspaper reports, at least, indicated that the leadership got the other committee chairmen to sign off with that approach, and it was announced that the Governmental Affairs Committee was going to take the lead in this.

That was not a decision made on the minority side. That was a decision made and carried out on the majority side. So there was no effort whatsoever by anybody to take some jurisdiction away from another committee.

Now, let us follow this through just very briefly as to what happened. When did the Rules Committee finally get interested in this and decide it was in their jurisdiction? Only after the funding request came from the Governmental Affairs Committee and the members on the Rules Committee, who really do not want campaign finance reform, blocked the funding, period, not in an official committee meeting, but in a meeting just of the Republicans on that committee.

Why did they object to the funding rules? Because they have an objection to campaign finance reform. This got into a real impasse, a real impasse with Republican leadership. So, then it became a deal cut to say we will water down what Governmental Affairs is going to do and we will let the Rules Committee handle this, because we have members opposed to campaign finance reform on the Rules Committee.

It has been pointed out that we have members now on the Rules Committee that are also on the Governmental Affairs Committee, three crossovers, three people with dual membership on both committees, who voted on the Rules Committee to do what this Senate Resolution 39 that we are debating is supposed to do. But I would point out, those are the same three members who voted unanimously on the Governmental Affairs Committee, unanimously on the scope, unanimously on what was to be looked into, unanimously there would be no-holds-barred, unanimously we would look into soft money, unanimously we would look into legal, illegal, improper, whatever—wherever the track led us. That is what they voted for on the Governmental Affairs Committee, and that is the reason it went to the Rules Committee that way.

It was only after members of the Rules Committee put this whole thing into a quagmire of dissent and were going to block any funding that this so-called compromise arrangement—or capitulation, I would term it—was worked out. And that is just exactly how this thing developed.

So, all the talk here about how the Rules Committee members voted this so it must be right because they are also on Governmental Affairs ignores that they are the ones who voted unanimously on Governmental Affairs for the scope, for everything we wanted to look into. We hoped we could work out a goal. All of these things that were voted out of committee only got objections after it got over to the Rules Committee where any funding was stopped by the people who basically do not want any campaign finance reform.

I hate to be so blunt, but that is exactly——

Mr. WARNER. Will my colleague yield for a second?

Mr. GLENN. I will yield the floor.

Mr. WARNER. I think, if you are going to have that rendition of facts, you should also include that those same members asked for $11-plus million and no time limitation, which, if I may with respect, you and your colleagues objected to. So that changed the entire formula for those three members.

Mr. GLENN. How did that change the formula, changing the money?

Mr. WARNER. When you denied them the fact they could go on without a time limitation, and the amount of money. My recollection is that you were only going to grant $1.8 million.

Mr. GLENN. No, let me correct that, because what happened on this was that was a proposal from the Democratic side. It was voted down on Republican side. And the $6.5 million was voted out of committee to the Rules Committee and the Democrats, who had thought we could get by with a much lower figure because every other committee had, going into this investigation with the idea that you always could come back and ask for money—which was done in the case of Watergate, with five different allocations of money. They voted out of committee $6.5 million. That is what went to the Rules Committee. So we had gotten past that hurdle there. We were going with $6.5 million over at Rules, and that is when Republican members on the Rules Committee objected to going forward. That was not the Democratic side. That is how we got to where we are right now.

So I am sure we are going to have more debate on this tomorrow, but I just thought I better indicate here, this was not Governmental Affairs trying to usurp jurisdiction. That jurisdiction was given to us by the Republican leadership in trying to combine all of the different committees that wanted this investigation into one investigation, under the prime investigative committee in the Senate, which is the Governmental Affairs Committee. That was a decision of the Republican leadership. We had nothing to do with that on our side of the aisle. It only came apart, even after it was voted out of the Governmental Affairs Committee unanimously, by all Republican members, and got over to the Rules Committee and ran into trouble with some who want no campaign finance reform and objected so strenuously that a deal had to be cut to let them have some jurisdiction back on the Rules Committee in the areas of soft money that they are so afraid will be changed, and brought it back over there where they would have more of a chance to control it.

We, then, on the Governmental Affairs Committee, were charged with looking into only illegalities. That is a far narrower standard, when you get to investigating matters. We had hoped to have, and what the Republican members on the Governmental Affairs Committee had all voted for, was a broad investigation, no-holds-barred, let's set the basis for campaign finance reform for the future. That is basically what is being denied now.

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I shall yield momentarily to my distinguished colleague after just one further fact. The Rules Committee—we went back and checked it again—noted that concerning the request for funding from the Governmental Affairs Committee, which in the tradition of the Senate both the chairman and the ranking would sign, the distinguished ranking member of the Governmental Affairs did not sign the financial request for $11-plus million that came to our committee.

So I think there are a few other facts that should be brought to bear as we look at this situation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, it was not too long ago, just last June, when I joined the senior Senator from Arizona and the senior Senator from Tennessee, as well as the senior Senator from Minnesota and other Senators, in offering in this body the first bipartisan campaign finance proposal in

over a decade. Although the legislation had received unprecedented bipartisan support, including the backing of President Clinton and Ross Perot and Common Cause, 161 different editorial boards nationwide and some 60 congressional Democrats and Republicans, we in this body did fail to invoke cloture on that measure by 6 votes.

We have heard some interesting arguments during the past summer about this in the public debate, when we did finally debate campaign finance reform for just 2 days under a series of rules that would not allow us to amend the bill but would only allow us to have a debate for 2 days and then vote immediately on cloture.

That was the deal we had to accept, just to have this issue heard in this body and before the American people. But we did so because we wanted a chance to be heard.

We were told on that occasion by our opponents, led by the junior Senator from Kentucky, very clearly that he believed there really wasn't much of a problem with our current campaign finance system. We were told that the explosion in campaign spending that we had seen in 1992 and, again, in the 1994 elections was not only not a cause for alarm; we were told by some, led by the senior Senator from Kentucky, that this onslaught of campaign cash was healthy for democracy. That is what we were told, and it carried the day, although a majority of this body did vote to go forward. The status quo, we were told, was democracy at its finest, and more spending, more big spending, would only make it better.

Of course, we heard the other side of this debate from those of us who adamantly are opposed to the status quo, and at one point during the public debate over this issue, I recall very clearly hearing both the Senator from Arizona [Mr. MCCAIN], and the Senator from Tennessee [Mr. THOMPSON], predict that the 1996 elections would produce a large-scale scandal. They predicted a scandal. I also remember their stern warnings that it would be a scandal of grand magnitude that would eventually compel the Congress to pass meaningful campaign finance reform.

Mr. President, based on what has happened in the months that followed that debate, what was right? Who was right? Those who were proclaiming that money in politics was a match made in Heaven, or those who suggested that money in politics was closer to gasoline and matches?

I believe the debate we are having today, and the endless headlines and media reports of abuses by both sides of the aisle in the last election, provide a clear answer to that question. In fact, the Senator from Kentucky and others who opposed our effort last June on the grounds that we needed more campaign spending, not less, got exactly what they wanted in the last election. They got more spending all right.

The 1996 elections set an all-time record for campaign spending at $2.7 billion—$2.7 billion, Mr. President. Now, was democracy strengthened, as the Senator from Kentucky suggested it would be? I don't think so. Considering that the fewest percentage of Americans went to the ballot in 72 years in that election, I would say that we can lay to rest the theory that more campaign spending increases participation in our political system and is somehow good for democracy.

The resolution before us today provides about $4.3 million for the Governmental Affairs Committee to conduct an investigation into reported illegalities stemming from just the 1996 elections. This includes abuses both in the Presidential and congressional elections. The investigation, as we have laid out here today, must conclude by December 31, and a report must be issued by the committee within 1 month after that date.

Ultimately, I certainly will support this resolution, because I strongly believe these activities must be investigated on a bipartisan basis. That is why I have also supported an appointment of an independent counsel to investigate both Republican and Democratic abuses in the 1996 elections. I am aware that several of my colleagues originally held to the position, as the senior Senator from Ohio is pointing out, that the committee should only examine abuses in the Presidential election, but in light of the recent revelations about potential congressional campaign finance abuses in the last election, I commend the authors of this resolution for their willingness to investigate wrongdoing at both ends of Pennsylvania Avenue.

I am concerned, however, that this resolution is confined to the 1996 elections. Just in the past few days, allegations have come to light about the 1992 elections and potential wrongdoing by the current Speaker of the other body, as well as a former Vice President of the United States. These 1992 allegations are as serious, in my mind, as the 1996 allegations, and they warrant a full investigation by the oversight committees. The use of the White House and the office of the Vice President for activities related to fundraising I don't think was invented in 1996. That is just my guess, but I am pretty sure it was not invented in 1996.

Although it is imperfect, I will ultimately support the underlying resolution to allow this investigation to go forward and hope that the committee, under the strong leadership of the Senators from Tennessee and Ohio, will conduct a balanced and bipartisan investigation process.

But we have to recognize that these investigations are only one small step forward. We have to understand that these abuses, on both sides of the aisle, were an almost inevitable byproduct of a campaign finance system that has virtually no restraints on candidate or party spending and no restraints whatsoever on the so-called soft money contributions that seem to be at the focal point of so many of these abuses.

These abuses, as the Senators from Arizona and Tennessee predicted last June, were simply inevitable. Yes, it is illegal to raise campaign funds from the White House or from a Senate office. Yes, it is illegal to accept campaign contributions from nonresident foreign nationals. Now, that is clear. But let us talk about fundraising practices where the lines between what is legal and illegal and what is ethical and unethical become far more blurred. This is very, very difficult to determine whether something is simply illegal or legal.

For example, under current law, it is viewed as legal for a corporation, a labor union or a wealthy individual to hand the President of the United States or a U.S. Senator acting on behalf of their political parties a check for $400,000. As long as the check is made out to the party and not the person accepting or even soliciting the check, it is widely viewed as legal. It is called soft money, which is unlimited campaign contributions from sources which are normally restricted in their contributing, based on the reforms that were enacted some 20 years ago.

For example, corporations and labor unions, which are strictly forbidden from contributing directly to Federal candidates, can contribute unlimited sums of money to the national parties, which then funnel these funds into various House and Senate races. Mr. President, I don't think anyone in this body is going to be able to fool the American people on this. What this system is is a giant money laundering operation, and it is done openly. That is what it is. It is a giant money laundering operation, known as soft money.

It is also considered legal, apparently, for elected officials to trade access for huge campaign contributions. That is probably on the legal side of the ledger. Let me give you a couple of examples.

In 1995, the Republican National Committee promised $15,000 donors four meetings a year with House and Senate Republican leaders, as well as participation in international trade missions. That same year, the Democratic National Committee offered $10,000 donors the opportunity to participate in trade missions to Budapest, Vienna, and Paris.

This system of exchanging access to elected officials for large campaign contributions was recently referred to by a Member of this body as "the American way," that it is simply the American way to do things this way. Mr. President, if that is true, it is an awfully sad day for America.

The abuses that have been uncovered in recent elections are the symptoms, not the disease. The disease is our failed campaign finance system. Nowhere is this more visible than with the virtual explosion of so-called soft money. In the 1992 elections, about $86 million was raised by the two national parties in these so-called soft money contributions. In 1994, that figure jumped to over $100 million. And then in the 1996 elections, soft money exploded, and the two parties accumulated over $263 million in soft money contributions. That, Mr. President, is more than a 150 percent increase in just 2 years.

When is this body going to stand up and say that it should be illegal, clearly illegal, for anyone, whether you are from Jakarta or Janesville, WI, to make a $400,000 contribution?

When is this body going to stand up and say that we should reform a system that reelects incumbents well over 90 percent of the time?

When is this body going to stand up and say there is simply too much money flowing through our campaign system? And, yes, we do need—soon—comprehensive bipartisan reform.

I just got here a little while ago, got to the floor, and heard the arguments of, yes, we are going to have the investigation and, yes, we are going to have a vote on the constitutional amendment on campaign finance reform. I am hopeful no one will be fooled. That combination of limited hearings that have to do with only illegal conduct and a vote on a constitutional amendment that will lose is simply a way to sweep this issue under the rug. That is all it is. That is a deadly combination. That would be the death of campaign finance reform, to simply pretend that a vote on a constitutional amendment, with the barriers that are involved there in a limited hearing, will somehow take care of this problem.

Many of the people who are saying that they are concerned and want to work on this issue are the very ones that voted last year to not even put campaign finance reform on the agenda of the 104th Congress. So we ought to very carefully examine their claims that the combination of a couple days of debate on a constitutional amendment and limited hearings will do the job. If it can be accomplished, it will be a very neat trick. And it worked in the 104th Congress, but it will not work in the 105th Congress.

Mr. President, it will not be possible to contain this issue. It will not be possible to just sweep it under the rug.

Mr. President, make no mistake, the investigations and the issue of legislating campaign finance reform are automatically and inextricably linked to each other. Let me say, if these investigations are done right, it can help.

An investigation that shines a spotlight on the darkest corners of our campaign finance system can be a useful endeavor so long as those who benefit the most from our current campaign finance rules are willing to turn the spotlight on themselves.

Passage of this resolution, if done right, is a first step. But I do not believe its passage will change one bit the public's perception that their Government and the elected leaders are for sale.

The only way we can truly begin the process of restoring the trust and faith of the American people in their elected officials is to pass meaningful, bipartisan campaign finance reform. It is my sincere hope that opportunity presents itself in the coming months. And I look forward to a thoughtful debate on the issue as well as negotiations with regard to the specifics.

So although I will support this resolution, I will also support efforts to strengthen it by explicitly broadening its scope to include both legal and illegal fundraising activities as well as including the elections prior to 1996 where the seeds of much of this abuse were planted.

Mr. President, what I just described was the original scope of the hearings approved by the Governmental Affairs Committee on a bipartisan, unanimous vote of 16 to 0. And those who supported the narrowing of this scope owe the American people an explanation of why we are only going to examine some of the abuses but not all of the abuses.

In my view, many of the issues can be investigated even under the wording of the resolution before us. In other words, I think it is going to be very difficult to simply make a legal ruling that something was legal or illegal without looking at the facts. And I do think, however, though it would be preferable to restore the specific language regarding the detailed scope that was originally outlined by the Governmental Affairs Committee. Thank you, Mr. President. I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Thank you, Mr. President.

Mr. President, I would like to ask my distinguished colleague from Wisconsin a question.

We reviewed your bill with great care in the Rules Committee. You will recall that. I think you appeared before the committee, am I not correct in that?

Mr. FEINGOLD. Mr. President, I do recall that.

Mr. WARNER. Essential to this whole debate is the question of unions. Yet my colleague from Wisconsin excluded that from consideration in his bill.

What do you say as to why you purposefully left an important part of reform out of your proposed legislation?

Mr. FEINGOLD. Mr. President, the answer to the question is, the distinguished Senator from Virginia must be talking about a different bill. This bill bans soft money. The labor unions in this country, I believe, spent $7 million this year on soft money. That is wiped out by the McCain-Feingold bill.

Second, this bill added last year, and it has in this year's version, significant limitations on political action committees. I believe the unions in this country spent about $14 million on political action committees.

Our bill says, if you want the benefit of the voluntary limits within the bill, you have to limit how much you get from political action committees to total to less than 20 percent of your total campaign contributions.

It also takes down the amount that a political action committee can give from $5,000 to $1,000 to the individual limit.

These are severe and real restrictions which I can assure you that the labor unions do not like. In fact, last year there was a meeting of various labor unions and business groups and women's groups and others saying they were very unhappy.

Finally, Mr. President, let me say, in answer to the question, the Senator from Arizona and I have said in the past we are willing to look at other provisions relating to this broader issue as long as it is fair from the point of view of looking at issues of corporate giving, of share-holding money and the giving activities of other organizations that use their members' dues. That is possible.

So we have two major limitations on unions in the bill now. And we are willing to discuss an evenhanded provision that relates to other issues. It is simply not the case——

Mr. WARNER. If I——

Mr. FEINGOLD. Let me finish. It is simply not the case, Mr. President, that anyone has barred limitations that affect unions in our bill.

Mr. WARNER. Do I understand that on the question of dues, these are in many instances deducted from the paycheck. Am I not correct in that?

Mr. FEINGOLD. Mr. President, that is one of a variety of issues that has to do with how unions operate. There are issues of how corporations take money from shareholders, profits to use on campaigns. There are issues about how the National Rifle Association, for example, takes its members' dues and uses that for their activities. These are issues that can be considered.

Now, I will agree with the Senator, we have not put a provision relating to all of this in our bill at this point because I think it is possible that if we try to take all of that on, it could kill campaign finance reform. It could make it very difficult for us to ban soft money and to put a voluntary limitation system on Members of Congress with incentives.

But the Senator from Arizona and I have been very careful in saying everything is potentially on the table, and we want to negotiate. Nothing has been stopped from being considered as this bill comes forward.

Mr. WARNER. Mr. President, I just conclude by saying that over $35 million was spent by the unions in the last election, to the best of my knowledge.

I yield the floor.

Mr. FEINGOLD. A brief rejoinder on that.

The Senator mentioned $35 million spent by the unions in the last election. As I illustrated in my remarks, our bill certainly affects at least $20 million worth of spending that unions did with regard to soft money and political action committees. And may I just point out that the amount of money spent by corporations and other interests in this country, I think, would simply dwarf the figures that are being thrown out around here. That has to be addressed as well.

I thank the chair.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, before I introduce my amendment, I would like to correct the statement I made in the earlier debate.

The Democrats voted against the $6.5 million recommendation that came out of the committee, but we were outvoted on that at the end. We had favored the smaller amount and letting the committee back for additional allocations of money as were required later on if paydirt was being hit, if the hearings were being fruitful.

So, the original resolution to rules went with a partisan vote on the money, but not on the scope because there was unanimous agreement on the scope. And that is what now is largely at issue here. So I just wanted to correct that so there would be no misunderstanding on it.

AMENDMENT NO. 21

(Purpose: To clarify the scope of the investigation, and for other purposes)

Mr. GLENN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 21.

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

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

The amendment is as follows:

On page 10, strike lines 17 through 20 and insert the following:

"(b) PURPOSE OF ADDITIONAL FUNDS.—

"(1) IN GENERAL.—The additional funds authorized by this section are for the sole purpose of conducting an investigation into illegal or improper fundraising and spending practices in the 1996 Federal election campaigns, including the following:

"(A) Foreign contributions and the effect of those contributions on the United States political system.

"(B) Conflicts of interest involving Federal office holders and employees, and the misuse of Government offices.

"(C) Failure by Federal employees to maintain and observe legal limitations relating to fundraising and official business.

"(D) The independence of the Presidential campaigns from the political activities pursued for their benefit by outside individuals or groups.

"(E) The misuse of charitable and tax exempt organizations in connection with political or fundraising activities.

"(F) Amounts given to or spent by a political party for the purpose of influencing Federal elections generally that are not subject to the limitations or reporting requirements of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (commonly referred to as 'soft money') and the effect of soft money on the United States political system.

"(G) Promises or grants of special access in return for political contributions or favors.

"(H) The effect of independent expenditures (whether by corporations, labor unions, or otherwise) upon the current Federal campaign finance system, and the question as to whether such expenditures are truly independent.

"(I) Contributions to and expenditures by entities for the benefit or in the interest of Federal officers.

"(J) Practices described in subparagraphs (A) through (I) that occurred in previous Federal election campaigns to the extent that those practices are similar or analogous.

"(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the authority of the Committee on Governmental Affairs under the Senate Rules or section 13(d) of this resolution.

MORNING BUSINESS

Mr. WARNER. Mr. President, I ask unanimous consent that the Senate go into a period of morning business for not to exceed 5 minutes for each Senator.

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

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, March 7, the Federal debt stood at $5,353,405,261,722.26.

One year ago, March 7, 1996, the Federal debt stood at $5,017,741,000,000.

Twenty-five years ago, March 7, 1972, the Federal debt stood at $427,832,000,000 which reflects a debt increase of nearly $5 trillion ($4,925,573,261,722.26) during the past 25 years.

REPORTS OF COMMITTEES

The following reports of committees were submitted on March 6, 1997:

By Mr. WARNER, from the Committee on Rules and Administration, with an amendment in the nature of a substitute:

S. Res. 39: An original resolution authorizing expenditures by the Committee on Government Affairs.

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 56: A resolution designating March 25, 1997 as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

S. Res. 60: A resolution to commend students who have participated in the William Randolph Hearst Foundation Senate Youth Program between 1962 and 1997.

The following report of committee was submitted on March 10, 1997:

By Mr. THOMPSON, from the Committee on Governmental Affairs:

Report to accompany the resolutions (S. Res. 39) authorizing expenditures by the Committee on Governmental Affairs (Rpt. 105–7).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LAUTENBERG (for himself and Mr. DEWINE):

S. 412. A bill to provide for a national standard to prohibit the operation of motor vehicles by intoxicated individuals; to the Committee on Environment and Public Works.

By Mrs. HUTCHISON:

S. 413. A bill to amend the Food Stamp Act of 1977 to require States to verify that prisoners are not receiving food stamps; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. HUTCHISON (for herself, Mr. LOTT, Mr. BREAUX, and Mr. GORTON):

S. 414. A bill to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States imports and exports, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BAUCUS (for himself, Mr. GRASSLEY, Mr. ROCKEFELLER, and Mr. THOMAS):

S. 415. A bill to amend the medicare program under title XVIII of the Social Security Act to improve rural health services, and for other purposes; to the Committee on Finance.

By Mr. MURKOWSKI:

S. 416. A bill to amend the Energy Policy and Conservation Act to extend the expiration dates of existing authorities and enhance U.S. participation in the energy emergency program of the International Energy Agency; to the Committee on Energy and Natural Resources.

S. 417. A bill to extend energy conservation programs under the Energy Policy and Conservation Act through September 30, 2002; to the Committee on Energy and Natural Resources.

By Mr. WARNER:

S. 418. A bill to close the Lorton Correctional Complex, to prohibit the incarceration of individuals convicted of felonies under the laws of the District of Columbia in facilities of the District of Columbia Department of Corrections, and for other purposes; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. FORD:

S. Res. 62. An executive resolution expressing the sense of the Senate regarding a declaration to resolution of ratification of the Chemical Weapons Convention; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LAUTENBERG (for himself and Mr. DEWINE):

S. 412. A bill to provide for a national standard to prohibit the operation of motor vehicles by intoxicated individuals; to the Committee on Environment and Public Works.

THE SAFE AND SOBER STREETS ACT

• Mr. LAUTENBERG. Mr. President, I introduced a bill that, if enacted, will go a long way toward reducing the deadly combination of drinking and driving. I am proud to stand with Senator MIKE DEWINE of Ohio in introducing this bill. The Safe and Sober Streets Act of 1997 sets a national illegal blood alcohol content [BAC] limit of .08 percent for drivers over 21 years of age. The bill gives States that have a limit above .08 BAC, 3 years to adopt .08 laws. States that fail to enact this limit will have a percentage of their highway construction funds withheld.

Mr. President, drunk driving continues to be a national scourge that imposes tremendous suffering on the victims of drunk driving accidents and their loved ones. In 1995, drunk driving increased for the first time in a decade. That year, 17,274 people were killed in alcohol-related crashes. Every one of those deaths could have been prevented, had the driver decided to call for a ride, handed the keys to a friend, or did anything other than taking the wheel.

Every 30 minutes someone in America—a mother, husband, child, grandchild, brother, sister—dies in an alcohol-related crash. The numbers are increasing. Our highways are turning into death traps and our concrete clover leaves into killing fields.

Mr. President, we have made progress over the past few decades in the fight against drunk driving. In 1982, 53 percent of motor vehicle fatalities involved alcohol; today, alcohol-involved motor vehicle crashes is 40.5 percent. In 1984, I authored the bill that President Ronald Reagan signed into law to increase the drinking age to 21. Since 1975, 21 drinking age laws have saved roughly 15,700 lives. And, 2 years ago, Congress passed and President Clinton signed into law a zero tolerance bill with sanctions, making it illegal for drivers under 21 years of age to drive with any amount of alcohol in their system.

While that shows promise, we know we must do more—17,274 lives lost is 17,274 too many. Instituting a national standard for impaired driving at .08 BAC is the next logical step in the fight against drunk driving.

There are those who ask why the standard for impaired driving should be .08 BAC. But I think the better question is: why should the standard be as high as .10? We know that any amount of alcohol affects motor skills and driving behavior to some degree. A 1991 study by the Insurance Institute for Highway Safety indicates that each .02 increase in the BAC of a driver with nonzero BAC, nearly doubles the risk of being in a fatal crash. This means that the risk a driver faces begins much earlier than when his or her blood alcohol content is at .10 or .08, after the first or second drink. In fact, the National Highway Traffic Safety Administration [NHTSA] reports that in single vehicle crashes, the relative fatality risk of drivers with BAC's of .05 and .09 is over 11 times greater than for drivers with a BAC of zero.

Mr. President, .08 BAC is not an insignificant level. A 170 lb. male must consume four and a half drinks in 1 hour on an empty stomach to reach .08 BAC. This is not social drinking. While most States have .10 BAC as their legal limit, it is actually at .08 BAC where driving skills are seriously compromised. At that level, the vast majority of drivers are impaired when it comes to critical driving tasks. Braking, steering, speed control, lane changing, and divided attention are all compromised at .08 BAC.

Thirteen States have .08 BAC limits, and many industrialized countries have .08 BAC limits or lower. Canada, Great Britain, Austria, and Switzerland have .08 BAC limits. France and The Netherlands have a .05 BAC limit. They adopted these laws because they know that they work. They work for these reasons:

First, .08 BAC laws have proven to reduce crashes and fatalities. Most States that have adopted the .08 BAC level have found a measurable drop in impaired driving crashes and fatalities. A study conducted by Ralph Hingson, ScD. and published in the American Journal of Public Health, showed that those States that adopted .08 BAC laws experienced a 16-percent decline in the proportion of fatal crashes involving fatally injured drivers whose BAC were .08 or higher. And, those same States experienced an 18-percent decline in the proportion of fatal crashes involving drivers whose BAC was .15 or higher. That means that not only did the rates decrease for overall drinking and driving, but also for drivers who were extremely impaired. This same study concluded that if .08 BAC were adopted nationwide, 500 to 600 lives would be saved annually. That alone should be enough to convince all of us that this should be a national standard.

Second, .08 BAC laws deter driving after drinking. Crash statistics show that even heavy drinkers, who account for a high percentage of DWI arrests, are less likely to drink and drive because of the general deterrent effect of the .08 BAC.

All of these facts, Mr. President, show us that .08 BAC needs to be a national standard, not just an option. Different standards lead to different perceptions, and in this case these differences can be deadly. In regions with high interstate traffic, a driver should not be considered "impaired" in one State, and then is legally sober by simply crossing a border. Pedestrians, passengers, and safe drivers should be protected no matter in which part of our Nation they are.

Mr. President, we know that .08 BAC laws work. We know that .08 BAC saves lives. It is incumbent upon us to make sure that .08 BAC laws are adopted. That's why my bill gives States 3 years to adopt .08 BAC laws. If a State does not meet that deadline, the Secretary of Transportation will withhold 5 percent of a State's total Interstate Maintenance, National Highway System, and Surface Transportation Program funding combined in fiscal year 2001, and 10 percent for each year thereafter until that State adopts the .08 BAC limit.

Mr. President, sanctions work. While incentive grant programs allow States to decide whether to pass laws on their own, they are notoriously underfunded and States pay little attention. Since the inclusion of the .08 BAC limit as an incentive criteria, only seven States have passed laws due to that incentive. The Federal Government has a role to play to ensure that our highways and roads are safe, and that drunk driving is decreased. The public is on our side. We must not back down.

Mr. President, .08 BAC limits save lives. This bill, if enacted into law, will work. I urge all my colleagues to join in the fight to decrease drunk driving, to make our roadways safer, and most important, to provide comfort to those victims of drunk driving and their families that the Federal Government stands behind them in the memories of their loved ones.

Mr. DEWINE. Mr. President, according to the National Highway Traffic Safety Administration, there were 17,274 alcohol-related traffic fatalities in 1995. Each year, 1 million people are injured in alcohol-related traffic crashes. Alcohol is the single greatest factor in motor vehicle deaths and injuries.

It is estimated that alcohol-related crashes cost society over $45 billion every year, when you count up items like emergency and acute health care

costs, long-term care and rehabilitation, police and judicial services, insurance, disability and workers' compensation, lost productivity, and social services for those who cannot return to work and support their families. Just one alcohol-related fatality is estimated to cost society $950,000. The cost of each alcohol-related injury averages $20,000.

FIXING THE PROBLEM

The legislation we are introducing today would enact nationally a strategy that has been proven to work against alcohol-impaired driving—making it per se illegal to have a .08 level of blood alcohol content [BAC] when driving.

An illegal per se law makes it illegal in and of itself to drive with an alcohol concentration measured at or above the established legal level. Forty-eight States have established a per se law. Thirty-five States have established per se laws at .10 BAC. Thirteen others have established the law at .08 BAC.

Virtually all drivers are substantially impaired at .08 BAC. Laboratory and on-road tests show that the vast majority of drivers, even experienced drivers, are significantly impaired at .08 BAC with regard to critical driving tasks such as braking, steering, lane changing, judgment, and divided attention. The risk of being in a crash rises with each BAC level, but rises very rapidly after a driver reaches or exceeds .08 compared to drivers with no alcohol in their systems. The National Highway Traffic Safety Administration has concluded that in single-vehicle crashes, the relative risk for drivers with BAC's between .05 and .09 is over 11 times greater than for drivers with no alcohol in their systems.

The .08 laws reduce the incidence of impaired driving at .08. However, they reduce even more the incidence of impaired driving at high BAC's over .15.

Most States with a .08 law have found that it has helped decrease the incidence of alcohol-related fatalities. In California, NHTSA found that the State experienced a 12-percent reduction in alcohol-related fatalities. A recent study conducted by a professor at Boston University compared the first five States to lower their BAC limit with five nearby States with a .10 limit. Overall, the .08 States experienced a 16-percent reduction in the proportion of fatal crashes with a fatally injured driver whose BAC was .08 or higher, as well as an 18-percent reduction in crashes where the fatally injured driver's BAC was .15 or higher. The study concluded that if all States lowered their BAC limits to .08, alcohol-related highway deaths would decrease by 500–600 per year.

Furthermore, .08 laws make it easier to arrest and convict drivers with BAC's of .10 or .11 because these are no longer borderline cases.

Laws establishing a .08 per se limit serve as a powerful deterrent to drinking and driving—sending a message that the State is getting tougher on drunk driving, and making people think twice about getting behind the wheel. I strongly support this legislation.●

By Mrs. HUTCHISON (for herself, Mr. LOTT, Mr. BREAUX, and Mr. GORTON):

S. 414. A bill to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of U.S. imports and exports, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE OCEAN SHIPPING REFORM ACT OF 1997

Mrs. HUTCHISON. Mr. President, last Congress, we made substantial progress toward enacting ocean shipping reform. The House passed a bill and, under the leadership of Senators LOTT and PRESSLER, we in the Senate were presented with a very workable framework for ocean shipping reform. I am pleased to make it the framework upon which we base the bill which Senators LOTT, GORTON, BREAUX, and I are introducing today. It is my hope that we can develop the consensus necessary to pass this measure in a timely way.

The next step in this process is the hearing later this month before the Surface Transportation and Merchant Marine Subcommittee, which I chair. I am looking forward to hearing from those who will be impacted by our legislative efforts. Ninety-five percent of U.S. foreign commerce is transported via ocean shipping. Half of this trade, which is carried by container liner vessels with scheduled service and is regulated under the Shipping Act of 1984, is affected by these reforms.

This legislation represents an important opportunity to ease the hand of regulation on a significant sector of commerce, and eliminate a regulatory agency altogether. Our bill terminates the Federal Maritime Commission and consolidates remaining maritime regulatory responsibilities into a renamed Surface Transportation Board. Thus, we will eliminate one regulatory agency and improve another by making its mission more reflective of the shipping world where commerce moves intermodally—over rail, road, and ocean.

This bill allows for greater flexibility in service contracting by shippers and ocean common carriers, which will permit freight to move at the most competitive prices while we continue to protect against discriminatory practices. To this end, we continue to require a form of tariff publication. However, it is much more flexible than current tariff filing. Tariffs become effective upon publication through a private system, not the Government, and tariff changes do not require Government approval. This puts the maritime industry on similar footing as other transportation industries which we have deregulated in recent years, providing carriers with much greater rate flexibility. At the same time, we preserve protections required to counter the effects of ocean carrier antitrust immunity and foreign carrier involvement in this segment of commerce.

I look forward to working with colleagues on both sides of the aisle to pass this important 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. 414

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 "Ocean Shipping Reform Act of 1997".

SEC. 2. EFFECTIVE DATE.

Except as otherwise expressly provided in this Act, this Act and the amendments made by this Act take effect on March 1, 1998.

TITLE I—AMENDMENTS TO THE SHIPPING ACT OF 1984

SEC. 101. PURPOSE.

Section 2 of the Shipping Act of 1984 (46 U.S.C. App. 1701) is amended by—

(1) striking "and" after the semicolon in paragraph (2);

(2) striking "needs." in paragraph (3) and inserting "needs; and"; and

(3) adding at the end thereof the following:

"(4) to promote the growth and development of United States exports through competitive and efficient ocean transportation and by placing a greater reliance on the marketplace.".

SEC. 102. DEFINITIONS.

(a) IN GENERAL.—Section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702) is amended by—

(1) striking paragraph (5) and redesignating paragraph (4) as paragraph (5);

(2) inserting after paragraph (3) the following:

"(4) 'Board' means the Intermodal Transportation Board.";

(3) striking "the government under whose registry the vessels of the carrier operate;" in paragraph (8) and inserting "a government;";

(4) striking paragraph (9) and inserting the following:

"(9) 'deferred rebate' means a return by a common carrier of any portion of freight money to a shipper as a consideration for that shipper giving all, or any portion, of its shipments to that or any other common carrier over a fixed period of time, the payment of which is deferred beyond the completion of service for which it is paid, and is made only if the shipper has agreed to make a further shipment or shipments with that or any other common carrier.";

(5) striking "in an unfinished or semi-finished state that require special handling moving in lot sizes too large for a container" in paragraph (11);

(6) striking "paper board in rolls, and paper in rolls." in paragraph (11) and inserting "paper and paper board in rolls or in pallet or skid-sized sheets.";

(7) striking "conference, other than a service contract or contract based upon time-volume rates," in paragraph (14) and inserting "conference";

(8) striking "conference." in paragraph (14) and inserting "conference and the contract provides for a deferred rebate arrangement.";

(9) striking "carrier." in paragraph (15) and inserting "carrier, or in connection with a common carrier and a water carrier subject to subchapter II of chapter 135 of title 49, United States Code.".

(10) striking paragraph (17) and redesignating paragraphs (18) through (27) as paragraphs (17) through (26), respectively;

(11) striking paragraph (18), as redesignated, and inserting the following:

"(18) 'ocean freight forwarder' means a person that—

"(A)(i) in the United States, dispatches shipments from the United States via a common carrier and books or otherwise arranges space for those shipments on behalf of shippers; and

"(ii) processes the documentation or performs related activities incident to those shipments; or

"(B) acts as a common carrier that does not operate the vessels by which the ocean transportation is provided, and is a shipper in its relationship with an ocean common carrier.";

(12) striking paragraph (20), as redesignated and inserting the following:

"(20) 'service contract' means a written contract, other than a bill of lading or a receipt, between one or more shippers and an individual ocean common carrier or an agreement between or among ocean common carriers in which the shipper or shippers makes a commitment to provide a certain volume or portion of cargo over a fixed time period, and the ocean common carrier or the agreement commits to a certain rate or rate schedule and a defined service level, such as assured space, transit time, port rotation, or similar service features. The contract may also specify provisions in the event of nonperformance on the part of any party.";

(13) striking paragraph (22), as redesignated, and inserting the following:

"(22) 'shipper' means—

"(A) a cargo owner;

"(B) the person for whose account the ocean transportation is provided;

"(C) the person to whom delivery is to be made;

"(D) a shippers' association; or

"(E) an ocean freight forwarder, as defined in paragraph (18)(B) of this section, that accepts responsibility for payment of all charges applicable under the tariff or service contract.".

(b) SPECIAL EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date of enactment, except that the amendments made by paragraphs (1) and (2) take effect on January 1, 1999.

SEC. 103. AGREEMENTS WITHIN THE SCOPE OF THE ACT.

(a) OCEAN COMMON CARRIERS.—Section 4(a) of the Shipping Act of 1984 (46 U.S.C. App. 1703(a)) is amended by—

(1) striking "operators or non-vessel-operating common carriers;" in paragraph (5) and inserting "operators;";

(2) striking "and" in paragraph (6) and inserting "or"; and

(3) striking paragraph (7) and inserting the following:

"(7) discuss and agree upon any matter related to service contracts.".

(b) MARINE TERMINAL OPERATORS.—Section 4(b) of that Act (46 U.S.C. App. 1703(b)) is amended by—

(1) striking "(to the extent the agreements involve ocean transportation in the foreign commerce of the United States)"; and

(2) striking "arrangements." in paragraph (2) and inserting "arrangements, to the extent that such agreements involve ocean transportation in the foreign commerce of the United States.".

SEC. 104. AGREEMENTS.

Section 5(b) of the Shipping Act of 1984 (46 U.S.C. App. 1704(b)) is amended by—

(1) striking "and" at the end of paragraph (7);

(2) striking paragraph (8) and inserting the following:

"(8) provide that any member of the conference may take independent action on any rate or service item upon not more than 5 calendar days' notice to the conference and that, except for exempt commodities not published in the conference tariff, the conference will include the new rate or service item in its tariff for use by that member, effective no later than 5 calendar days after receipt of the notice, and by any other member that notifies the conference that it elects to adopt the independent rate or service item on or after its effective date, in lieu of the existing conference tariff provision for that rate or service item; and

"(9) prohibit the conference from—

"(A) prohibiting or restricting the members of the conference from engaging in negotiations for individual service contracts under section 8(c)(3) of this Act with 1 or more shippers;

"(B) requiring a member of the conference to disclose the existence of a confidential individual service contract under section 8(c)(3) of this Act, or a negotiation on an individual service contract under section 8(c)(3) of this Act, except when the conference enters into negotiations with the same shipper; and

"(C) issuing mandatory rules or requirements affecting individual service contracts under section 8(c)(3) of this Act, except as provided in subparagraph (B).

A conference may issue voluntary guidelines relating to the terms and procedures of individual service contracts under section 8(c)(3) of this Act if the guidelines explicitly state the right of members of the conference not to follow the guidelines.".

SEC. 105. EXEMPTION FROM ANTITRUST LAWS.

(a) IN GENERAL.—Section 7 of the Shipping Act of 1984 (46 U.S.C. App. 1706) is amended by—

(1) inserting "or publication" in paragraph (2) of subsection (a) after "filing";

(2) inserting "Federal Maritime" before "Commission" in paragraph (6) of subsection (a);

(3) striking "or" at the end of subsection (b)(2);

(4) striking "States." at the end of subsection (b)(3) and inserting "States; or"; and

(5) adding at the end of subsection (b) the following:

"(4) to any loyalty contract.".

(b) SPECIAL EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date of enactment except the amendment made by paragraph (2) of subsection (a) takes effect on January 1, 1999.

SEC. 106. TARIFFS.

(a) IN GENERAL.—Subsection (a) of section 8 of the Shipping Act of 1984 (46 U.S.C. App. 1707) is amended by—

(1) inserting "new assembled motor vehicles," after "scrap," in paragraph (1);

(2) striking "file with the Commission, and" in paragraph (1);

(3) striking "inspection," in paragraph (1) and inserting "inspection in an automated tariff system,";

(4) striking "tariff filings" in paragraph (1) and inserting "tariffs";

(5) striking "and" at the end of paragraph (1)(D);

(6) striking "loyalty contract," in paragraph (1)(E);

(7) striking "agreement." in paragraph (1)(E) and inserting "agreement; and";

(8) adding at the end of paragraph (1) the following:

"(F) include copies of any loyalty contract, omitting the shipper's name."; and

(9) striking paragraph (2) and inserting the following:

"(2) Tariffs shall be made available electronically to any person, without time, quantity, or other limitation, through appropriate access from remote locations, and a reasonable charge may be assessed for such access. No charge may be assessed a Federal agency for such access.".

(b) SERVICE CONTRACTS.—Subsection (c) of that section is amended to read as follows:

"(c) SERVICE CONTRACTS.—

"(1) IN GENERAL.—An individual ocean common carrier or an agreement between or among ocean common carriers may enter into a service contract with one or more shippers subject to the requirements of this Act. The exclusive remedy for a breach of a contract entered into under this subsection shall be an action in an appropriate court, unless the parties otherwise agree.

"(2) AGREEMENT SERVICE CONTRACTS.—Except for service contracts dealing with bulk cargo, forest products, recycled metal scrap, new assembled motor vehicles, waste paper, or paper waste, each contract entered into under this subsection by an agreement shall be filed confidentially with the Commission, and at the same time, a concise statement of its essential terms shall be published and made available to the general public in tariff format, and those essential terms shall be available to all shippers similarly situated. The essential terms shall include—

"(A) the origin and destination port ranges in the case of port-to-port movements, and the origin and destination geographic areas in the case of through intermodal movements;

"(B) the commodity or commodities involved;

"(C) the minimum volume;

"(D) the line-haul rate;

"(E) the duration;

"(F) service commitments; and

"(G) the liquidated damages for nonperformance, if any.

"(3) INDIVIDUAL SERVICE CONTRACTS.—Notwithstanding subsection (a) of this section and paragraph (2) of this subsection, service contracts entered into under this subsection between 1 or more shippers and an individual ocean common carrier—

"(A) may be made on a confidential basis;

"(B) are not required to be filed with the Commission; and

"(C) shall be retained by the parties to the contract for 3 years subsequent to the expiration of the contract.";

(c) RATES.—Subsection (d) of that section is amended by—

(1) striking "30 days after filing with the Commission." in the first sentence and inserting "21 calendar days after publication.";

(2) striking "less than 30" in the next sentence and inserting "less than 21 calendar"; and

(3) striking "publication and filing with the Commission." in the last sentence and inserting "publication.".

(d) MARINE TERMINAL OPERATOR SCHEDULES.—Subsection (e) of that section is amended to read as follows:

"(e) MARINE TERMINAL OPERATOR SCHEDULES.—A marine terminal operator may

make available to the public a schedule of rates, regulations, and practices, including limitations of liability for cargo loss or damage, pertaining to receiving, delivering, handling, or storing property at its marine terminal. Any such schedule made available to the public shall be enforceable as an implied contract, subject to section 10 of this Act, without proof of actual knowledge of its provisions.".

(e) AUTOMATED TARIFF SYSTEM REQUIREMENTS; FORM.—Subsection (f) of that section is amended to read as follows:

"(f) REGULATIONS.—The Commission shall by regulation prescribe the requirements for the accessibility and accuracy of automated tariff systems established under this section. The Commission may, after periodic review, prohibit the use of any automated tariff system that fails to meet the requirements established under this section. The Commission may not require a common carrier to provide a remote terminal for access under subsection (a)(2). The Commission shall by regulation prescribe the form and manner in which marine terminal operator schedules authorized by this section shall be published.".

SEC. 107. AUTOMATED TARIFF FILING AND INFORMATION SYSTEM.

Section 502 of the High Seas Driftnet Fisheries Enforcement Act (46 U.S.C. App. 1707a) is repealed.

SEC. 108. CONTROLLED CARRIERS.

Section 9 of the Shipping Act of 1984 (46 U.S.C. App. 1708) is amended by—

(1) striking "filed with the Commission" in the first sentence of subsection (a) and inserting a comma and "or charge or assess rates,";

(2) striking "or maintain" in the first sentence of subsection (a) and inserting "maintain, or enforce";

(3) striking "disapprove" in the third sentence of subsection (a) and inserting "prohibit the publication or use of"; and

(4) striking "filed by a controlled carrier that have been rejected, suspended, or disapproved by the Commission" in the last sentence of subsection (a) and inserting "that have been suspended or prohibited by the Commission";

(5) striking "may take into account appropriate factors including, but not limited to, whether—" in subsection (b) and inserting "shall take into account whether the rates or charges which have been published or assessed or which would result from the pertinent classifications, rules, or regulations are below a level which is fully compensatory to the controlled carrier based upon that carrier's actual costs or upon its constructive costs. For purposes of the preceding sentence, the term 'constructive costs' means the costs of another carrier, other than a controlled carrier, operating similar vessels and equipment in the same or a similar trade. The Commission may also take into account other appropriate factors, including but not limited to, whether—";

(6) striking paragraph (1) of subsection (b) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively;

(7) striking "filed" each place it appears in subsection (b) and inserting "published or assessed";

(8) striking "filing with the Commission" in subsection (c) and inserting "publication";

(9) striking "DISAPPROVAL.—" in subsection (d) and inserting "PROHIBITION OF RATES.—Within 120 days after the receipt of information requested by the Commission under this section, the Commission shall determine whether the rates, charges, classifications, rules, or regulations of a controlled carrier may be unjust and unreasonable." ;

(10) striking "filed" in subsection (d) and inserting "published or assessed";

(11) striking "may issue" in subsection (d) and inserting "shall issue";

(12) striking "disapproved." in subsection (d) and inserting "prohibited.";

(15) striking "60" in subsection (d) and inserting "30";

(16) inserting "controlled" after "affected" in subsection (d);

(17) striking "file" in subsection (d) and inserting "publish".

(18) striking "disapproval" in subsection (e) and inserting "prohibition";

(19) inserting "or" after the semicolon in subsection (f)(1);

(20) striking paragraphs (2), (3), and (4) of subsection (f); and

(21) redesignating paragraph (5) of subsection (f) as paragraph (2).

SEC. 109. PROHIBITED ACTS.

(a) Section 10(b) of the Shipping Act of 1984 (46 U.S.C. App. 1709(b)) is amended by—

(1) striking paragraphs (1) through (3);

(2) redesignating paragraph (4) as paragraph (1);

(3) inserting after paragraph (1), as redesignated, the following:

"(2) provide service in the liner trade that—

"(A) is not in accordance with the rates contained in a tariff published or a service contract entered into under section 8 of this Act unless excepted or exempted under section 8(a)(1) or 16 of this Act; or

"(B) is under a tariff or service contract which has been suspended or prohibited by the Commission under section 9 or 11a of this Act;";

(4) redesignating paragraphs (5) through (8) as paragraphs (3) through (6), respectively;

(5) striking paragraph (9) and redesignating paragraphs (10) through (16) as paragraphs (7) through (13), respectively;

(6) in paragraph (7), as redesignated, inserting "except for service contracts," before "demand,";

(7) in paragraph (9), as redesignated —

(A) inserting "port, class or type of shipper, ocean freight forwarder," after "locality,"; and

(B) inserting a comma and "except for service contracts," after "deal or";

(8) striking "a non-vessel-operating common carrier" each place it appears in paragraphs (11) and (12), as redesignated, and inserting "an ocean freight forwarder";

(9) striking "sections 8 and 23" in paragraphs (11) and (12), as redesignated, and inserting "sections 8 and 19";

(10) striking "paragraph (16)" in the matter appearing after paragraph (13), as redesignated, and inserting "paragraph (13)"; and

(11) inserting "the Commission," after "United States," in such matter.

(b) Section 10(c)(5) of the Shipping Act of 1984 (46 U.S.C. App. 1709(c)(5)) is amended by inserting "as defined by section 3(18)(A) of this Act," before "or limit".

(c) Section 10(d)(3) of the Shipping Act of 1984 (46 U.S.C. App. 1709(d)(3)) is amended by striking "subsection (b)(11), (12), and (16)" and inserting "subsections (b)(8), (9), and (13)".

SEC. 110. COMPLAINTS, INVESTIGATIONS, REPORTS, AND REPARATIONS.

Section 11(g) of the Shipping Act of 1984 (46 U.S.C. App. 1710(g)) is amended by—

(1) striking "section 10(b)(5) or (7)" and inserting "section 10(b)(3) or (5)"; and

(2) striking "section 10(b)(6)(A) or (B)" and inserting "section 10(b)(4)(A) or (B).".

SEC. 111. FOREIGN SHIPPING PRACTICES ACT OF 1988.

Section 10002 of the Foreign Shipping Practices Act of 1988 (46 U.S.C. App. 1710a) is amended—

(1) by striking "non-vessel-operating common carrier," in paragraph (1) and inserting "ocean freight forwarder,";

(2) striking "non-vessel-operating common carrier operations," in paragraph (4);

(3) by inserting "and service contracts" after "tariffs" each place it appears in subsection (e)(1)(B);

(4) by striking "filed with the Commission" in subsection (e)(1)(B); and

(5) by striking "section 13(b)(5) of the Shipping Act of 1984 (46 App. U.S.C. 1712(b)(5)" in subsection (h) and inserting "section 13(b)(6) of the Shipping Act of 1984 (46 App. U.S.C. 1712(b)(6))".

SEC. 112. SUBPOENAS AND DISCOVERY.

Section 12(a)(2) of the Shipping Act of 1984 (46 U.S.C. App. 1711 (a)(2)) is amended by striking "evidence." and inserting "evidence, including individual service contracts described in section 8(c)(3) of this Act.".

SEC. 113. PENALTIES.

(a) Section 13(a) of the Shipping Act of 1984 (46 U.S.C. App. 1712(a)) is amended by adding at the end thereof the following: "The amount of any penalty imposed upon a common carrier under this subsection shall constitute a lien upon the vessels of the common carrier and any such vessel may be libeled therefor in the district court of the United States for the district in which it may be found.".

(b) Section 13(b) of the Shipping Act of 1984 (46 U.S.C. App. 1712(b)) is amended by—

(1) striking "section 10(b)(1), (2), (3), (4), or (8)" in paragraph (1) and inserting "section 10(b)(1), (2), or (6)";

(2) redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively;

(3) inserting before paragraph (5), as redesignated, the following:

"(4) If the Commission finds, after notice and an opportunity for a hearing, that a common carrier has failed to supply information ordered to be produced or compelled by subpoena under section 12 of this Act, the Commission may request that the Secretary of the Treasury refuse or revoke any clearance required for a vessel operated by that common carrier. Upon request by the Commission, the Secretary of the Treasury shall, with respect to the vessel concerned, refuse or revoke any clearance required by section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91).."; and

(4) striking "paragraphs (1), (2), and (3)" in paragraph (6), as redesignated, and inserting "paragraphs (1), (2), (3), and (4)".

(c) Section 13(f)(1) of the Shipping Act of 1984 (46 U.S.C. App. 1712(f)(1)) is amended by striking "or (b)(4)" and inserting "or (b)(2)".

SEC. 114. REPORTS AND CERTIFICATES.

Section 15 of the Shipping Act of 1984 (46 U.S.C. App. 1714) is amended by—

(1) striking "and certificates" in the section heading;

(2) striking "(a) REPORTS.—" in the subsection heading for subsection (a); and

(3) striking subsection (b).

SEC. 115. EXEMPTIONS.

Section 16 of the Shipping Act of 1984 (46 U.S.C. App. 1715) is amended by striking "substantially impair effective regulation by the Commission, be unjustly discriminatory, result in substantial reduction in competition, or be detrimental to commerce." and

inserting "result in substantial reduction in competition or be detrimental to commerce.".

SEC. 116. AGENCY REPORTS AND ADVISORY COMMISSION.

Section 18 of the Shipping Act of 1984 (46 U.S.C. App. 1717) is repealed.

SEC. 117. OCEAN FREIGHT FORWARDERS.

Section 19 of the Shipping Act of 1984 (46 U.S.C. App. 1718) is amended by—

(1) striking subsection (a) and inserting the following:

"(a) LICENSE.—No person in the United States may act as an ocean freight forwarder unless that person holds a license issued by the Commission. The Commission shall issue a forwarder's license to any person that the Commission determines to be qualified by experience and character to act as an ocean freight forwarder.";

(2) redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(3) inserting after subsection (a) the following:

"(b) FINANCIAL RESPONSIBILITY.—

"(1) No person may act as an ocean freight forwarder unless that person furnishes a bond, proof of insurance, or other surety in a form and amount determined by the Commission to insure financial responsibility that is issued by a surety company found acceptable by the Secretary of the Treasury.

"(2) A bond, insurance, or other surety obtained pursuant to this section—

"(A) shall be available to pay any judgment for damages against an ocean freight forwarder arising from its transportation-related activities under section 3(18) of this Act, or any order for reparation issued pursuant to section 11 or 14 of this Act, or any penalty assessed pursuant to section 13 of this Act; and

"(B) may be available to pay any claim against an ocean freight forwarder arising from its transportation-related activities under section 3(18) of this Act that is deemed valid by the surety company after providing the ocean freight forwarder the opportunity to address the validity of the claim.

"(3) An ocean freight forwarder not domiciled in the United States shall designate a resident agent in the United States for receipt of service of judicial and administrative process, including subpoenas.";

(4) striking "a bond in accordance with subsection (a)(2)" in subsection (c), as redesignated, and inserting "a bond, proof of insurance, or other surety in accordance with subsection (b)(1)";

(5) striking "forwarder" in paragraph (1) of subsection (e) and inserting "forwarder, as described in section 3(18),";

(6) striking "license" in paragraph (1) of subsection (e) and inserting "license, if required by subsection (a),";

(7) striking paragraph (3) of subsection (e), as redesignated, and redesignating paragraph (4) as paragraph (3); and

(8) adding at the end of subsection (e), as redesignated, the following:

"(4) No conference or group of 2 or more ocean common carriers in the foreign commerce of the United States that is authorized to agree upon the level of compensation paid to an ocean freight forwarder, as defined in section 3(18)(A) of this Act, may—

"(A) deny to any member of the conference or group the right, upon notice of not more than 5 calendar days, to take independent action on any level of compensation paid to an ocean freight forwarder, as so defined; or

"(B) agree to limit the payment of compensation to an ocean freight forwarder, as so defined, to less than 1.25 percent of the aggregate of all rates and charges which are applicable under a tariff and which are assessed against the cargo on which the forwarding services are provided.".

SEC. 118. CONTRACTS, AGREEMENTS, AND LICENSES UNDER PRIOR SHIPPING LEGISLATION.

Section 20 of the Shipping Act of 1984 (46 U.S.C. App. 1719) is amended by—

(1) striking subsection (d) and inserting the following:

"(d) EFFECTS ON CERTAIN AGREEMENTS AND CONTRACTS.—All agreements, contracts, modifications, and exemptions previously issued, approved, or effective under the Shipping Act, 1916, or the Shipping Act of 1984 shall continue in force and effect as if issued or effective under this Act, as amended by the Ocean Shipping Reform Act of 1997, and all new agreements, contracts, and modifications to existing, pending, or new contracts or agreements shall be considered under this Act, as amended by the Ocean Shipping Reform Act of 1997.";

(2) inserting the following at the end of subsection (e):

"(3) The Ocean Shipping Reform Act of 1997 shall not affect any suit—

"(A) filed before the effective date of that Act; or

"(B) with respect to claims arising out of conduct engaged in before the effective date of that Act filed within 1 year after the effective date of that Act.

"(4) Regulations issued by the Federal Maritime Commission shall remain in force and effect where not inconsistent with this Act, as amended by the Ocean Shipping Reform Act of 1997.".

SEC. 119. SURETY FOR NON-VESSEL-OPERATING COMMON CARRIERS.

Section 23 of the Shipping Act of 1984 (46 U.S.C. App. 1721) is repealed.

SEC. 120. REPLACEMENT OF FEDERAL MARITIME COMMISSION WITH INTERMODAL TRANSPORTATION BOARD.

(a) IN GENERAL.—The Shipping Act of 1984 (46 U.S.C. App. 1701 et seq.) is amended by—

(1) striking "Federal Maritime Commission" each place it appears, except in sections 7(a)(6) and 20, and inserting "Intermodal Transportation Board";

(2) striking "Commission" each place it appears (including chapter and section headings), except in sections 7(a)(6) and 20, and inserting "Board"; and

(3) striking "Commission's" each place it appears and inserting "Board's".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on January 1, 1999.

TITLE II—TRANSFER OF FUNCTIONS OF THE FEDERAL MARITIME COMMISSION TO THE INTERMODAL TRANSPORTATION BOARD

SEC. 201. TRANSFER TO THE INTERMODAL TRANSPORTATION BOARD.

(a) CHANGE OF NAME OF SURFACE TRANSPORTATION BOARD TO INTERMODAL TRANSPORTATION BOARD.—The ICC Termination Act of 1995 (Pub. L. 104-88) is amended by striking "Surface Transportation Board" each place it appears and inserting "Intermodal Transportation Board".

(b) FUNCTIONS OF THE FEDERAL MARITIME COMMISSION.—All functions, powers and duties vested in the Federal Maritime Commission shall be administered by the Intermodal Transportation Board.

(c) REGULATIONS.—No later than January 1, 1998, the Federal Maritime Commission, in consultation with the Surface Transportation Board, shall prescribe final regulations to implement the changes made by this Act.

(d) AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1998.—There is authorized to be appropriated to the Federal Maritime Commission, $15,000,000 for fiscal year 1998.

(e) COMMISSIONERS OF THE FEDERAL MARITIME COMMISSION.—Subject to the political party restrictions of section 701(b) of title 49, United States Code, the 2 Commissioners of the Federal Maritime Commission whose terms have the latest expiration dates shall become members of the Intermodal Transportation Board. Of the 2 members of the Intermodal Transportation Board first appointed under this subsection, the one with the first expiring term (as a member of the Federal Maritime Commission) shall serve for a term ending December 31, 2000, and the other shall serve for a term ending December 31, 2002. Effective January 1, 1999, the right of any Federal Maritime Commission commissioner other than those designated under this subsection to remain in office is terminated.

(f) MEMBERSHIP OF THE INTERMODAL TRANSPORTATION BOARD.—

(1) NUMBER OF MEMBERS.—Section 701(b)(1) of title 49, United States Code, is amended by—

(A) striking "3 members" and inserting "5 members"; and

(B) striking "2 members" and inserting "3 members".

(2) QUALIFICATIONS.—Section 701(b)(2) of title 49, United States Code, is amended by inserting after "sector." the following: "Effective January 1, 1999, at least 2 members shall be individuals with—

"(A) professional standing and demonstrated knowledge in the fields of maritime transportation or its regulation; or

"(B) professional or business experience in the maritime transportation private sector, including marine terminal or public port operation.".

(g) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1999, except as otherwise provided.

TITLE III—AMENDMENTS TO OTHER SHIPPING AND MARITIME LAWS

SEC. 301. AMENDMENTS TO SECTION 19 OF THE MERCHANT MARINE ACT, 1920.

(a) IN GENERAL.—Section 19 of the Merchant Marine Act, 1920 (46 U.S.C. App. 876) is amended by—

(1) striking "Federal Maritime Commission" each place it appears and inserting "Intermodal Transportation Board";

(2) inserting "ocean freight" after "solicitations," in subsection (1)(b);

(3) striking "non-vessel-operating common carrier operations," in subsection (1)(b);

(4) striking "methods or practices" and inserting "methods, pricing practices, or other practices" in subsection (1)(b);

(5) striking "tariffs filed with the Commission" in subsection (9)(b) and inserting "tariffs and service contracts"; and

(6) striking "Commission" each place it appears (including the heading) and inserting "Board".

(b) SPECIAL EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date of enactment of this Act, except that the amendments made by paragraphs (1) and (6) of that subsection take effect on January 1, 1999.

SEC. 302. TECHNICAL CORRECTIONS.

(a) PUBLIC LAW 89-777.—The Act of November 6, 1966, (Pub. L. 89-777; 80 Stat. 1356; 46 U.S.C. App. 817 et seq.) is amended by—

(1) striking "Federal Maritime Commission" each place it appears and inserting "Intermodal Transportation Board"; and

(2) striking "Commission" each place it appears and inserting "Board".

(b) TITLE 28, UNITED STATES CODE, AND CROSS REFERENCE.—

(1) Section 2341 of title 28, United States Code, is amended by—

(A) striking "Commission, the Federal Maritime Commission," in paragraph (3)(A); and

(B) striking "Surface" in paragraph (3)(E) and inserting "Intermodal".

(2) Section 2342 of such title is amended by—

(A) striking paragraph (3) and inserting the following:

"(3) all rules, regulations, or final orders of the Secretary of Transportation issued pursuant to section 2, 9, 37, 41, or 43 of the Shipping Act, 1916 (46 U.S.C. App. 802, 803, 808, 835, 839, or 841a) or pursuant to part B or C of subtitle IV of title 49 (49 U.S.C. 13101 et seq. or 15101 et seq.);"; and

(B) striking paragraph (5) and inserting the following:

"(5) all rules, regulations, or final orders of the Intermodal Transportation Board—

"(A) made reviewable by section 2321 of this title; or

"(B) pursuant to—

"(i) section 19 of the Merchant Marine Act, 1920 (46 U.S.C. App. 876);

"(ii) section 14 or 17 of the Shipping Act of 1984 (46 U.S.C. App. 1713 or 1716); or

"(iii) section 2(d) or 3(d) of the Act of November 6, 1966 (46 U.S.C. App. 817d(d) or 817e(d));".

(c) FOREIGN SHIPPING PRACTICES ACT OF 1988.—Section 10002(i) of the Foreign Shipping Practices Act of 1988 (46 U.S.C. 1710a(i)) is amended by striking "2342(3)(B)" and inserting "2342(5)(B)".

(d) TARIFF ACT OF 1930.—Section 641(i) of the Tariff Act of 1930 (19 U.S.C. 1641) is repealed.

(e) EFFECTIVE DATES.—

(1) The amendments made by subsections (a), (b), and (c) take effect January 1, 1999.

(2) The repeal made by subsection (d) takes effect March 1, 1998.

Mr. LOTT. Mr. President, I rise today to introduce bipartisan legislation that will update, revise and improve upon the Shipping Act of 1984. This legislation is a continuation and extension of work initiated in the last Congress by Representative BUD SHUSTER, my friend in the House of Representatives and Senator Larry Pressler, then chairman of the Senate's Commerce Committee.

Under the leadership of Senator Pressler, the proposal from the House of Representatives was examined through an initial hearing, and it was modified to address the concerns expressed by many in the industry. Only after a critical review of the key issues and concerns was a revised bipartisan amendment to the Senate bill introduced. Unfortunately, time ran out in the 104th Congress and the Senate Commerce Committee could not hold another hearing on the proposal. Still, changes continued to be incorporated into a single new version of the amendment, and in the last week of the 104th Congress the amendment was placed in the CONGRESSIONAL RECORD.

My legislative plan was simple and direct—introduce a bill and then hold a hearing so that public input would have a genuine opportunity to affect the legislative process. This remains my plan, and that is why I used my public ending point in the 104th Congress as my new beginning point in the 105th Congress.

As the process began again in this Congress, we again sought input from the maritime world as we prepared this important legislation for reintroduction. In the 104th Congress, the House of Representatives was the first to act. In the 105th Congress, the Senate will be the first to act.

Mr. President, this explanation of the legislative journey was necessary so that my colleagues will have an appreciation of the outreach that was pursued by the Senate in its drafting process regarding this shipping reform.

Let me say that I grew up in an active port community. In fact, I still live in that port city of Pascagoula. There is nothing in our legislative proposal that is intended to harm the onshore maritime community. Believe me, I know first hand the challenges faced by ports because I have lived with them. I still remember the committee hearing on the shipping act last year where I had to give lessons in how to pronounce "Pascagoula." On that day, I wanted to make sure people who develop and comment on maritime policy know and remember Pascagoula.

I would like to add one more comment about the development of this legislation before I say a few words on what the bill will accomplish. The U.S. Coast Guard detailed an officer to the Commerce, Science, and Transportation Committee to assist the committee's members and staff on both sides of the isle on issues affecting the Coast Guard and the maritime world. Last year and part of this year we have had the able assistance of Lt. Comdr. Jim Sartucci. He was instrumental in collecting comments and in drafting provisions of this proposal in both the 104th and now the 105th Congress.

I have received many unsolicited compliments about Jim's willingness to listen and merge in a meaningful way, individual proposals from all segments of the maritime world. Everyone that I have encountered has told me that Jim was both professional and fair as we worked through the process.

Mr. President, Lieutenant Commander Sartucci has clearly reflected great credit upon the Coast Guard, the Commerce Committee, and on this legislative proposal.

Mr. President, we now know how we got to this point in the legislative process. There are still two topics that need to be addressed today.

First, why do we need shipping reform and second, how does the bill accomplish that reform?

In just a few minutes, let me explain why we need shipping reform.

Last year's successful maritime reform effort addressed the critical requirement of guaranteeing an American fleet and American crews in the context of necessary sealift capabilities for deploying and supporting our military forces overseas. Our efforts in shipping reform this year focus on the needs of America's ports and Americans who work dockside. Both big and little ports. were considered as part of the process. Ports with and without cranes.

Mr. President, last year, I spoke at length with the Honorable Helen Delich Bentley, the former Maryland Congresswoman. She has been an effective defender of ports and maritime labor for years. She is a true champion, and I value her advice. I made a commitment to Helen then and I believe it has been honored this year with the legislative language. The legislation will provide adequate protection for small ports and small shippers. Also, the legislation will ensure that the collective power of some industry elements will not be allowed to abuse other segments of the industry.

Having said this, it is time to deregulate the ocean shipping industry and to sunset the FMC. The path was started by President Reagan back in 1984. Senator SLADE GORTON, my colleague and friend, was the principal author of this initial step and with his help we took the next step when we put together the proposal in the 104th Congress. I am very pleased that the author of the original act that we are amending has agreed to cosponsor this bill.

Mr. President, this year Senator KAY BAILEY HUTCHISON will be leading the charge to complete this second part of maritime reform. She has a clear understanding of what is necessary to strike the delicate balance to achieve deregulation without permitting marketplace abuses. She will do an excellent job in chairing the hearing and finalizing the legislative language for the full Senate.

Let me be very clear; this proposal only deals with liner shipping, basically container ship, legislation—not bulk cargo shipping, which represents the other half of U.S. ocean borne trade. Do not let the opponents of reform confuse the issue. The already deregulated world of bulk cargo shipping is not being disturbed.

I must also be candid. The challenge is to balance ocean common carrier antitrust issues and large ocean carrier and shipper desires for more private business relationships with meaningful oversight to produce a fair, yet competitive playing field. I believe this legislation strikes the right balance.

I must also say that at the Commerce Committee hearing back in 1995, both Senator BREAUX and I challenged the witnesses to work with us to resolve the concerns we were hearing from our constituents. The witnesses

and many others did just that. They showed up and participated in extensive, good faith negotiations.

This bill is not antilabor. The shoreside and seafaring unions continue to work with us in a constructive manner. Their goal and ours is to put in place an ocean shipping framework that eliminates inefficient and burdensome regulations, promotes U.S. trade, and in so doing, preserves and creates American jobs.

This bill is not about dealing with just a couple of players in the maritime community. Many members of the industry were consulted. We provided a genuine opportunity to participate in dialog as we drafted this bill. Introduction should not stop the consensus seeking process. And, I hope the discussion will continue with Senator HUTCHISON as she prepares for the upcoming hearing and even following the hearing.

Let me now explain how this legislation accomplishes our goals to reform this critical industry.

This legislation will permit confidential contracting between individual ocean common carriers and shippers, but will continue current public filing requirements for joint ocean common carrier contracts. This action balances the desire to make the U.S. ocean liner contracting process consistent with international ocean shipping practices and other U.S. transportation modes with the unique application of ocean common carrier antitrust immunity in the ocean liner shipping industry. At recent meetings held by the Maritime Administration on the diversion of cargo from U.S. ports, the current U.S. ocean liner shipping system was identified as a contributor to this problem. This legislation will help eliminate this U.S. port handicap.

This legislation will retain common carrier tariff enforcement, but would eliminate the requirement to file tariffs with the Government. Common carriers would be able to take advantage of available modern technology by using a World Wide Web home page to satisfy the tariff publication requirement. This just makes common sense and reduces the cost of doing business while maintaining protections for small shippers.

This legislation will streamline and reform the Federal Maritime Commission [FMC], and establish a responsible time line to downsize the FMC in accordance with its new mission and merge it with the Surface Transportation Board. America will then have a single, centralized, independent, Federal agency where the distinct regulatory systems for each mode of transportation are monitored and enforced in a coherent manner.

This legislation does much to ensure that America's presence in the ocean shipping business is not subjected to unfair foreign rules or practices. The recent FMC enforcement actions taken against unfair port practices in Japan is an illustration of an essential FMC mission that is not performed by other Federal agencies. This mission will continue, and I will support it wholeheartedly.

Let me be clear. This bill will significantly change the regulations governing ocean transportation in the foreign commerce of the United States while providing Government efficiencies and genuine reforms to protect American interests. The changes will strengthen ocean common carriers' ability to competitively price their services, in turn, making American shippers more competitive.

Mr. President, the world's transportation community is now, and has been for some time, a seamless intermodal world. With this bill our Federal Government will finally be able to think and act in an intermodal manner. The American people get less Federal micro-management of our ocean shipping industry while receiving the protection of a government agency focused on preserving fair competition. An economically efficient, market oriented shipping industry provides America an advantage in the global marketplace.

Mr. President, I want to thank my colleagues for their attention, and I hope they will give serious consideration to becoming a cosponsor to this necessary bipartisan legislative reform. Remember this is not just a port State matter; it is also an exporting State concern.

By Mr. BAUCUS (for himself, Mr. GRASSLEY, Mr. ROCKEFELLER, and Mr. THOMAS):

S. 415. A bill to amend the Medicare program under title XVIII of the Social Security Act to improve rural health services, and for other purposes; to the Committee on Finance.

THE RURAL HEALTH IMPROVEMENT ACT OF 1997

Mr. BAUCUS. Mr. President, I rise today to introduce the Rural Health Improvement Act of 1997. This bill makes rural health care more convenient, more effective, and more responsive.

The cornerstone of this bill is an extension of the successful medical assistance facility program, known as MAF's. Without the Rural Health Improvement Act, MAF will remain only a test program which could be discontinued in the future. Passing this legislation will make MAF's permanent and nationwide.

Big Timber, MT, is a good example of how MAF could help out a community. It is a small ranching and farming town on the edge of the Absaroka mountain range. People in that town of Big Timber say hi and chat when they see each other on the street. They are very friendly, very down to Earth, very basic. Every year, the town puts on the Big Timber rodeo and black powder shoot. Big Timber is a town like many in rural Montana.

A few years back, the hospital in Big Timber had to shut down, as is the case with many hospitals in our country. They could not make ends meet with the regulations of the current system. But instead of watching their health care services leave town, the people of Big Timber got together and applied for a MAF waiver.

I was fortunate enough to be in Big Timber last summer for the grand opening of their new MAF building. It was a pretty typical July day in Montana, which means it was very hot. But that did not stop the whole town from turning out for the dedication ceremony. The MAF Program not only saved Big Timber's hospital, but it renewed their sense of community spirit. It was wonderful to watch, wonderful to see. Big Timber faced the same situation many rural communities face every day. They found the solution.

Rural life has qualities you cannot find in big cities: The crime rate is low; people go out of their way to help a friend in need; and folks take the time to know their neighbors, even if that neighbor happens to live 5 miles down the road.

But challenges come with living in such remote surroundings. One of the biggest is access to quality health care. Randy Dixon, a physician's assistance at Philipsburg MAF, really hit the nail on the head when he wrote to me:

> Having arrived in your home State, I am greatly impressed with its magnitude and expanse. However, those same attributes turn into detriments when you are considering access to primary health care. My history and recent acquaintances have taught me that the people of Montana are a tough, resilient people. But those acquaintances also tell me that they have not had consistent, reliable primary care available when that "toughness" had a dent or two in it.

Randy sums up life in rural Montana pretty well, but what he really underscores is the importance of rural medical facilities. In Montana, vast distances and bad weather are about the only two things you can count on. Rural hospitals make up a network that blankets Montana and makes access to health care convenient for folks who are isolated by distance and weather. When one of these hospitals closes its doors, the network falls apart, and people can no longer depend on access to health care.

Jordan, MT, is another example. Without an MAF, the nearest health facility would be Miles City, over 80 miles away. And whether you have a serious medical emergency or simply need a routine checkup, 80 miles is too far, often, to travel.

Rural communities often don't have the patient base or the money to support a fully functional hospital. Yet, the care that these hospitals provide is irreplaceable.

Essentially, Mr. President, there are a lot of communities like Jordan, like

Big Timber, Ekalaka, and other small communities in Montana and other parts of our Nation. Under my bill, an MAF can provide emergency services during the day and have someone on call at night. In a small town, that means that the hospital can be opened at a moment's notice. Folks can still have immediate access to emergency care, and rural hospitals do not have some of the same burdens and overhead expenses and all the redtape and regulations that the big hospitals, unfortunately, often have.

MAF makes exceptions to rules like that.

The whole point of this legislation is to make the MAF waiver permanent, so that hospitals do not have to apply year after year for MAF status. Rather, once that status is determined, that status can be permanent and people in rural communities can rest a little more assured they are going to have pretty good health care.

Mr. GRASSLEY. Mr. President, I rise in support of the Rural Health Improvement Act of 1997, which I joined in introducing today with Senators BAUCUS, ROCKEFELLER, and THOMAS.

We've heard a lot lately, Mr. President, about how hospitals are doing better financially than they have in years. ProPAC's recent report to the Congress indicated that the average prospective payment margins for hospitals are becoming healthy again. In 1995, the average PPS margin was 7.9 percent; only 3 years before, the average PPS margins were negative.

This has truly been a remarkable turnaround, and I applaud hospitals for their success at improving their efficiency. We must remember, however, that anytime we use average statistics, there are those which are below the average, as well as those are above it.

In my State of Iowa, as in many areas of the United States, small rural hospitals are essential links in the chain of health care access. For these small hospitals, however, economic survival is a constant struggle.

There are limits to what we here in Congress can do to help these hospitals survive. But I believe that we have an obligation to do our best to give rural Americans a fighting chance at access to health care. And at the very least, we must not hinder small rural hospitals as they try to serve their essential role.

Unfortunately, our Medicare policies have often been an obstacle, rather than a help. Our inflexible rules and reimbursement policies have made it even harder for small, rural hospitals to survive. I am pleased to report that the legislation we have introduced today is an important step toward making the Medicare Program a true partner with these hospitals.

This bill expands two successful demonstration projects: the Montana Medical Assistance Facility project, and the Essential Access Community Hospital, and Rural Primary Care Hospital projects. These projects have been limited to eight States, with Iowa not among them. Mr. President, I believe that the purpose of demonstration projects is to see what works. Well, the results from the eight States have been very good. It is high time to make the same help available to hospitals in all 50 States. That is what this bill will do.

This legislation allows the designation of certain hospitals as critical access hospitals. To qualify, hospitals must have average lengths of stay of not more than 96 hours, referral relationships with larger hospitals, and 15 or fewer beds, which may be used either for inpatient care or as swing beds. The bill also imposes a general distance requirement of 35 miles from another hospital, but this requirement need not be met if the State certifies that the hospital is a necessary provider of services to residents in the area. The ability of States to waive the 35-mile rule is crucial to hospitals in Iowa, where the distances between communities are not as vast as in some Western states.

Critical access hospitals will be given greater flexibility in meeting Medicare regulations that were designed for larger hospitals. Most important, the legislation will help these hospitals to make their transition from acute care to less expensive primary care. This is why the General Accounting Office has found that the demonstration project has not only assisted the hospitals, and the rural Americans they serve, but that it has actually saved money for the Medicare Program.

Mr. President, as you might expect, this bill will make a big difference in Iowa. In 1995, 43 Iowa hospitals had six or fewer inpatients per day. Of these 43, 15 had negative operating margins. Many of these are not county hospitals, and thus are not subsidized by county tax revenues. These hospitals are in a real bind, and many will benefit from this legislation. Some of the small towns which are likely to be helped are Hawarden, Primghar, Eldora, Rock Valley, Corning, and Rock Rapids. For these Iowa communities, and for many others across America, the Rural Health Improvement Act of 1997 could be a lifesaver. I urge my colleagues to support this bill.

Mr. ROCKEFELLER. Mr. President, I am pleased to join my colleagues from Montana, Iowa, and Wyoming, Senators BAUCUS, GRASSLEY, and THOMAS, in re-introducing a very important bill for rural communities. My colleague from Montana, Senator BAUCUS, has long been a strong advocate of rural health care issues and I am very pleased to be working with him on such an important issue to rural America. Since Medicare's enactment in 1965, the Medicare Program has played a vital role in making sure senior citizens living in rural areas have adequate access to health care services. A disproportionate number of the elderly live in rural areas. As a result, rural hospitals are heavily reliant on the Medicare Program.

Our legislation will provide some basic assistance to help rural hospitals keep their doors open. The changes we are recommending are based on carefully studied pilot projects in West Virginia, Montana, and other States, and we think it is time to apply some very good ideas to the rest of the Nation. I am pleased that President Clinton's budget would also expand Essential Access Community Hospital [EACH] and the Rural Primary Care Hospital [RPCH] program. We are very interested in seeing the specific details of his proposal.

Mr. President, most rural hospitals have only one choice when faced with shrinking occupancy rates, declining Medicare and Medicaid reimbursement rates, and intense market pressures to lower their costs: close their doors. That is where our bill steps in. When being a full-service hospital is no longer viable, our bill gives them a way to become what we call a critical access hospital—a way to preserve essential primary care and emergency health care services for rural America.

West Virginia is one of only seven States that is currently allowed to operate a EACH/RPCH Program. Since we introduced our bill in the 104th Congress, the EACH/RCPH Program, once again, proved to be the salvation for a rural West Virginia county that was on the brink of losing its access to primary care and emergency care services. Because of the availability of the EACH/RCPH Program in West Virginia, the local residents of Calhoun County, WV were able to merge and reorganize two existing, but financially strapped, health care providers, the Minnie Hamilton Primary Care Center and Calhoun General Hospital. A neighboring hospital, Stonewall Jackson, stepped in and offered financial and administrative assistance during this very difficult period of time. As a result, Calhoun County now has a thriving and financially stable health care provider that is meeting the health care needs of its local residents. This is huge relief to the residents of Calhoun County.

Mr. President, our bill is modeled on two separate, ongoing rural hospital demonstration projects, the EACH-RPCH Program, the other is the Montana Medical Assistance Facility [MAF] Program. The basic concept is to place limits on the number of licensed beds and patient length of stays in the participating rural hospitals, and in exchange, hospitals receive Medicare payment rates that will cover their patient care costs, along with badly needed relief from regulations that are intended for full-scale, acute care hospitals.

We believe, based on work by the General Accounting Office, that our legislation will wind up saving the Medicare Program money. We are encouraging the development of rural health networks, to help small, rural hospitals save money and improve quality by working more closely with larger, full-service hospitals.

I am very proud to note that West Virginia has been a leader in helping small, rural hospitals figure out how to adapt and cope with rapid changes in the economics of health care. Six hospitals in West Virginia are federally designated RPCH hospitals and six hospitals are federally designated EACH hospitals. I know that many other rural States and rural hospitals are anxious to enjoy the benefits of this program.

Our legislation draws on the lessons learned from the pilot programs, improves on them, and expands them so that rural hospitals and patients all across America will have the same benefits. Our legislation will give other States the same opportunities already available in California, Colorado, Kansas, New York, North Carolina, South Dakota, and West Virginia through the EACH/RPCH Program and in Montana through the MAF Program.

Our legislation is targeted at the 1,186 rural hospitals nationwide with fewer than 50 beds. While these hospitals are essential to assuring access to health care services in their local communities, these hospitals account for only 2 percent of total Medicare payments to hospitals. In return for certain limits, rural hospitals can count on Medicare payments and regulatory relief to fit their circumstances. They can form new relationships with health care providers in their community, and larger hospitals farther away, so patients have the kind of access to care where it is best to get it.

Mr. President, as we move to adopt Medicare reforms in the Finance Committee later this year, I will be working to make sure that commonsense reforms to help rural hospitals are also adopted.

By Mr. MURKOWSKI:

S. 417. A bill to extend energy conservation programs under the Energy Policy and Conservation Act through September 30, 2002; to the Committee on Energy and Natural Resources.

THE ENERGY POLICY AND CONSERVATION ACT AUTHORIZATION

• Mr. MURKOWSKI. Mr. President, this bill is very simple, yet it is extremely important to our Nation's energy security. This bill contains the authorizations for two vital energy security measures, the Strategic Petroleum Reserve and U.S. participation in the International Energy Agency, which will expire at the end of this fiscal year. This bill would extend those two vital authorities, as well as several other important DOE programs, through 2002.

For every year in recent memory, we have authorized this act on a year-to-year basis, and we have faced a potential crisis as these authorizations go unrenewed until the very end of the Congress. We always seem to end up facing a situation where the President does not have authority to withdraw oil from the Strategic Petroleum Reserve if an energy emergency occurs.

Further, if these authorities are not renewed, our Government does not have authority to participate in International Energy Agency emergency actions in an international energy emergency. There will be no antitrust exemption available to our private oil companies to allow them to cooperate with the IEA and our Government to respond to the crisis. These provisions are not controversial in and of themselves, but this bill has a tendency to become a vehicle to address concerns over unrelated issues.

In an attempt to avoid the annual crisis, I am introducing legislation today that will renew these authorities for 5 years. The bill also provides for the leasing of extra capacity in our reserve facilities and changes to the antitrust exemption in the bill to comport with the policies adopted by the IEA at our request.

Although it appears to be easy for some to disregard these dangers, recent events have underscored exactly how precarious this Nation's energy security is. Events in the Middle East clearly demonstrate the instability of the region that we rely on to supply the oil that keeps this Nation moving.

The situation is only getting worse. Since the establishment of the Department of Energy, our reliance on imported oil has passed 50 percent, and is expected to rise to 71 percent by 2015. The OPEC countries are steadily regaining lost market share and it is projected to exceed 50 percent by 2000. The U.S. economy appears to be as exposed as it was in the early 1970's to supply disruptions and losses from monopoly oil pricing. We are talking about jobs and people's lives. In the face of these numbers, DOE has no real plan to stop our slide into near complete dependence on foreign sources of oil, and the President's budget contains a proposal to sell 67 million barrels of oil from the SPR in the year 2002.

I am dismayed by a recent trend toward using the SPR as a piggy bank to pay for other programs. The oil in the SPR cost an average of $27 per barrel. We have sold it for anywhere from $18 to $20 per barrel. Buying high and selling low never makes sense. We're like the man in the old joke who was buying high and selling low who claimed that he would make it up on volume.

In the face of our growing oil dependence, and the administration's proposal to sell oil from the SPR, I can't resist noting the administration's opposition to the production of our domestic oil resources. The administration does not support the domestic storage or production of oil. They do not appear to like the reality that this Nation will continue to need petroleum. However, reality doesn't cease to be reality because we ignore it.

We have already invested a great deal of taxpayer money in these stockpiles. As proven during the Persian Gulf war, the stabilizing effect of an SPR drawdown far outstrips the volume of oil sold. The simple fact that the SPR is available can have a calming influence on oil markets. The oil is there, waiting to dampen the effects of an energy emergency on our economy. However, if we don't ensure that there is authority to use the oil when we need it, we will have thrown those tax dollars away.

So, the first step is to ensure that our emergency oil reserves are fully authorized and available to dampen the effects of the most severe supply disruptions. We are talking about people's lives and jobs. The least we can do is try to limit the possibility that this measure will be held hostage to political ambition.

I urge my colleagues to support the passage of this legislation. I would also like to introduce, by request, proposed legislation transmitted by the administration. I ask unanimous consent that the administration's transmittal letter be printed in the RECORD.

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

THE SECRETARY OF ENERGY,
Washington, DC, March 6, 1997.

Hon. AL GORE,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a legislative proposal cited as the Energy Policy and Conservation Act Amendments of 1997. This proposal would amend and extend certain authorities in the Energy Policy and Conservation Act (EPCA) which either have expired or will expire September 30, 1997, as well as a weatherization provision in the Energy Conservation and Production Act.

The EPCA was enacted in 1975. Title I authorizes creation and maintenance of the Strategic Petroleum Reserve (the Reserve), which is the Nation's first line of defense in responding to domestic and international oil supply disruptions. Title II contains authorities essential for maintaining a continuing commitment to the International Energy Program administered by the International Energy Agency (IEA) in Paris. Effective participation by the United States in the IEA is critical to assuring our allies of our mutual energy emergency preparedness in the event of a severe interruption of international oil supplies. Title III contains authorities for certain energy efficiency and conservation programs.

As a result of changes in the overall energy environment since the Reserve was authorized in 1975, the Department is conducting a comprehensive review of Reserve policy. That review will be completed during fiscal year 1997. If the review results in recommendations for changes in title I of

EPCA, the Department will submit a legislative proposal under separate cover. This would include proposals relating to title I similar to those submitted to the Congress in October 1995.

Since Reserve and other authorities under EPCA expire on September 30, 1997, it is necessary to extend, until September 30, 1998, authorization for EPCA titles I and II, and several provisions in title III, as well as the Department's weatherization program in title IV of the Energy Conservation and Production Act. The Administration also is proposing amendments to certain provisions in EPCA title II to ensure that the legal authorities for U.S. oil company participation in the IEA's emergency preparedness programs are fully in accord with current U.S. and IEA emergency response policy. The United States has long advocated a policy at the IEA of coordinated drawdown of government-controlled oil stockpiles (e.g., the Reserve) to respond to international oil supply disruptions, with reference on the IEA's emergency oil allocation program as a last resort. This is now IEA's accepted policy. Unfortunately, EPCA's current antitrust provisions do not enable U.S. oil companies to take part in the full range of IEA oil crisis planning activities. The Administration's proposed bill would amend the present limited antitrust defense available to U.S. oil companies to enable them to assist the IEA in planning or implementing a coordinated drawdown of government-controlled oil stockpiles.

The proposed legislation and a sectional analysis are enclosed. The Office of Management and Budget advises that submission of this proposal to the Congress would be in accord with the President's program.

We look forward to working with the Congress toward enactment of this legislation.

Sincerely,

CHARLES B. CURTIS,
Acting Secretary.

SECTION-BY-SECTION

SECTION 2. ENERGY POLICY AND CONSERVATION ACT AMENDMENTS

Section 2 of the bill would amend the Energy Policy and Conservation Act.

Paragraph (1) would amend section 166 of EPC to authorize appropriations necessary to implement the Strategic Petroleum Reserve for fiscal year 1998.

Paragraph (2) would amend section 181 of EPCA by extending the expiration date of title I, parts B and C from September 30, 1997 to September 30, 1998.

Paragraph (3) is a technical correction which would amend section 251(e)(1) by striking section "252(1)(1)" and inserting in lieu thereof "252(k)(1)."

Paragraph (4) would amend section 252 of EPCA, which makes available to United States oil companies a limited antitrust defense and breach of contract defense for actions taken to carry out a voluntary agreement or plan of action to implement the "allocation and information provisions" of the Agreement on an International Energy Program ("IEP"). These limited defenses are now available only in connection with the companies' participation in planning for and implementation of the IEP's emergency oil sharing and information programs. The amendment would extend the section 252 antitrust defense (but not the breach of contract defense) to U.S. companies when they assist the International Energy Agency ("IEA") in planning for and implementing coordinated drawdown of government-owned or government-controlled petroleum stocks. In 1984, largely at the urging of the United States, the IEA's Governing Board adopted a decision on "Stocks and Supply Disruptions" which established a framework for coordinating the drawdown of member countries' government-owned and government-controlled petroleum stocks in those oil supply disruptions that appear capable of causing severe economic harm, whether or not sufficient to activate the IEP emergency oil sharing and information programs. During the 1990–91 Persian Gulf crisis, the IEA successfully tested the new coordinated stockdraw policy.

Subparagraph (4)(A) would amend subsection 252 (a) and (b) of EPCA. These sections would be amended by substituting the term "international emergency response provisions" for the term "allocation and information provisions of the international energy program." The new term establishes the scope of oil company activities covered by the antitrust defense and includes actions to assist the IEA in implementing coordinated drawdown of petroleum stocks.

Subparagraph (4)(B) would amend paragraph 252(d)(3) of EPCA to clarify that a plan of action submitted to the Attorney General for approval must be as specific in its description of proposed substantive actions as is reasonable "in light of circumstances known at the time of approval" rather than "in light of known circumstances."

Subparagraph (4)(C) would amend paragraph 252(e)(2) of EPCA to give the Attorney General flexibility in promulgating rules concerning the maintenance of records by oil companies related to the development and carrying out of voluntary agreements and plans of action.

Subparagraph 4(D) would amend paragraph 252(f)(2) of EPCA to clarify that the antitrust defense applies to oil company actions taken to carry out an approved voluntary agreements as well as an approved plan of action.

Subparagraph 4(E) would amend section 252(h) of EPCA to strike the reference to section 708(A) of the Defense Production Act of 1950, which was repealed by Public Law 102–558 (October 28, 1992), and the reference to the Emergency Petroleum Allocation Act of 1973, which expired in 1981.

Subparagraph 4(F) would amend subsection 252(l) of EPCA to require the Attorney General and the Federal Trade Commission to submit reports to Congress and to the President on the impact of actions authorized by section 252 on competition and on small businesses annually rather than every six months, except during an "international energy supply emergency," when the reports would be required every six months.

Subparagraph 4(G) would amend paragraph 252(k)(2) of EPCA by substituting a definition of the term "international emergency response provisions" for the present definition of "allocation and information provisions of the international energy program." The new term, which establishes the scope of company actions covered by the antitrust defense, covers (A) the allocation and information provisions of the IEP and (B) emergency response measures adopted by the IEA Governing Board for the coordinated drawdown of stocks of petroleum products held or controlled by governments and complementary actions taken by governments during an existing or impending international oil supply disruption, whether or not international allocation of petroleum products is required by the IEP.

Subparagraph 4(H) would amend subsection 252(l) of the EPCA to make clear that the antitrust defense does not extend to international allocation of petroleum unless the IEA's Emergency Sharing System has been activated.

Paragraph (5) would amend section 256(h) of EPCA to authorize appropriations for fiscal year 1998 for the activities of the interagency working group and interagency working subgroups established by section 256 of EPCA to promote exports of renewable energy and energy efficiency products and services.

Paragraph (6) would amend section 281 of EPCA by extending the expiration date of title II from September 30, 1997, to September 30, 1998.

Paragraph (7) would amend section 365(f)(1) to provide authorization for appropriations in fiscal year 1998 for State Energy Conservation Programs.

Paragraph (8) would amend section 397 to provide authorization for appropriations in fiscal year 1998 for the Energy Conservation Program for Schools and Hospitals.

Paragraph (9) would amend section 400BB to extend the authorization for the appropriation for the Alternative Fuels Truck Commercial Application Program to fiscal year 1998.

SECTION 3. ENERGY CONSERVATION AND PRODUCTION ACT AMENDMENT

Section 3 would amend section 422 of the Energy Conservation and Production Act to provide authorization for appropriation for the weatherization program in fiscal year 1998.●

By Mr. WARNER:

S. 418. A bill to close the Lorton Correctional Complex, to prohibit the incarceration of individuals convicted of felonies under the laws of the District of Columbia in facilities of the District of Columbia Department of Corrections, and for other purposes; to the Committee on the Judiciary.

THE LORTON CORRECTIONAL COMPLEX CLOSURE ACT

Mr. WARNER. Mr. President, it is a great pleasure today that I introduce the Lorton Correctional Complex Closure Act. For, while a small penitentiary with 60 inmates might have been acceptable in rural Fairfax County in 1916, when the prison was first established as a farming work force, to have over 7,000 inmates in the middle of the heavily populated modern area of Fairfax today, this Senator finds totally unacceptable, legally, environmentally, and in terms of public safety.

The facts about Lorton clearly demonstrates that it should be removed. I say that, Mr. President, having worked on it for some 18 years that I have been here in the Senate. These facts clearly demonstrate that it must be removed in a reasonable period of time, recognizing that such removal requires careful planning, not only taking into consideration the needs of the people in the communities of Virginia, but many other considerations, among them humanitarian needs.

The current facility is inadequate and unsafe. The facilities now lack any institutional control, certainly not that measure of control that should be accorded an institution of this importance.

Also, on the question of rehabilitation, I do not think this facility today is serving to rehabilitative purpose, which is a very vital and important part of the ability to take people who have finished their sentences and equip them to return to society.

The antiquated management and physical structures mean the taxpayers in the District of Columbia get a very poor return on their investment, and a considerable part of the cost is directed to the citizens of the District of Columbia. With its far too many escapes and disastrous pollution record, this facility has continually degraded the quality of life for those living in the immediate area. This is the combination of facts that compels Congress, in my judgment, to end this unfairness to Virginia.

Now, part of the plan that the President of the United States is considering to revitalize the District includes Federal assumption of the District's correctional facilities, including those at the Lorton Prison Complex in Northern Virginia. The present proposal anticipates massive renovation of the existing prison and new construction, as well as a cost of nearly $1 billion to the Federal taxpayer.

Now, Mr. President, that is just not going to happen. I have consistently advocated the closing of Lorton prison in its entirety throughout my 18 years of Senate service. Several years ago, Mr. President, I participated with others on both sides of the aisle, and with the House of Representatives, and we secured legislation and included initial appropriations to start the relocation of the Lorton facility. The mayor at that time and other District of Columbia officials refused even to make the first steps toward a site selection. We were stonewalled even though Congress had spoken, even though Congress had anted up the necessary funds to conduct that site selection and to begin the relocation.

I know of one community in a nearby State that was more than anxious to participate in the construction of a major modern facility. District officials looked the other way. I do not intend, and I say this respectfully to the Senate and the President and his efforts, and I am not known around here as one to make threats, but I do not intend to abandon my goal to relocate Lorton. I say that again. I do not intend to abandon my effort to relocate the Lorton facility.

I wish to be fair and constructive. Consequently, I wish to make it clear that I will be a constructive working partner on the President's proposals as they relate to other aspects of the District of Columbia, because I believe the Nation's Capital needs the help on a wide range of issues. It is my hope to vote in support of a broad relief plan, provided, however, that the proposal contains a clear provision which is binding on D.C. officials, a provision that has a binding obligation on the part of those in the executive branch, the Federal Bureau of Prisons and others, to work with the District, to work with other jurisdictions on the relocation, if that is necessary. There could be a site right in the District: I know of one site that lends itself more than adequately to relocation. But unless those clear and binding provisions are in there for a relocation within a stipulated and reasonable time—and that timetable should be laid out—then I will fight this. I will fight this.

I wish to advise my colleagues that absent such clear plans to remove this facility, then I, the senior Senator from Virginia, would be forced to utilize to the fullest extent all rules of the U.S. Senate to block any proposal relating to the District of Columbia. It is as simple as that. I fervently hope I shall not do it, and I will work industriously to include that provision.

I look forward, as I say, to working with my colleagues in the Virginia delegation to have Congress finally put Lorton on the road for removal and relocation. I will work very closely with my good friend, the distinguished Representative from Virginia, Congressman TOM DAVIS, chairman of the Subcommittee on the District of Columbia of the House Committee on Government Reform and Oversight, who has shown incredible leadership on this issue. I cannot recall any Member of Congress on either side of the aisle who has worked more diligently and more conscientiously with very little return, if any, to him politically or otherwise, but nevertheless has plowed ahead to show leadership on resolving the tough issues relating to the Nation's Capital. TOM DAVIS is to be saluted and commended. I know Senator ROBB and Representatives FRANK WOLF and JIM MORAN from Virginia, as well, and the Governor and attorney general of Virginia, will do their best. The present Governor and attorney general, and hopefully their successors, will do their best to make the removal of Lorton a reality in the near future.

ADDITIONAL COSPONSORS

S. 25

At the request of Mr. FEINGOLD, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 25, a bill to reform the financing of Federal elections.

S. 28

At the request of Mr. THURMOND, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 28, a bill to amend title 17, United States Code, with respect to certain exemptions from copyright, and for other purposes.

S. 146

At the request of Mr. ROCKEFELLER, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 146, a bill to permit Medicare beneficiaries to enroll with qualified provider-sponsored organizations under title XVIII of the Social Security Act, and for other purposes.

S. 184

At the request of Mr. D'AMATO, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 184, a bill to provide for adherence with the MacBride Principles of Economic Justice by United States persons doing business in Northern Ireland, and for other purposes.

S. 221

At the request of Mr. HAGEL, his name was added as a cosponsor of S. 221, a bill to amend the Social Security Act to require the Commissioner of Social Security to submit specific legislative recommendations to ensure the solvency of the Social Security trust funds.

S. 286

At the request of Mr. ABRAHAM, the name of the Senator from Arkansas [Mr. HUTCHINSON] was added as a cosponsor of S. 286, a bill to provide for a reduction in regulatory costs by maintaining Federal average fuel economy standards applicable to automobiles in effect at current levels until changed by law, and for other purposes.

S. 317

At the request of Mr. CRAIG, the names of the Senator from Nebraska [Mr. KERREY] and the Senator from Arkansas [Mr. HUTCHINSON] were added as cosponsors of S. 317, a bill to reauthorize and amend the National Geologic Mapping Act of 1992.

S. 370

At the request of Mr. GRASSLEY, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 370, a bill to amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for nurse practitioners and clinical nurse specialists to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 371

At the request of Mr. GRASSLEY, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 371, a bill to amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 375

At the request of Mr. MCCAIN, the names of the Senator from Ohio [Mr. GLENN], the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 375, a bill to amend title II of the Social Security Act to restore the link between the maximum

amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test.

S. 405

At the request of Mr. HATCH, the names of the Senator from Alaska [Mr. MURKOWSKI] and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 405, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit and to allow greater opportunity to elect the alternative incremental credit.

S. 411

At the request of Mrs. HUTCHISON, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 411, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes.

SENATE JOINT RESOLUTION 19

At the request of Mrs. FEINSTEIN, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Joint Resolution 19, a joint resolution to disapprove the certification of the President under section 490(b) of the Foreign Assistance Act of 1961 regarding foreign assistance for Mexico during fiscal year 1997.

SENATE JOINT RESOLUTION 20

At the request of Mrs. FEINSTEIN, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Joint Resolution 20, a joint resolution to disapprove the certification of the President under section 490(b) of the Foreign Assistance Act of 1961 regarding foreign assistance for Mexico during fiscal year 1997.

SENATE JOINT RESOLUTION 21

At the request of Mrs. FEINSTEIN, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Joint Resolution 21, a joint resolution to disapprove the certification of the President under section 490(b) of the Foreign Assistance Act of 1961 regarding assistance for Mexico during fiscal year 1997, and to provide for the termination of the withholding of and opposition to assistance that results from the disapproval.

SENATE RESOLUTION 19

At the request of Mr. MOYNIHAN, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from Delaware [Mr. BIDEN], the Senator from Nevada [Mr. BRYAN], the Senator from Utah [Mr. HATCH], and the Senator from North Dakota [Mr. DORGAN] were added as cosponsors of Senate Resolution 19, a resolution expressing the sense of the Senate regarding United States opposition to the prison sentence of Tibetan ethnomusicologist Ngawang Choephel by the Government of the People's Republic of China.

SENATE EXECUTIVE RESOLUTION 62—RELATIVE TO THE CHEMICAL WEAPONS CONVENTION

Mr. FORD submitted the following executive resolution; which was referred to the Committee on Foreign Relations:

S. EX. RES. 62

Resolved, That the Senate hereby expresses its intention to give its advice and consent to the ratification of the Chemical Weapons Convention at the appropriate time after the Senate has proceeded to the consideration of the Convention, subject to the following declaration, which would be binding upon the President:

(1) CHEMICAL WEAPONS DESTRUCTION.—Prior to the deposit of the United States instrument of ratification of the Convention, the President shall certify to the Congress that all of the following conditions are satisfied:

(A) EXPLORATION OF ALTERNATIVE TECHNOLOGIES.—The President has agreed to explore alternative technologies for the destruction of the United States stockpile of chemical weapons in order to ensure that the United States has the safest, most effective and environmentally sound plans and programs for meeting its obligations under the Convention for the destruction of chemical weapons.

(B) CONVENTION EXTENDS DESTRUCTION DEADLINE.—The requirement in section 1412 of Public Law 99-145 (50 U.S.C. 1521) for completion of the destruction of the United States stockpile of chemical weapons by December 31, 2004 will be superseded upon the date the Convention enters into force with respect to the United States by the deadline required by the Convention of April 29, 2007.

(C) AUTHORITY TO EMPLOY A DIFFERENT DESTRUCTION TECHNOLOGY.—The requirement in Article III(1)(a)(v) of the Convention for a declaration by each State party to the Convention, not later than 30 days after the date the Convention enters into force with respect to that party, on general plans of the state party for destruction of its chemical weapons does not preclude the United States from deciding in the future to employ a technology for the destruction of chemical weapons different than that declared under that Article.

(D) PROCEDURES FOR EXTENSION OF DEADLINE.—The President will consult with Congress on whether to submit a request to the Executive Council of the Organization for the Prohibition of Chemical Weapons for an extension of the deadline for the destruction of chemical weapons under the Convention, as provided under part IV(A) of the Annex on Implementation and Verification to the Convention, if, as a result of the program of alternative technologies for the destruction of chemical munitions carried out under section 8065 of the Department of Defense Appropriations Act, 1997 (as contained in Public Law 104-208), the President determines that alternatives to the incineration of chemical weapons are available that are safer and more environmentally sound but whose use would preclude the United States from meeting the deadlines of the Convention.

Mr. FORD. Mr. President, I rise today to submit an executive resolution placing conditions on the Chemical Weapons Convention with respect to this Nation's Chemical Demilitarization Program.

Muhammad Ali used to say that not only could he knock 'em out, but he could pick the round. There is no doubt in my mind that when the fight's over, we will knock 'em out on the issue of alternative technologies. Unfortunately, we do not have the luxury of picking which round incineration goes down for good. That means every time we have an opportunity—or see an instance where the Army might try to bob and weave—we've got to be ready to get our punches in.

I believe the passage of the Chemical Weapons Convention could present the Army with just such an opportunity to bob and weave on searching for alternatives to incineration. Fortunately, the White House has agreed to placing additional conditions on the treaty which should stop any of the Army's attempts to duck out on their responsibility.

The head of the National Security Council, Sandy Berger, has sent me a letter agreeing to my language placing conditions on the Chemical Weapons Convention. The letter not only makes it clear to the world and to the Army the President's commitment to exploring alternatives to incineration, it further clarifies the relationship between the Chemical Weapons Convention and our Chemical Weapons Demilitarization Program. I also have a copy of a letter from the President to Secretary of Defense William Cohen reiterating his strong support for finding alternatives to incineration that are safe and environmentally sound.

Why is this language so important?

First, back in 1989, as part of the Defense authorization bill, Congress set an arbitrary deadline of 2004 for the destruction of all chemical weapons. That date conflicts with the Chemical Weapons Convention which calls for destruction 10 years from the date the treaty is signed, which would be 2007. While it should be clear to everyone involved that the treaty date supersedes the congressional mandate, we don't want to give the Army a reason to bob and weave.

Second, 30 days from signing the treaty, signatories are required to submit their plan for destruction. Because the Army is already incinerating chemical weapons in the United States and has already invested billions in this method, this is the plan they will submit 30 days after the treaty has been signed.

Under my language, this treaty requirement will not preclude the United States from going through with a different method than what is originally submitted. Without my language, we have no protection against the Army holding up the official plan as a defense against looking for alternatives.

Third, many in the Nation were very concerned the Army would see the 10-year deadline as an excuse, claiming they simply wouldn't have the time to explore alternatives. In fact, the treaty allows any country to request a 5-year

waiver. Under my language, the United States would automatically request that extension if an alternative method can be found.

The condition to the treaty states that if "the President determines that alternatives to incineration are available which are safer and more environmentally sound, but whose use would preclude the United States from meeting the Convention time lines, the President shall consult with the Congress on whether to request to the Executive Council of the OPSW for an extension of the Convention's destruction deadline."

Finally, adding this condition to the treaty is crucial to the effort to find alternative methods because last year's appropriations language not only has to be renewed every single year, but fails to address the treaty's deadline. Year after year, we're going to be faced with fighting the funding aspect out on the House and Senate floor, with no guarantee of winning.

But with my language attached to the treaty, the search for alternative methods won't be left entirely up to a yearly floor battle. That's because I will have effectively closed any loophole related to treaty deadlines that might allow the Army to avoid searching for alternative technologies.

In closing, let me say that up until this point I have withheld support for the Chemical Weapons Convention. But because I have been able to negotiate these critical protections of the exploration of safe, affordable, and environmentally sound alternatives to chemical weapons incineration. I will now put my support behind the treaty.

Mr. President, I ask unanimous consent that a letter from the President to Secretary of Defense William Cohen, and a letter sent to me by the Acting Assistant to the President for National Security Affairs, Sandy Berger, be included in the RECORD.

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

THE WHITE HOUSE,
Washington, DC, February 27, 1997.

Hon. WILLIAM S. COHEN,
Secretary of Defense, Washington DC.

DEAR BILL: Since the enactment of the FY 1997 Defense Appropriations Act (P.L. 104–208) last fall, Under Secretary Kaminski has acted quickly and diligently to begin implementation of Section 8065, establishing a pilot program to identify and demonstrate alternatives to the Army's baseline incineration process for the demilitarization of assembled chemical munitions. As I stated in a letter last July to Senator Ford, who sponsored a similar provision on the FY 1997 Defense Authorization Act, I am committed to going the extra mile to explore whether there may be safer and more environmentally sound alternatives to incineration.

I would, therefore, request that Defense give this pilot program high priority in order to ensure that the United States has the best plans and programs for meeting its chemical weapons destruction requirements.

Sincerely,

BILL CLINTON.

THE WHITE HOUSE,
Washington, DC, February 27, 1997.

Hon. WENDELL H. FORD,
U.S. Senate,
Washington, DC.

DEAR WENDELL: I am pleased that we have reached agreement with you on the attached Condition to the Chemical Weapons Convention CWC resolution of ratification, making clear the President's commitment to exploring alternatives to incineration for the destruction of the U.S. chemical weapons stockpile and clarifying the relationship between the CWC and our chemical weapons demilitarization program.

We look forward to entering this historic treaty into force on April 29 with the U.S. as an original Party. As the President said in his State of the Union address, "Make no mistake about it, it will make our troops safer from chemical attack. It will help us to fight terrorism. We have no more important obligations, especially in the wake of what we now know about the Gulf War."

Again, we appreciate your support on this crucial issue.

Sincerely,

SAMUEL R. BERGER,
Acting Assistant to the President,
for National Security Affairs.

AMENDMENTS SUBMITTED

THE CHEMICAL WEAPONS CONVENTION

FORD EXECUTIVE AMENDMENT NO. 20

(Ordered referred to the Committee on Foreign Relations.)

Mr. FORD submitted an Executive amendment intended to be proposed by him to the Chemical Weapons Convention (Treaty Doc. No. 103–21); as follows:

CONDITION #15

CHEMICAL WEAPONS DESTRUCTION.—Prior to depositing the United States instrument of ratification, the President shall certify to the Senate that he is committed to exploring alternative technologies for the destruction of the U.S. chemical weapons stockpile in order to ensure that the U.S. has the best plans and programs for meeting its chemical weapons destruction requirements. The President shall also certify that—

A. the current statutory requirement for completing destruction of the U.S. chemical weapons stockpile by December 31, 2004 shall be superseded after the Convention enters into force by the CWC-mandated deadline of April 29, 2007;

B. the requirement under Article III, paragraph 1 (a)(v) of the Convention for a declaration not later than 30 days after the Convention enters into force on general plans for chemical weapons destruction does not in any way preclude the United States from deciding in the future to employ a destruction technology different than that specified in this U.S. declaration; and,

C. if, as a result of the alternative technologies program mandated in Section 8065 of the FY 1997 DOD Appropriations Bill (PL 104–208), the President determines that alternatives to incineration are available which are safer and more environmentally sound, but whose use would preclude the United States from meeting the Convention's timelines, the President shall consult with the Congress on whether to submit a request to the Executive Council of the OPCW for an extension of the Convention's destruction deadline, as provided under Part IV (A) of the Verification Annex.

COMMITTEE ON GOVERNMENTAL AFFAIRS EXPENDITURES AUTHORIZATION RESOLUTION

GLENN AMENDMENT NO. 21

Mr. GLENN proposed an amendment to the resolution, Senate Resolution 39, authorizing expenditures by the Committee on Governmental Affairs;as follows:

On page 10, strike lines 17 through 20 and insert the following:

"(b) PURPOSE OF ADDITIONAL FUNDS.—

"(1) IN GENERAL.—The additional funds authorized by this section are for the sole purpose of conducting an investigation into illegal or improper fundraising and spending practices in the 1996 Federal election campaigns, including the following:

"(A) Foreign contributions and the effect of those contributions on the United States political system.

"(B) Conflicts of interest involving Federal office holders and employees, and the misuse of Government offices.

"(C) Failure by Federal employees to maintain and observe legal limitations relating to fundraising and official business.

"(D) The independence of the Presidential campaigns from the political activities pursued for their benefit by outside individuals or groups.

"(E) The misuse of charitable and tax-exempt organizations in connection with political or fundraising activities.

"(F) Amounts given to or spent by a political party for the purpose of influencing Federal elections generally that are not subject to the limitations or reporting requirements of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (commonly referred to as 'soft money') and the effect of soft money on the United States political system.

"(G) Promises or grants of special access in return for political contributions or favors.

"(H) The effect of independent expenditures (whether by corporations, labor unions, or otherwise) upon the current Federal campaign finance system, and the question as to whether such expenditures are truly independent.

"(I) Contributions to and expenditures by entities for the benefit or in the interest of Federal officers.

"(J) Practices described in subparagraphs (A) through (I) that occurred in previous Federal election campaigns to the extent that those practices are similar or analogous.

"(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the authority of the Committee on Governmental Affairs under the Senate Rules or section 13(d) of this resolution.

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

Mr. HATCH. Mr. President, the Senate Committee on the Judiciary and the House Subcommittee on the Constitution will hold a joint hearing on

Tuesday, March 11, 1997, at 9:30 a.m. in room G50 of the Senate Dirksen Building, on "Partial Birth Abortion: The Truth."

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Wednesday, March 12, 1997, at 9:30 a.m. to hold an oversight hearing on the operations of the Smithsonian Institution, the Woodrow Wilson International Center for Scholars, and the John F. Kennedy Center for the Performing Arts.

For further information concerning this hearing, please contact Ed Edens of the Rules Committee staff at 224-6678.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Subcommittee on Employment and Training, Senate Committee on Labor and Human Resources will be held on Tuesday, March 11, 1997, 9:30 a.m., in SD-430 of the Senate Dirksen Building. The subject of the hearing is Oversight of Federal Job Training Programs. For further information, please call the committee, 202-224-5375.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Subcommittee on Public Health and Safety, Senate Committee on Labor and Human Resources will be held on Wednesday, March 12, 1997, 9:30 a.m., in SD-G50 of the Senate Dirksen Building. The subject of the hearing is Scientific Discoveries in Cloning: Challenges for public policy. For further information, please call the committee, 202-224-5375.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that an Executive Session of the Senate Committee on Labor and Human Resources will be held on Thursday, March 13, 1997, 10:00 a.m., in SD-430 of the Senate Dirksen Building. The following are on the agenda to be considered. First, S. 4, the Family Friendly Workplace Act and second, Presidential Nominations. For further information, please call the committee, 202-224-5375.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Senate Committee on Labor and Human Resources will be held on Friday, March 14, 1997, 9:30 a.m., in SD-430 of the Senate Dirksen Building. The subject of the hearing is Higher Education Act Reauthorization. For further information, please call the committee, 202-224-5375.

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DEWINE. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Monday, March 10, 1997, at 1:30 p.m. for a hearing on overview of management issues for the Department of Commerce.

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

ADDITIONAL STATEMENTS

MAYOR JOE RILEY

• Mr. HOLLINGS. Mr. President, the esteemed journalist David Broder profiled Mayor Joe Riley of Charleston, SC, in Sunday's Washington Post. Joe Riley has done more for Charleston and the State of South Carolina than anyone could have dreamed. He is truly one of the brightest lights in the American political scene. I strongly encourage everyone to read Mr. Broder's article and I respectfully request that it be printed in the RECORD.

The article follows:

THE RIGHT WAY TO RENEW A CITY

CHARLESTON, SC—"Sometimes, if you paint on a smaller canvas, you can make a more beautiful picture."

That's what Mayor Joseph Riley told me in his office here, just hours after he had announced that he would not be the Democratic candidate for governor of South Carolina next year. He had lost the Democratic nomination for governor by a hair in 1994 to a candidate who in turn was narrowly defeated in the general election. Riley was the Democrat's leading hope to challenge Republican Governor David Beasley in 1998, but the "painful decision," as he said in his formal statement, was dictated by his family's reluctance to face life in the fishbowl of a statewide campaign and, possibly, the governor's office.

Riley, 54, has been mayor of Charleston since 1975, and what has been achieved here under his leadership is extraordinary. The city has endured much—Hurricane Hugo's $2 billion devastation, the closing of the Navy base that was its biggest employer. But Charleston has double the population and six times the area it did when Riley became mayor, it boasts the internationally renowned Spoleto music festival, its downtown stores are thriving and it is one of the nation's favorite tourist attractions.

But it is mainly the way that Charleston treats the social problems that all old cities share that has made Riley's long reign so remarkable.

When Britain's Prince Charles visited the city, he went past the elegant homes on the harbor to the homeless shelter run by Crisis Ministries, a nonprofit, interfaith group. It is a spotlessly clean facility, which provides what former HUD secretary Henry Cisneros urged all cities to offer, "a full spectrum" of services to the men, women and children who, as the staff is trained to say, are "guests" in the building.

My guide, Debbie Waid, explained that the food is donated, the cooking is done by community volunteers and the residents keep it swept and scrubbed. But the mayor has arranged for all the support services—from the policeman on duty every night to the counselors who help the homeless get back on their feet. The soup kitchen and the daily clinic serve everyone in the city who needs help.

The other part of Cisneros's dream that has been realized in Charleston is scatter-site public housing. In previously run-down neighborhoods bordering the historic district with its magnificent antebellum homes, the city housing authority has been winning prestigious design awards of its own.

Don Cameron, who has been running the authority almost as long as Riley has been mayor, showed me single lots, or two or three adjoining lots, where town houses or duplexes or small apartment buildings have been built so handsomely that private developers have snapped up adjoining property and whole blocks have been revived.

Driving with Cameron through the decrepit East Side, where freed slaves congregated after the Civil War, you could see where one freshly painted building, erected by the city or one of the many nonprofits that have sprung up in response to Riley's leadership, is being cloned up and down the street with private capital, encouraged by federal low-income housing tax credits.

These buildings don't resemble public housing. The porches, the materials, the roof lines all have been chosen to look like other Charleston homes. Riley's dictum is that "there is no reason for government ever to build something that is not beautiful." Even his downtown parking garages have won architectural awards.

Because the subsidized housing is handsome, the NIMBY problem—Not in My Back Yard—has been minimized. Unlike the old public housing projects, with weed-choked front lawns littered with whiskey bottles, and beat-up cars at the curb, the scatter-site homes are scrupulously maintained. The cars are parked off-street, out of site. The fences are posted against trespassing, and the police see to it that vagrants do not loiter.

Riley has been at it for a long time and, with last week's decision against running for governor, may be here a lot longer. His work has had its rewards.

When I asked him how he had done in his last reelection race in 1995, he said, "I got 75 percent," then added with a laugh, "It would have been more, but we had a tornado warning in midafternoon, and some of my people never got to vote." But a more important commendation came recently at a fancy reception at The Citadel commandant's home, where a woman serving drinks whispered to the mayor, "I'm moving into public housing next week —and it is so beautiful.:

Next week, the 19th International Conference on Making Cities Livable will be held here. They are coming to the right place.•

COMMEMORATING THE MASSACRE OF TIBETAN CIVILIANS BY THE CHINESE MILITARY ON MARCH 10, 1959

• Mr. D'AMATO. Mr. President, I rise today to commemorate March 10, 1959, a dark day in history for all of us. It was on this day that Chinese troops viciously attacked and murdered 87,000 Tibetan civilians who sought to protect their beloved Dalai Lama, a man whose love of peace is known to all of us. The pattern of intimidation and human

rights abuses by the Chinese Government against the people of Tibet, unfortunately, continues today. It is quite frankly unsuitable for a country like China which seeks status as a responsible member of the community of nations.

The Chinese pattern of intimidation is especially seen in the case of Ngawang Choephel, a former Fulbright scholar at Middlebury College and friend of the United States. Last December, Chinese officials sentenced Mr. Choephel to an 18-year prison term for supposed espionage activities. This is an outrage.

In January I joined with other Members of the Senate in writing a letter to the new Secretary of State Madeleine Albright expressing our concerns about Mr. Choephel's sentence. We requested that she raise Mr. Choephel's case in discussions with Chinese leaders on her trip to China.

I also cosponsored a resolution which calls on the Chinese Government to release Mr. Choephel immediately and unconditionally. I am pleased to be a part of a bipartisan effort on this important issue.

Relations with other powerful countries are by their nature complex, but we owe it to the people of Tibet and we owe it to ourselves as Americans, to stress the importance of human rights as a cornerstone of all relations. All people have a right to religious freedom. The people of Tibet certainly have that right, and they have a right to live in peace. The people of Tibet also have a right to live their lives in a dignified manner free of oppression. It is the sacred duty of all of us to make sure that happens.

I applaud the efforts of those who are gathering today in New York for Tibet National Uprising Day to show the world that vigilance does not sleep and to express solidarity with the people of Tibet. As long as people such as those who are coming together today in New York take a personal interest in the suffering of others, I have to believe that we will reach our goals of democracy and religious freedom for the suffering people of Tibet.•

TRIBUTE TO MUSIC EDUCATION IN NEVADA

• Mr. REID. Mr. President, I rise today to express my support for one of the most important parts of the education of our Nation's children—music education. Nevada has a proud music tradition and one of the groups that help keep this tradition strong is the Nevada Music Educators Association [NMEA]. It is my pleasure to speak on behalf of the NMEA, and to stress the importance of music to the education of our Nation's youth.

A recent event has made me especially proud of my State and its commitment to music education. The Hug High School band in Reno was selected to perform in President Clinton's second inaugural parade. Being chosen for the parade is truly an honor and it spoke to the quality of Hug's band and Nevada's music programs. The only way the band could make the trip from Nevada to Washington, DC, however, was to raise a lot of money. Right in the wake of the terrible New Year's flood, which caused devastating damage throughout northern Nevada, the citizens of Washoe County banded together and raised over $120,000 to send these deserving students to our Nation's Capital. Thanks to the kindness, generosity, and support of their community, the Hug High School band was able to come to Washington and perform beautifully in the inaugural parade.

Nevada is at the forefront of music education. We are leaders in the development of music standards and have active band, choir, and orchestra programs throughout the State. Recently, the bands of Edward C. Reed High School and Green Valley High School had the opportunity to represent the United States in international music festivals.

Music and the arts are vital components of the education of our youth; no school career is complete without them. Recent scientific research has shown that early childhood education in music helps develop a child's logical brain. Pediatric neurobiologists indicate that the brain circuits for math reside near those for music. Accordingly, music lessons and listening to classical music may help a child develop skills in logic and spatial reasoning and, thus, do better in math. In addition to the cultural and artistic enrichment that music education provides, it also helps our children to learn and grow in other areas. As we move into the future, our children need to be given all the tools they will need to compete and succeed. Music education is essential to this effort, and it must be supported.

I am very proud of Nevada's music programs and the bands, orchestras, and choirs that bring joy to all of our lives. It is my pleasure to speak today in appreciation of the Nevada Music Educators Association and all the teachers, administrators, and citizens whosupportmusiceducationinour schools.•

TRIBUTE TO FATHER ROBERT D. KENNEY

• Mr. BIDEN. Mr. President, each of us—not just those of us here in the Senate, but virtually every American—can remember someone; a teacher, a coach, a principal, who made a singular contribution to our lives during our school days. Someone who helped to show us the way as we passed through adolescence and into adulthood. Someone who was a role model, a mentor, a confidante, a friend.

For more than 40 years, Father Robert Kenney has been such an individual in the lives of hundreds, if not thousands, of young men who have attended Salesianum School in Wilmington, DE. As a teacher of mathematics, he prepared them for college and careers; as Athletic Director and baseball coach for 34 years, he molded the skills and the characters of young athletes, teaching lessons on the ball-field which would remain with his players throughout their adult lives. As Salesianum's principal, and later president, he maintained and broadened the school's fine reputation for building young men of character, young men whose sense of integrity, honor, compassion, and civic-mindedness were as great as their knowledge of mathematics, history, or literature. Today, Salesianum graduates can be found among the leaders in business and industry, education and the law, public service and community affairs can be found not only throughout Delaware, but across the Nation as well. A great many of them trace their leadership skills, in addition to their academic knowledge, to Father Kenney and the atmosphere he maintained at Salesianum School.

Father Kenney has been more than teacher and coach, more than principal and president, even more than mentor to scores of young men. He is a major part of the beautiful and rich history of Salesianum and the contributions that the school has made to our city, our State, and the lives of so many of us. He is, quite simply, one of the heroes of our time in the State of Delaware.

The high school I attended, Archmere Academy, is one of Salesianum's great rivals on the athletic field. There were a number of spring afternoons when I looked across the baseball diamond and hoped fervently that this would be the game when we would finally beat Father Kenney's well-coached and talented team. It never happened. Father Kenney would always figure out a way to squeeze out a win against the Archers. Often, it wasn't close.

But as much of a rivalry as existed between the two schools, Father Kenney was someone I respected immensely, for his character as a man and as an educator was legendary. During my years in public service, as I have witnessed on an even greater scale Father Kenney's contribution to our community, my admiration has only deepened.

This June, Father Kenney will be stepping down as Salesianum's president, though he will remain involved in the life of the school and the community. He calls Salesianum "my life's work," and intends to continue to work with the school, its alumni association, and the people of our community. He probably knows this, but even if his ties to school and community weren't

so strong, we wouldn't let him cease to be involved.

As Salesianum's baseball coach, Father Kenney and his teams compiled a record of 411 wins against only 168 losses, for a winning percentage of .710. It is an impressive record, but I can tell you that his winning percentage in developing young men of great character is even more impressive.

On behalf of our fellow Delawareans, I wish Father Kenney the best for his newest venture. Yet I promise you, Father Kenney, Delawareans are going to keep you busy.•

SAMUEL IRWIN "SONNY" GOLDBERG

• Mr. HOLLINGS. Mr. President, I rise today to pay tribute to my fellow Charlestonian and good friend, Samuel Irwin "Sonny" Goldberg. Sonny was one of a kind, a true gentleman who was loved by all. As many others have said, if there was ever an ambassador for Charleston's King Street, it was Sonny. An esteemed businessman, he had friends in stations both high and low all over town. The origin of his name lay in his father's penchant for singing Al Jolson's "Sonny Boy." Sonny inherited his father's gift of song and everyone in the lowcountry is richer for it. Sonny sang all the old greats: "Marialana." "Embraceable You," "Honeysuckle Rose," "I've Got You Under My Skin" and a number of others. He was the King Street Singer.

Sonny's singing did not outshine his talent for business and friendship. To know him was to love him. As his good friend, Douglas Donehue, said in his eulogy, "Sonny had within him a spark of genius that won the hearts of people from all walks of life." He loved to read; he was a student of the world and an avid observer of mankind. Sonny was a man of his word, a man of his faith, strictly observing the Sabbath every Saturday, and a man of family. His wife Shirley, and his children will greatly miss him.

Sonny Goldberg gave much to the Charleston community and was especially integral in the revitalization of King Street, Charleston's main shopping district. We will greatly miss him and his gentle reminder to, "Drive carefully. We want you to get here." I respectfully request that the following editorial be printed in the RECORD.

The article follows:

[From the Charleston Post & Courier, Mar. 3, 1997]

S.I. "SONNY" GOLDBERG

They call me the King Street Singer 'cause I sing whenever I'm blue.
And if you should be feeling lonely I recommend it to you.
You may not be Mario Lanza or Fisher or Como or Bing.
But you'll feel so great in the morning
If you open your mouth and sing.

If there had ever been an election for mayor of King Street, Samuel Irwin Goldberg would have surely won. Instead Mr. Goldberg became the "King Street Singer," one of the city's most recognized personalities.

Born in Charleston in 1922, Mr. Goldberg began working in his father's King Street furniture business early in life. In the 1950s it was his decision to supplement the company's newspaper advertising with radio and TV spots—a practice he kept up after opening his own store in 1981.

In them, Mr. Goldberg—often with a ukulele in hand —would sing a few bars of Jack Gale's "Serenade of the King Street Singer" before stopping to insert a couple of lines about the great values at Goldberg's.

It was because of these ads—both print and broadcast—that Mr. Goldberg seemed to be known wherever he went. He usually would seem surprised and ask, "How do you know me?" when people would inevitably stop him on the street or in restaurants and, more often to recite the later rap version that aired: "Go Sonny Go, Go Sonny Goldberg, Go Sonny Go, Go Sonny Goldberg. . . ."

Although widely regarded for his humor, the private Mr. Goldberg was much more than "the singer."

A deeply religious man, he was an Orthodox Jew who considered his faith among the most important aspects of his life. Even when South Carolina's Blue Laws prohibited many retail stores from doing business on Sunday, Mr. Goldberg opened his. He closed on Saturday, the Jewish Sabbath. The law was amended to legalize that practice with what was called the Sabbatarian exemption. It since has been extensively revised.

Regarding the Sabbath, he said in a 1994 newspaper article, "I look forward to it every week. We're supposed to restrict ourselves from all that God did . . . from anything that creates a fire, energy, anything like that. We don't cook on Saturdays. I don't ride in the car on Saturdays. I go to the Synagogue Friday night, Saturday morning and Saturday evening. I think it's a relief that you can't put a value on."

Mr. Goldberg had that inherent knack for making those around him feel good, and people from all walks of life counted themselves among his many patrons and friends. In 1995, Sonny Goldberg closed the store that for so long was a King Street institution. When he died Thursday at 74, Charleston lost one of its favorite and most colorful citizens.•

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, upon the recommendation of the Democratic leader, pursuant to 22 U.S.C. 2761, appoints the Senator from West Virginia [Mr. BYRD] as vice chairman of the Senate delegation to the British-American Interparliamentary Group during the 105th Congress.

ORDERS FOR TUESDAY, MARCH 11, 1997

Mr. WARNER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 o'clock a.m. on Tuesday, March 11, 1997. I further ask unanimous consent that on Tuesday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then immediately resume consideration of Senate Resolution 39.

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

Mr. WARNER. I further ask unanimous consent that the Senate stand in recess between the hours of 12:30 p.m. and 2:15 p.m. in order for the weekly party caucus to meet.

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

PROGRAM

Mr. WARNER. Mr. President, for the information of all Senators, tomorrow the Senate will resume consideration of Senator GLENN's amendment to Senate Resolution 39, which the distinguished Senator just sent to the desk, the Governmental Affairs Committee funding resolution. It is the majority leader's hope that Tuesday morning we will be able to reach an agreement as to when we will vote on the Glenn amendment, hopefully soon after the recess, that is, the noonday recess of the policy luncheons.

Senators can expect rollcall votes throughout Tuesday's session of the Senate as we continue to make progress on Senate Resolution 39.

Now, Mr. President, I ask unanimous consent to exercise 5 minutes in morning business for the Senator from Virginia prior to the recess.

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

Mr. WARNER. Mr. President, I thank the Chair.

(The remarks of Mr. WARNER pertaining to the introduction of S. 418 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 10 a.m., Tuesday, March 11.

There being no objection, the Senate, at 6:40 p.m., adjourned until Tuesday, March 11, at 10 a.m.