SENATE—*Wednesday, July 22, 1998*

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

PRAYER

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

Almighty God, we accept the psalmist's admonition to serve You with gladness. We think about what that would mean to serve You with gladness today in our responsibilities here in the Senate. We remember that the word "glad" means experiencing pleasure, joy, and delight. You are the source of that quality of lasting gladness. You, Yourself, are the answer to our prayers. Whatever You give us is nothing in comparison to companionship with You. Help us to bring that gladness to our work. We are invigorated by the assurance that You will be with us today in the magnificent moments and in the mundane minutiae. You will transform any vestige of grimness into gladness with the privilege of serving You. Duties will be a delight because we are working for You and the future of our beloved Nation. Grant the Senators fresh gusto for the adventure of leadership. With them, we report to You, dear God, and commit ourselves to serve You with gladness. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

SCHEDULE

Mr. GREGG. Mr. President, this morning the Senate will proceed to potentially two rollcall votes on amendments offered last night to the Commerce-State-Justice appropriations bill.

Under a previous order, following the votes, Senator SESSIONS will be recognized to offer an amendment relative to juvenile justice. After the Sessions amendment is disposed of, the Senate will continue with amendments to the bill in an effort to complete action on this important legislation by late afternoon.

The Senate may also turn to any other appropriations bill or other legislative or Executive Calendar item cleared for action. Therefore, Senators should expect rollcall votes into the evening during Wednesday's session.

I thank my colleagues for their cooperation and attention.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The PRESIDING OFFICER (Mr. HAGEL). Under the previous order, the Senate will now resume consideration of S. 2260, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2260) making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related programs for the fiscal year ending September 30, 1999, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Bumpers modified amendment No. 3243, to amend the Federal Rules of Criminal Procedure, relating to counsel for witnesses in grand jury proceedings.

Graham/DeWine amendment No. 3244, to modify the definition of the term "public aircraft".

AMENDMENT NO. 3243, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate prior to the vote in relation to the Bumpers amendment numbered 3243.

The Senator from Arkansas.

Mr. BUMPERS. I yield myself 3 minutes.

Mr. President, this amendment, for the edification of people who didn't hear any of the debate last night, is to make a very minor change in the grand jury system. Now, bear in mind, the grand jury system is about as outdated, as big an anachronism as there is in this country.

For openers, all this amendment does is to say that an innocent person who is called before the grand jury—not as a target, not as a defendant, but an absolutely innocent witness, an absolutely innocent witness who is terrified because he or she is appearing before the grand jury for the first time in his or her life, and they know that if they misspeak, if their memory doesn't satisfy the prosecutor, they face the possibility of being charged with perjury.

Right now when that innocent person goes to testify before the grand jury, let's make it easy, let's assume, as I did last evening, that it is a Senator's wife; that might be understandable around here. The Senator's wife goes in after having paid some lawyer $5,000 or $10,000 just as a retainer to make sure she doesn't get charged with something for which she is innocent. She goes in and sits in the chair and they start asking her all kinds of personal questions that are totally irrelevant to why she is there: Have you been faithful to your spouse? Do you have a child charged with smoking pot? I understand your daughter is gay.

Those things are not stretches of my imagination. But her lawyer is seated outside the door, because under the Federal rules he cannot come into the same room in which his client, the witness, is testifying. Think of that. Think about how we bash China and their criminal justice system and their violation of human rights. That Senator's wife might be called back again tomorrow and the next day and the next day and the next day. You have seen it happen.

All we are saying is, don't make her crawl down off of the witness stand to go outside and talk to her lawyer about how she should answer these questions. If she does that three times, do you know what the grand jury does? They start nudging each other. "She must be hiding something; she is sure going out to talk to her lawyer a lot."

That is a woefully inadequate system for a great nation like this. All I am saying, let the lawyer come into the room.

The Justice Department opposes this amendment. Now, doesn't that shock you? Of course they oppose it. They are in the business of putting notches on their belt. They want to be able to say this grand jury has never refused to return an indictment that I asked for. A New York judge said, "Of course, they return those indictments. A grand jury will indict a ham sandwich if the prosecutor asks them to."

All I am saying, let's follow what 27 States have already done. They have abolished the grand jury system.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. I ask that the time run equally against both sides.

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

Mr. BUMPERS. I am sorry, I didn't understand the distinguished floor manager's request.

Mr. GREGG. I asked that the time that is now running be allocated equally against both sides.

Mr. BUMPERS. I object to that. I reserved the remainder of my time.

The PRESIDING OFFICER. That will happen whether or not there is a unanimous consent. If neither side yields time, the clock will run and will be charged equally against both sides.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I am glad the opponents to this amendment

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

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don't have anything to say this morning, and I am happy to use up the rest of my time. Perhaps we can get a unanimous consent agreement that they will yield back the balance of their time and we will vote.

All I want to say is we are talking about a criminal justice system of the greatest nation on Earth, which is terrible. We are not talking about the mob, we are not talking about the mafioso, we are talking witnesses.

Here is a classic case of a fulfillment of what everybody in this Senate has said at one time or another, and that is criminals have a better deal than do ordinary citizens. A criminal gets an attorney hired for him if he doesn't have one. A criminal is advised to remain silent. The Senator's wife can't remain silent. She has been subpoenaed to come down and testify.

All I am saying, don't make her go outside the room. The attorney in the courtroom, he is not going to file motions. He is not going to make objections. But I tell you what it will do. It will have a salutary effect on the conduct of the attorney prosecuting the case.

He won't be asking redundant, personal questions that have nothing to do with the case. This is not a game of "gotcha," a game of seeing how many scalps you can put on your belt, how many notches you can put on your gun barrel. This is American justice we are talking about. We haven't addressed the grand jury system in 10 years. It is 500 years old, and it is 10 times worse now than it was 500 years ago.

The PRESIDING OFFICER. All time on the Senator's side has expired.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I believe that under the unanimous consent request we are functioning under, we were to vote at 9:40. I yield back our time and suggest that we move to a vote.

Mr. BUMPERS. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. Yes, they have been.

All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Arkansas, Mr. BUMPERS. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 41, nays 59, as follows:

[Rollcall Vote No. 218 Leg.]

YEAS—41

Akaka	Cleland	Ford
Baucus	Conrad	Glenn
Bingaman	Daschle	Graham
Boxer	Dodd	Harkin
Breaux	Dorgan	Hollings
Bryan	Durbin	Hutchison
Bumpers	Feingold	Inouye
Johnson	Levin	Rockefeller
Kennedy	Mack	Sarbanes
Kerrey	Mikulski	Specter
Kerry	Moseley-Braun	Torricelli
Landrieu	Murray	Wellstone
Lautenberg	Reed	Wyden
Leahy	Robb	

NAYS—59

Abraham	Faircloth	McCain
Allard	Feinstein	McConnell
Ashcroft	Frist	Moynihan
Bennett	Gorton	Murkowski
Biden	Gramm	Nickles
Bond	Grams	Reid
Brownback	Grassley	Roberts
Burns	Gregg	Roth
Byrd	Hagel	Santorum
Campbell	Hatch	Sessions
Chafee	Helms	Shelby
Coats	Hutchinson	Smith (NH)
Cochran	Inhofe	Smith (OR)
Collins	Jeffords	Snowe
Coverdell	Kempthorne	Stevens
Craig	Kohl	Thomas
D'Amato	Kyl	Thompson
DeWine	Lieberman	Thurmond
Domenici	Lott	Warner
Enzi	Lugar	

The amendment (No. 3243) as modified, was rejected.

AMENDMENT NO. 3244

The PRESIDING OFFICER (Mr. BROWNBACK). There are now 2 minutes equally divided on the Graham amendment.

Who yields time on the Graham amendment?

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, this is an amendment which has been requested by the National Sheriffs' Association.

The PRESIDING OFFICER. If the Senator will suspend while we get order in the Chamber.

There is a short debate before the vote.

The Senator from Florida.

Mr. GRAHAM. Mr. President, this amendment has been requested by the National Sheriffs' Association, the Western States Sheriffs' Association, sheriffs' associations from the largest States. It relates to a very narrow issue of the use of surplus aircraft, primarily helicopters, which have been made available to a local law enforcement agency. Today, there are serious restraints on the ability of a local jurisdiction which has an aircraft to make it available to an adjacent jurisdiction for things like search and rescue, overflights for drug control purposes, and a variety of other issues. This has been a major issue, an irritant to local law enforcement.

It serves, in my opinion, no legitimate national purpose to impose these restraints on the use of donated surplus property aircraft to local law enforcement. I urge adoption of this amendment which will comply with the requests of American law enforcement.

The PRESIDING OFFICER. There is 1 minute in opposition. Who seeks recognition?

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

The Senator will suspend while we get order in the Chamber.

Mr. MCCAIN. Mr. President, this amendment poses significant safety concerns as to what the legitimate role of the FAA should be. I might point out, I don't know of any hearing that has been held on this issue. There is legitimate concerns from the FAA as well as other organizations such as the Helicopter Association International and others.

I oppose this amendment on the grounds there has not been sufficient scrutiny of the safety implications of this kind of action.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to Amendment No. 3244 of the Senator from Florida, Mr. GRAHAM. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 56, nays 44, as follows:

[Rollcall Vote No. 219 Leg.]

YEAS—56

Akaka	Feingold	Leahy
Allard	Feinstein	Levin
Ashcroft	Ford	Lieberman
Baucus	Glenn	Lugar
Biden	Graham	Mack
Bingaman	Grams	Mikulski
Boxer	Grassley	Moseley-Braun
Breaux	Harkin	Moynihan
Brownback	Hatch	Nickles
Bryan	Hollings	Reed
Bumpers	Inhofe	Reid
Byrd	Inouye	Robb
Cleland	Johnson	Rockefeller
Conrad	Kennedy	Sarbanes
Daschle	Kerrey	Snowe
DeWine	Kerry	Torricelli
Dodd	Kohl	Wellstone
Dorgan	Landrieu	Wyden
Durbin	Lautenberg	

NAYS—44

Abraham	Frist	Murray
Bennett	Gorton	Roberts
Bond	Gramm	Roth
Burns	Gregg	Santorum
Campbell	Hagel	Sessions
Chafee	Helms	Shelby
Coats	Hutchinson	Smith (NH)
Cochran	Hutchison	Smith (OR)
Collins	Jeffords	Specter
Coverdell	Kempthorne	Stevens
Craig	Kyl	Thomas
D'Amato	Lott	Thompson
Domenici	McCain	Thurmond
Enzi	McConnell	Warner
Faircloth	Murkowski	

The amendment (No. 3244) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama, Mr. SESSIONS, is recognized.

Mr. BIDEN. Mr. President, will the Senator from Alabama be willing, on

an unrelated matter, on the vote we just had, to yield me 2 minutes to make a brief comment before he begins?

Mr. SESSIONS. I will be glad to.

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

EXPLANATION OF VOTE—AMENDMENT NO. 3243

Mr. BIDEN. Mr. President, on the Bumpers amendment, I voted against the position of Senator BUMPERS, not because I disagree with the substance of it. For the last 25 years and for the years I was chairman and ranking member of the Judiciary Committee, I have adhered to the notion that the Judicial Conference, a system that we set up in the Congress years ago, is the appropriate vehicle to make recommendations for changes in the Federal rules. The reason I voted against the Bumpers amendment is not because I don't think prosecutors are out of hand, not because I don't think there is abuse of the grand jury system, which, by the way, for hundreds of years has relied upon the proposition that good judgment, sound judgment would be exercised by prosecutors and not be abused. Obviously, it is being abused.

My hope is, regardless of what the outcome of this is legislatively, I am going to propose at a future time that the Senate ask the Judicial Conference to consider changes in the Federal rules relative to the conduct of grand juries and make recommendations to the Senate. That is the way we have done it since the Judicial Conference has been set up. That is the more appropriate way to deal with the Federal rules.

I conclude by complimenting Senator BUMPERS for pointing out an abuse of the system and the need for change. I think the appropriate way to do it is through the Federal rules.

Mr. LEAHY. Will the Senator yield on that?

Mr. BIDEN. The Senator from Alabama has control of the time, I say to my friend from Vermont. I yield the floor and thank the Senator from Alabama.

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I see the distinguished Senator from Utah, the prime sponsor of the Juvenile Justice Act and chairman of the Judiciary Committee, is here. I will be glad to yield to him any time he wants on the amendment, and then I will talk on the amendment.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

AMENDMENT NO. 3245

(Purpose: To increase funding for Juvenile Accountability Incentive Block Grants)

Mr. HATCH. Mr. President, I am very pleased that the amendment is going to be offered on our behalf by the distinguished Senator from Alabama, Senator SESSIONS.

I rise in support of the amendment of the Senator from Alabama to balance the approach between prevention and law enforcement. At the outset, let me commend the Senator from New Hampshire, Senator GREGG, for his outstanding commitment to reducing juvenile crime. His work, I think, has made an outstanding contribution to our efforts.

All of us have been shocked over the past several months as our Nation has witnessed a series of atrocious crimes committed by juveniles. These incidents bring home to all of us the reality of juvenile crime. The reality is that we can no longer sit silently by as children kill children, as teenagers commit truly heinous offenses, as our juvenile drug abuse rate continues to climb.

FBI data confirms the national problem of rampant juvenile violent crime. In 1996, juveniles accounted for nearly one-fifth—19 percent—of all criminal arrests in the United States. Persons under 18 committed 15 percent of all murders, 17 percent of all rapes, and 32.1 percent of all robberies. These disturbing figures show the need to fix a broken juvenile justice system that is failing too many of our young people and ultimately failing to protect the public.

Last year, Congress began the process of addressing this serious national problem. The fiscal year 1998 appropriations bill provided $250 million for a block grant that promotes a commonsense approach to intervene at the earliest signs of trouble.

A juvenile's first brush with the law is the most important, because it sends a strong signal of what he or she can get away with. Governments cannot afford to wait until a youngster is 16 or 17 years old, and has committed a half a dozen or more violent crimes, before getting serious.

The block grant funded last year has also promoted making a juvenile's criminal record accessible to police, courts, prosecutors, and schools so that we can know and ascertain who are the serious repeat offenders. Right now, these records simply are not available in NCIC, the national system that tracks adult criminal records.

We all recognize the value of programs that intervene in the lives of juveniles to prevent crime before it starts. The Federal Government already spends about $4.1 billion a year on programs aimed at delinquent and at-risk youth. We are doing some great things through public-private partnerships, through youth groups like the Boys and Girls Clubs, and we are going to continue to do this.

I commend Senator GREGG for doubling our effort for this program to $40 million in the bill before us.

I do not believe, however, that these programs alone can address the sickness that led to some of these recent tragedies. What we need is to ensure that the prevention programs that we have are backed up by a juvenile justice system that takes crime seriously, and imposes real sanctions for juvenile crime.

Congress has given extensive support to delinquency prevention programs, especially since the Republicans took control of Congress. Congress spent over $200 million on the Office of Juvenile and Delinquency Prevention, OJDP, programs in fiscal year 1998. Compared with fiscal year 1991 funding of $75 million, Congress has increased prevention funding by over two and a half times. The Senate can be proud of its support of prevention programs. We increased prevention funding from $107 million in 1994, up to $144 million in fiscal year 1995. Since then we have steadily increased funding up to its FY 1998 level of over $201 million.

In fact, there is no shortage in prevention funding. According to a November 1997, General Accounting Office, GAO, report entitled "At-Risk and Delinquent Youth: Multiple Programs Lack Coordinated Approach," the Federal Government currently spends over $4 billion annually in prevention money for juveniles in 127 different Federal programs. In contrast, the Federal Government spends little money on law enforcement and detention for juvenile offenders.

The bill before us provides an appropriation for the Juvenile Accountability Incentive Block Grants of $100 million for fiscal year 1999. This funding level is far too low to meet the needs of our State and local law enforcement. For fiscal year 1998, the grant was set for $250 million. The Senator from Alabama's amendment will help restore funding to critical areas of the juvenile justice system, by reallocating $50 million from what I believe to be an excessive increase in appropriations for the incentive grants for prevention programs under Title V of the JJDPA. This program, funded at $20 million in FY 1998, has been increased over fourfold, to $95 million in the bill before us.

Senator SESSIONS' amendment will shift a part of that increase back to the block grant, so that the Senate will be funding this important program at the same level as it proposed in FY 1998. I must say that, in my view, even this amount will still be inadequate, because the need is so great. First, these incentive block grants fund the construction of permanent juvenile corrections facilities. Such facilities are needed to protect law abiding citizens from violent and repeat offenders. Space in secure detention facilities for serious and violent juvenile offenders is in critically short supply in many of our States.

Second, this amendment will provide to aid State and local governments for

the integration of serious juvenile criminal records into the national criminal history database, making these delinquency adjudication records available to law enforcement and courts as adult criminal records are now. Right now, these records simply are not available in NCIC, the national system that tracks adult criminal records. As any judge, police officer, or prosecutor will tell you, information is the lifeblood of the criminal justice system. With respect to juvenile criminal records, the system is anemic. Let me provide my colleagues with an example from just one State of what integrating these records into the adult records system can accomplish. Integrating juvenile offender's fingerprints into the records system in Virginia resulted in a significant improvement in identifying crime suspects. In fact, prints of juveniles make up only one percent of Virginia's automated fingerprint identification system, but this one percent accounts for 18 percent of latent crime scene fingerprint identifications.

Third, this amendment helps States provide drug testing for appropriate categories of juvenile offenders. This testing will help authorities to know what crimes are drug driven, to better target treatment, services, and punishment as appropriate.

For too long, the Federal Government has neglected to give adequate support to juvenile law enforcement programs. This amendment will help place much needed resources to the law enforcement side of the juvenile justice system. Our current juvenile justice system intervenes too late in the lives of juvenile offenders. All too often, juveniles break the law several times before they are held accountable. Unfortunately, this delay in justice fails to teach youthful offenders the seriousness of their crimes. This chain of events often lead to the tragic juvenile crime newspaper headlines we read in the newspapers nearly every day. We can do better, and the restoration of funds to the juvenile accountability incentive block grant is an important first step. For these reasons, I strongly urge the support of my colleagues for this amendment.

I believe the Senator from Alabama has a good amendment here that would go a long way toward solving some of these problems we have in juvenile crime. I do believe that we will bring up the juvenile justice bill shortly after we return in September. At that time, we can debate all of these issues in full specific form.

I thank the majority leader for, I think, being willing to do that. I thank my colleague for being willing to bring this amendment up, which I think pushes us down that road toward better juvenile justice than we have had in the past. He has done a terrific job in this area. He has been singular in his dedication and drive and forthrightness in this area. I think we ought to all listen to him and do our best to back him in the things that he is trying to do, as a former prosecutor, as a former U.S. attorney, as somebody who really knows this area very well.

With that, I yield the floor.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Thank you, Mr. President.

I call up amendment No. 3245 and ask unanimous consent that Senator HATCH be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS], for himself and Mr. HATCH, proposes an amendment numbered 3245.

Mr. SESSIONS. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 30, line 7, strike "$100,000,000" and insert "$150,000,000".

On page 36, line 20, strike "$95,000,0000" and insert "$45,000,000".

Mr. SESSIONS. Mr. President, I would like to say how much I have appreciated the opportunity to work with Chairman HATCH. He is an outstanding leader, a terrific lawyer, an outstanding constitutional scholar, and a champion for bringing order and discipline to ending crime in America. There is no one here who has contributed more over the years to that effort than Senator HATCH. And his advice and friendship, as we have gone forward, has been very, very helpful to me.

Mr. President, let me just say this. I am going to go right to the heart of this matter. I came here to work on juvenile crime after serving as a Federal prosecutor for 15 years and attorney general of Alabama for 2 years. I care about juvenile crime. I have studied it. I have talked to juvenile crime experts—prosecutors, probation officers, judges—who have worked with it on a regular basis.

I have concluded that we have a juvenile justice system that is overwhelmed by the flood of more and more cases, more and more serious cases. According to a New York Times article, in Chicago they spend 5 minutes per case. That shows you what is happening in America, around the country.

You talk to police officers in every town and they are frustrated by what is happening in juvenile justice. They tell me, "Jeff, we can't do anything to them, and they know it. They are laughing at us." I have heard that all over. It is not the fault of the judges. But it is really the fault of all of us who have allowed the adult criminal justice system—and rightly so—to be strengthened significantly.

We have gone to three times as many adult people in jail, for example, as we had just 18 years ago. And now we have had very little increase in the number of youngsters who have been detained under any kind of detention program than we had before. And we have had the most serious increase in the most violent type criminal activity by that younger group.

So what do we do about it? They say we need a balance between prevention and law enforcement. And I agree with that. What we want to do—and my amendment does—is seek to have balance.

Look at this chart. We have $4.3 billion dedicated to prevention programs in this budget already. That is what this Government is spending. This is from a study done by the General Accounting Office that was just completed in May of this year. We found that there is no money dedicated solely for juvenile law enforcement—unless perhaps we count the money that was funded in the block grant that I am supporting today from last year. Otherwise, there is none. I think we need to think seriously about what we are doing.

Under this bill, this appropriations bill, the amount of money that was to be expended for the block grant program to increase and support juvenile justice in our local communities to help our States do that—we have gone from $250 million in last year's budgetary authority, cut to $100 million this year.

In addition to that, in the program that the President has supported, we have gone from $20 million to $95 million. I want to share with you what that program spends the money on. This is the prevention program that has gone from $20 million to $95 million in this year's budget.

It says it is to provide juvenile justice system programs for children, youth, and families, these things: Recreational services. Now, that is No. 1 listed on the plan—recreational services. I am for recreation, but I am not sure in a juvenile crime bill, in an effort to fight crime, we ought to be promoting recreation.

Tutoring and remedial education. I am going to show you here in a minute a list of 129 programs that are filled with those kinds of activities. What we do not have is any help for our juvenile judges and probation officers and drug treatment personnel in the court systems.

Here is the third one: Assistance. This is what it says: "Assistance in the development of work awareness skills." That is on what we are spending $50 million. I don't know what that means.

Child and adolescent health and mental health services. We have a host of those already funded by this Government.

Alcohol and prevention programs. We have that pending legislation right now to a tremendous degree, and we already have programs spending moneys on that.

Leadership and development activities. Now, I don't know what that means.

Finally, teaching that people are and should be held accountable for their actions. I agree with that. But how do you teach people to be accountable for their actions if you arrest a youngster in a household burglary and he is taken to the police station and released that very night and sent home and nothing happens to him? Is that the way you teach it? I say that is what they are hearing. That is what people are hearing and that is what you will find if you talk to your law enforcement officer.

What are we already funding in this governmental program? We are spending $4 billion in 129 programs for at-risk delinquent youth, according to the General Accounting Office. Here, under Department of Treasury, gang resistance education and training projects, $8 million; juvenile justice delinquency prevention and mentoring, $4 million; juvenile justice prevention allocation of the States, $70 million.

Under Department of Labor, employment and training research and development projects; job training for the homeless demonstration program; and so on and so on, program after program after program, designed with good intentions to deal with kids who are at risk.

Now, let's go back to square one. Let me tell you what I think ought to be done. Who are the most at-risk children? Those are the ones who are going to court now. According to a Newsweek article, 70 percent of the young people who murder someone have taken a gun to school previously. That is a stunning number. What that says does not surprise me in the sense that most of the young people in America who are committing serious crimes—the armed robberies, the assault with intent to murder, the murders, the rapes—have been in trouble with the judge and the courts before. They have been there before. If the courts are spending only 5 minutes to deal with them, no wonder they are coming back time and time and time again.

As Senator HATCH said, our goal must be to make that first brush with the law the last. How can we do that? That is what we are saying. What should this Senate do? I am telling you, based on my experience and the hearings we have had for the last 2 years, what we need to do is strengthen the juvenile justice system. That is what we need to do.

Now, that does not mean you put people in jail every time they get caught. It means when you arrest them, the first thing you should do is drug test them. Is this criminality being driven by drugs? If it is, then we ought to have them in a treatment program. They ought to be drug tested and monitored to make sure they get off drugs. That is the first thing you do. If this is the third, fourth, or fifth offense and they have committed a serious crime, they ought to be detained. We cannot continue to allow repeat offenders to run at large, even though they are 16 or 17 years of age.

There was a murder in Montgomery, AL. Three youngsters killed a night watchman. I called the police department to ask about the prior record of those offenders. This is what they told me: 7, 7, and 15 prior arrests. That is what they had, each one of them. One 7, one 7, and another 15 prior arrests. They were still on the street. The revolving door was still operating and they murdered somebody. We would have done them a favor had they been detained, sent to an alternative school, sent to a boot camp. Perhaps we could have intervened in that lifestyle and stopped that murder from occurring. As it is, they were certified as an adult, will now be convicted as an adult, and sent off to an adult jail for a very long sentence. Who benefited from that?

The reason is that juvenile court system in Alabama, and all over America, is overwhelmed. Our bill provides an incentive grant to the States for the purposes of strengthening that. It will give those juvenile judges the authority they need to crack down on juvenile crime and to change that life direction that is heading in the wrong direction, to the right direction.

Let me tell you what this money can be used for. It will be used for programs to enhance prosecution and confinement of juvenile criminals as part of the graduated sanctions proposal. Everyone, on both sides of the aisle, agrees that we need graduated sanctions. When you are caught for one offense and you do another one, you go up a punishment level. The sanction is a punishment increase. That sends an important message that crime does not pay.

It would fund programs that require juvenile delinquents to pay restitution to victims of juvenile crime. It would fund programs that require juvenile offenders to complete school or vocational training. That is what our proposal would do. It would require juvenile criminals to pay child support. If they have a child, they ought to be supporting that child. There would be programs to curb truancy. We need to get these kids back in school promptly. As soon as we can identify truants, they need to be apprehended and sent back to school before they get so far behind that they are hopelessly behind their contemporaries.

Programs need to be designed to collect, record, and disseminate information on their criminal history. It would provide drug testing, programs for antidrug youth programs and the like. It would have a serious habitual offender program. It would have programs targeted toward youth gangs, and the construction and remodeling of short-term facilities for juvenile offenders. You have to have someplace to put them or you are just releasing them the very day they are caught. That is what is happening. They are being released the day they are caught. We need more juvenile facilities so there can be some detention. This would allow the States to apply for a grant, for matching money, to have detention facilities, alternative schools and boot camps and whatever they think is necessary to strengthen their court system.

As a policymaker, recognize we have a limited amount of money. How do we apply that money most effectively? Who do we use it on? We use it on, I suggest, those people who are already coming into contact with the criminal justice system. Routinely, they are being arrested in America today for the second, third, fourth, fifth, sixth, tenth time, and nothing serious has happened. The reason is we have not given enough attention and support to those juvenile judges, those prosecutors, those probation officers, who are out every day trying to change lives. If we can strengthen that group, that is what we should do.

Now, I am not opposed to general programs, after-school programs. I am not opposed to alternative schools. In fact, I would support those. Our proposal and our need today, the most critical need, is to identify those young offenders who are heading to a life of serious criminality, who have the potential to kill somebody, maybe your son or daughter, maybe my son or daughter. We see in the headlines every day young people committing those kinds of crimes.

The answer to it is to find out who is capable of that at the earliest possible stage and do something about it. Most of those are going to be coming through the juvenile court system. In that juvenile court system, most good ones—and I have visited them around the country; they have mental health treatment, drug treatment, counseling, incarceration, alternative schools, evaluations to determine whether or not they have learning disabilities and those kinds of problems—try to get those children on the right road.

That is where we need to spend our money if we want to reduce serious juvenile crime. Spending it on every child in America in after-school programs may be a good decision for America to pursue but we have not had hearings on it and analyzed it. But it is an education function, primarily. This bill—our effort, our block grant—is designed to assist the juvenile justice system in performing their function of

identifying and confronting those young offenders when they first brush up against the law, and to make sure that first brush is their last brush.

If we do that, we will be investing our money wisely. I submit that the program that is in this bill that I just shared with you is vague, unspecific, and does not deal primarily with the kids that we need to deter from crime; and taking the money from that program and shifting it to this block grant and increasing it will focus our resources on the kids that need it the most.

I yield my time.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I admire and applaud the interest of my friend from Alabama in the criminal justice system. He is a former prosecutor and is dedicated to law enforcement. I stand not to disagree with his concern; I disagree with his solution. There is on old expression where I come from—I think the Senator is "in the right church, but he is in the wrong pew."

I will explain what I mean by that. My friend has not misrepresented any facts, but it is a matter of presentation here. I want to make sure that I deal with 3 major issues. I want to lay out to my colleagues what I am going to do. First of all, I want to applaud the chairman and ranking member of the Appropriations Subcommittee here. I think they did one heck of a job on this legislation. I start off by rising to defend—not that they need any defense—what the appropriations bill does in this area. So I am going to first make sure we all understand, and our colleagues' staffs who are listening understand, what the amendment of my friend from Alabama actually does, in specific terms. Then I want to speak to the issue he has raised, which is that there are already a sufficient number of programs dealing with prevention. He cites the GAO study. I want to go into some detail, quite frankly, for the first time. These figures keep being offered and this assertion keeps being stated. I think, although it accurately says what the GAO report says, it does not accurately reflect what is actually being done relative to prevention. Lastly, I am going to conclude by laying out what I believe to be the larger prescription to putting into context what I think we should be doing to deal with the problem the Senator from Alabama and I—and I suspect every Senator—agrees that we have to attend to now.

I respectfully suggest that, at the outset, about 5 years ago when the crime bill passed—the comprehensive crime bill—it was called the Biden crime bill. That is when it didn't look like it was going to work, so the President liked it that way. Well, it started to work, and then it was the Clinton crime bill. So it started out as the Biden crime bill. The point is that it's working, so it is the Clinton crime bill. And it is now the bipartisan crime bill, which everybody supported.

That was the first time in the 25 years I have been here that, on a large scale, we learned to walk and chew gum at the same time when we dealt with crime. We had a very heavy dose of enforcement, a very heavy dose of prevention, and a very heavy dose of medicine relating to incarceration after the conviction. And I think that is the way we have to approach the issue of juvenile justice. It is the last unattended-to criminal justice issue of consequence that we have not come up with a comprehensive plan on.

The Senator from Alabama and I have been cooperating, debating, disagreeing, and working with one another in the Judiciary Committee for the last year and a half, with differing points of view on how to deal with a comprehensive juvenile justice approach. He indicates this is not that comprehensive approach. He is doing what is within his rights and what he is limited to be able to do on this appropriations bill, and that is deal specifically with what is in the bill.

So the committee reported a bill that now includes $95 million for title V grants under the juvenile justice office. The way the committee broke it down, wisely, was $20 million for prevention efforts, aimed at tribal youth—that is in the Indian nations; $25 million for the enforcement of under-age drinking laws and efforts, championed particularly by Senator BYRD of West Virginia; $50 million for the remainder, which supports a variety of community-based locally developed crime prevention programs, targeted to school violence, drug abuse, and truancy, which I think is the first thing the Senator from Alabama and the Senator from Delaware agree on. If you look at all the data, the single most significant, predictable precursor of youth violence is truancy. If you give me a list of all the truants and a list of all the other attributes relating to activities and conduct of students in American schools, I will bet you I will be able to pick any school district, any school, and identify for you 85 to 95 percent of the troubled youth, violent youth, just by being able to identify truancy. So we all know that, like the Senator from South Carolina who has spent a great deal of time dealing in this area, as has the Senator from New Hampshire. We all know that. They made a very wise allocation.

What would my friend from Alabama do with his amendment? He would cut the $95 million for prevention by $50 million. Then he would take that $50 million for so-called youth block grants. I am not opposed to youth block grants. In the Biden juvenile justice bill, which is the alternative on our side of the aisle to S. 10 by my friend from Alabama and others, what we do—we believe we have to have enforcement as well. The Senator from Alabama takes $50 million out, which is basically the $50 million dealing with after-school, community-based programs and puts it into enforcement efforts. Last year, $45 million was appropriated for this, and the Senator from Alabama, Senator SESSIONS, is cutting the program back to last year's level—that is, $45 million—for all of the nonenforcement provisions relating to prevention.

Now, I note parenthetically that the Democratic youth violence bill has $100 million for after-school prevention, $400 million for youth violence block grants, which is enforcement, and $250 million relating to existing programs, about one-half enforcement and one-half prevention, and $150 million for juvenile prosecutors in courts. So I want to put this into context. I don't speak for either of the managers of the bill, but my guess is that this is not a case where they attempted to write an entire juvenile justice bill. They were dealing with provisions within that. So I don't disagree with the proposition of my friend from Alabama that we have to do more on the enforcement side as well.

The bill I have written, in concert with my Democratic colleagues—and many Republicans as well support it—relates to both prevention and enforcement. When I say enforcement, I mean prosecution and the courts, and we have already taken care of provisions and have more provisions relating to juvenile justice detention and the facilities relating to that.

So let's get this straight as this debate is underway here. I am not suggesting, in taking on what I am about to do regarding the specifics of the present specific amendment of my friend from Alabama, that we don't need more for enforcement. Again, I go back to my opening statement. I said it is nice when we have learned—and it works—to walk and chew gum at the same time. That is what we did on the master crime bill, the major crime bill. I don't know of anybody saying that crime bill is a bad bill now. What we did there is we committed, over a 5-year period, billions of dollars—$30 billion. It did not break down a third, a third, and a third, but it was not far off that. I am overstating it in the interest of time. Roughly 30 percent was for prisons, 30 percent was for cops, and 30 percent for related programs that keep people from going into prison. That makes sense.

Now, we should do that on a wholesale basis for juvenile justice with a different focus. Let me specifically respond and again make the point—and I realize I am being somewhat pedantic here. But this is not about whether you are for enforcement or for prevention.

We should do both, and we do both. It is about whether or not the skewed alteration of the allocation of prevention and enforcement proposed by the Senator from Alabama is the right way to go. Obviously, I think it is the wrong way to go. Let me explain why. First, in explaining why, let me respond to the specific underlying, and on its face compelling rationale my friend from Alabama offers with his blue charts.

Let me explain what I mean by that.

The Senator makes the statement that has been made many, many times—not just by him but by others—that we don't need to go anymore into the prevention side. In large part, the basic premise rests upon the notion that we don't need to provide them with safe havens, et cetera, because we already have out there 131 programs for at-risk youth with an annual appropriations of $4 billion.

The Senator from Illinois actually knows about this subject. But if I am the Senator from Illinois and I come on the floor and listen to the debate, and I say, "Look, the Senator from Illinois is one of these guys who is always talking about cutting wastes from programs that we don't need"—overlapping programs—I stand up, and I say, "By the way, we don't need to spend more money, we just need to spend the money better."

The GAO report says there are 131 Federal programs and $4 billion. So I ask the Senator from Illinois why he would agree with Senator BIDEN—or, in this case, with the committee—in putting $50 million of the $95 million they have in the prevention program. That is kind of compelling. Then I say the GAO said that, not me—the GAO. But the GAO does say that.

I am going to take a few moments to bore you with some of the data underlying the GAO report. Maybe we can get an agreement here as to what the facts are underscoring the basis upon which the GAO report was filed. My colleagues on the other side—some, and a few on this side—have been saying we don't need to do more to steer our children away from gangs and drugs; we don't need to provide more safe havens from the streets; we are already doing enough. I am supportive of the argument. GAO identifies 131 programs for at-risk youth with annual appropriations of $4 billion. And the claim is that after-school prevention programs that have been proposed by me and others included in the youth violence bill but included in this case in the appropriations bill are just more of the same.

Let's take a closer look at the 131 programs being criticized over and over again and see what we are really talking about.

I apologize to my colleagues. The ranking member of the Judiciary Committee has been kind enough to allow me to continue to be the ranking member of the Crime Subcommittee, and I feel like I let him down a little bit, because he has been doing about 500 other things out there in that committee, and I should have been calling what I am about to say to the attention of our colleagues 6 months ago, to be honest with you. And I didn't. I didn't. Let's take a look at it.

The GAO report says that based on fiscal year 1995—to start with, many of the 131 programs have already been eliminated since then. In fact, 15 of the programs listed didn't even receive any funds in 1995. The report doesn't indicate whether any funds were expended on 22 others. What you had to start with is that a total of 37 of the 131 programs either didn't receive funds or weren't listed. The number of 131 is already inflated, No. 1. You are talking about maybe around 100—less than 100 programs.

According to the GAO report, the Federal Government was spending about $4 billion per year on programs for delinquent and at-risk youth, a target that all of us on the floor are concerned about, from the Senator from Alabama to the Senator from New York to the Senators from New Hampshire and South Carolina. But when you take a close look at the actual programs, only a portion of these funds and programs are targeted specifically at preventing violence and drug abuse for young people.

Let me give you two examples: $1.2 billion of the $4 billion—let's get this straight.

You can tell I have been here 25 years because I am not a chart guy. I was kidding one of my Democratic colleagues saying that he does this so well when he debates. But guys like BUMPERS, I, and HOLLINGS are not so big on charts. We haven't learned the chart deal yet. I guess I should learn it to get into the mainstream, because if I had a chart, it would be clear. What I do is just talk longer and probably confuse things. But I am going to give it a shot without charts.

Let's start off with 131 programs being offered saying we have $34 billion spent on at-risk youth. The truth is, it is 97 programs, and that is 1995. The truth is, in 1995 you really only had, at most, about 97 programs that got funded at all. OK?

Then you have a second piece. Of those 97 programs that allegedly are targeted at at-risk youth—roughly 97—what you have is, $1.2 billion out of the $4 billion that is spent on those programs goes to the Job Training and Partnership Act. That was a program championed by a lead contender for the Presidential nomination of the Republican side, Dan Quayle, and the leading Democrat on the Senate side, TED KENNEDY. That is their program. When they introduced the program—and most of us were here—I don't remember any Member standing up saying this is for at-risk youth, designed to prevent crime. Hopefully, it has the spinoff benefit of providing jobs for kids and they don't go into crime. But this is not to deal with 36 million latchkey children who walk home after school without a mother or father there because both have to work and have from 2 in the afternoon or 3 in the afternoon until dinnertime with no supervision. That is not what the Job Training and Partnership Act was. But GAO counts $1.2 billion of that against the $4 billion they say we are spending on at-risk youth, violent youth.

I am sure I don't have to remind anybody that the so-called JTPA is a program, as I said, championed by Dan Quayle and TED KENNEDY, that while job training is important, it is not what most of us think of as targeting at-risk, violent juveniles.

Now we are down from $4 billion to $3.8 billion on 97 programs. There is another quarter of a billion dollars—not quite. To be precise, $245 million goes for vocational education programs. Most of the kids my friend from Alabama and I are concerned about are not signing up for vocational education, an important program. I strongly support it, as I do the job training program. But, again, no 13-year old with a key hanging around his neck after the school bell rings, walking through a bad neighborhood and by 12 junkies to get home, says, "My way out of this is job training; my way out of this is vocational education." It is an important program, but it is not what we are talking about.

Now we are down to about $2.75 billion and 97 programs. Actually, if you take vocational education, job training, and the related programs, it is about $1.5 billion the Federal Government spends. We are really down to about $2.35 billion and 97.

Let's talk about some of the other programs. They go to very worthy activities. I am not in any way criticizing them. I voted for them, and I would vote for them again. I think they make sense. But they are not targeted programs for violent youth or at-risk youth.

Let me go on.

If we are going to talk about focus—that is what I am talking about here—7 of the programs listed are assistance for homeless youth, 9 of the programs—now we are down to about 90—9 others are very important, but they are for a variety of activities directed at Indian youth, for mental health and physical health programs. Now we are down to about 80 programs.

Three other programs are dedicated specifically to mental health services for the general population. Now we are heading down into the mid seventies. Four programs deal with child abuse. Still we are in the seventies—below 70. And one of the programs is for migrant health services. So now you are down to around 70 programs from the 131.

I will give you one example. The GAO list includes the HHS Child Welfare Grant Program which provides one-third of a billion dollars, $292 million, for foster care and services for abused and neglected children—very important services but not what we are talking about.

So now we are getting down to the $2 billion area with about 70 programs. Other programs have little or nothing to do with crime and drug prevention. While any line drawing that I am making here—and I am doing that—is somewhat arbitrary, at least I hope this puts it in context for my colleagues.

Let me give a couple other examples of programs that I don't think any of us—if we had a list of all the programs that I want, all the programs any of us want here to deal with youth prevention, if we listed them all on a board and I said, "Pick the top 50 that deal with violent youth and preventing crime," I doubt whether you would add the Foster Parent Grant Program, the Food Stamp Employment Program, the Youth Impaired Driving Project, four programs for promoting art with youth—all important programs, all important, none of which I disagree with, but they do not have a darned thing to do with the center of the debate the Senator from Alabama and I have.

I want programs. I want the States to be able to say, "We will keep the school open until 5 o'clock. We are going to have baseball teams for ninth graders and football teams and basketball teams for the girls." None of the school districts you all live in do that, unless you send your kid to a private school. These kids have nothing to do. Kids need an excuse to tell that junkie they have to walk by on the corner to get to their home; they need an excuse to stay out of trouble.

Let's go back home to your own school districts, many of which are strapped, and ask yourself, "Why is it there is Little League in the summer but no baseball teams after school for boys and girls in sixth, seventh, eighth, and ninth grades?" Well, the school districts don't want to spend the money.

I am the guy who came to this floor 8 years ago and said, "The majority of the violent crime committed by young people is not when you all think it is." Everybody thought it was done in the heat of the night. It is done in broad daylight, in the sunlight between the hours of 2:30 and 6.

I remember when I brought that report from the Judiciary Committee—actually, the credit goes to the joint staff then of the Judiciary Committee—when I brought it to the floor. "Oh, there goes those liberal guys again, talking about this coddling stuff." Now there is not a cop in America, there is not a criminal justice person in America who doesn't say that is the problem.

My mom has an expression, as she would say, God love her—my mother is an Irish Catholic woman with 6,000 expressions. I went to Catholic grade school with the nuns. I think my mother, when she wasn't having children, was a nun. She remembers all the expressions. And one of her favorite expressions is, "An idle mind is the devil's workshop."

An idle mind is the devil's workshop. You get a ninth grade kid living in a tough neighborhood without supervision of any adult in a school, in a family, for 4 hours every day after school, and good kids, good kids do bad things; it is called maturation. What the heck do we expect these kids to do? They lack good judgment. Even when they know and care about right and wrong, they have bad judgment because they are 14 years old; they are not 24 or 54.

I ask all of you—you may be, and probably all are, a better person than I am, but I wonder how I would have been if every day after school for 4 hours a day I was on my own, on my own. I was a pretty good athlete, and I was a pretty good student, and I never got myself in trouble with the law. But I want to tell you something. I will bet you, if I was on my own, with all of the values my family instilled in me, I am not so sure I would have had the courage to say no to the guy who was 17 who says, "Hey, jump in the car and take a ride with me. It's only Charlie's car. We borrowed it." I would like to think I would have said, "No problem. That's wrong. You guys are doing the wrong thing. I am not going to participate."

Let me tell you something, Jack. You are a better person than I am if you are certain how you would have done it. And that is how this incrementally starts. It doesn't start with a 13-year-old kid waking up saying, "You know, I am going out and get a MAC-9, walk into the 7-Eleven, blow away the guy behind the counter, and get $17 in cash so I can go buy myself some dope." That is not how it works.

And so what are we doing here? Well, once you winnow out the programs for problems like child abuse and mental illness, once you exclude the programs directed at narrow populations, I believe that only 41 of the 131 programs in the GAO list, spending out at about $1.1 billion in appropriations a year, are targeted specifically at juvenile crime and drug prevention. And of that total of $1.1 billion, $639 million, over half, went to just two programs, one of which I am responsible for co-authoring, so I obviously support it, and the other which I support as well—over half went to just two programs; $467 million went to the Safe and Drug-Free Schools Act and community programs.

Now, the Safe and Drug-Free Schools Act is the act we passed here, got funded. Then 1 day I guess the Speaker woke up and said, "We think that's a bad idea," and they cut it. The public went bananas, and they put it back in; it is OK. Of the $1.1 billion for at-risk youth, $467 million goes to the Safe and Drug-Free Schools Act, and my Republican colleagues boosted that appropriation last year to $556 million, a move I fully support and compliment the Republican leadership for doing, particularly since the House wanted to eliminate it.

So now you are talking, of the $1.1 billion, $639 million of it, over half of it, is going for programs that, again, are not about after school. Then $172 million of the remaining roughly $400 million went to the Upward Bound Program—important. It provides mentoring, tutoring, and life skill training. If my friend does not understand what work awareness is, work awareness is a lot of these kids grow up in a family with no sense, no notion, no responsibility, no image, no example of what work means. Unless something has happened, birds learn to fly by watching their parents, ducks learn to paddle in my pond watching their parents, snakes learn to slither, turtles learn to swim. Where the heck do you think we learn? Where do you think our kids learn? It is a good program, but it is directed at disadvantaged high school students, this $172 million in the Upward Bound Program, to encourage children—targeted at economically disadvantaged children—to continue their education. That is very important. It indirectly has an impact on crime. But, again, it certainly is not a targeted crime prevention program.

Then, of course, the GAO attributes about $146 million to 11 programs in the juvenile justice office, only a few of which are proposed to be consolidated in the Republican crime bill.

That is roughly $400 million for about 27 crime and drug prevention programs, some of which are tiny demonstration or pilot projects that cover no more than a handful of sites across the country and are designed to study what works and what does not. For example, in the list of that $400 million, $200,000 is for a demonstration grant program for residential drug treatment for women with young children—important, but, again, not what we are talking about.

So the impression given here that there are more than 130 Federal prevention programs designed to target at-risk youth is simply not an accurate reflection. In all of the cities and towns across America, and serving every child we can help, there are fewer than 40 programs for about $400 million. And what my friend from Alabama is saying, relying on the GAO report, is: You know, that is about as much as we can do. Government is already doing all it can and should do to stop kids from turning to gangs, crime, and drugs. But

we have just seen many of the programs that are listed as targeted that, in fact, do not do that at all.

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

Mr. BIDEN. I do want to finish this at some point, but I will be happy to yield.

Mr. LEAHY. Will the Senator not agree with me that one thing we have heard, talking with law enforcement people—not somebody who just looks at this from a theoretical point of view, but law enforcement people—is that the issue of prevention comes up over and over again? The Senator from Delaware, of course, addressed this in his original legislation. It was, as the Senator from Delaware will recall, a matter of some debate, both in the committee and on the floor. As I recall, in some of the conference committees we went to 4 o'clock and 5 o'clock in the morning several times, discussing the issue of prevention.

I believe the Senator from Delaware will recall, as I do, the number of police officers and police officials who came to us and said stay with prevention programs.

In many ways, it just makes such great sense. As a former prosecutor, I remember that it was always the prevention programs that worked the best. So I ask the Senator from Delaware, does he not agree with what the President of the National Sheriffs Association says, in an open letter?

After he speaks of the problems of juvenile crime, the President of the National Sheriffs Association says:

> So what is the answer? We must adopt a three-pronged approach to juvenile violence—prevention, intervention and enforcement. These recent statistics indicate the need for a comprehensive prevention strategy that includes education and community involvement, and addresses the root causes of delinquency. We can no longer afford to focus only on treating the symptoms while ignoring the disease. Sheriffs offices, through prevention programs . . . [the letter lists a number of them] can make a difference in the lives of children who still have a choice ahead of them as to whether or not to try drugs, join a gang, steal a car, or otherwise start on the slippery slope of a life of crime.

Wouldn't the Senator from Delaware agree with the head of the National Sheriffs Association and me and so many others who say keep these prevention programs going, do not take money away from the prevention programs, but accept the fact that they are now beginning to work and work very well? This is not the time to cut them off. This is not the time to change these prevention programs into some kind of a block grant program that would not be aimed at prevention. Would not my friend from Delaware agree with that?

Mr. BIDEN. The answer is, I absolutely do. I thank my friend for calling that to my attention.

Let me not just mention the sheriffs. I am going to quote, now, from a few of the leading police officers of America.

By the way, let's put this in context again. When the overall crime bill was drafted by me years ago, the way it got drafted was, I did not sit down with any sociologists or academics or welfare workers or, you know, liberal think tanks. I literally called in the presidents of the seven leading police organizations in America, from NAPO to NOBLE, FOP, et cetera. They sat around my conference table for the better part of 4 months.

I said: You tell me what you need. What do you think you need to fight crime?

In the overall crime bill, they said they needed about a third of it going to prevention.

When I sat down to draft the juvenile justice bill for our side of the aisle, with my colleagues, as a follow-on, I called the same people back in. Some of the presidents were changed. They were not all the same officers, the same people. To a person, they reinforced what the Senator from Vermont just said.

Let me give an example. Mr. President, 170 police chiefs, sheriffs, prosecutors, the president of the Fraternal Order of Police, the International Union of Police Associations, and the leaders of the Crime Victims Organization, came out with a call for action. They title it "A Call For Action From America's Front Line Against Crime," made up of those organizations I just named. On February 5, 1998, here is what they said:

> As police, prosecutors, crime survivors, we struggle every day against crime and its devastating impact. We are determined to see that dangerous criminals are arrested and put behind bars. But anyone who thinks that jailing the criminal is enough to undo the agony that crime leaves in its wake hasn't seen crime up close. That is why no one knows better than we that the most important weapons against crime are investments that keep kids from becoming criminals, investments which enable all children to get the right start they need to become contributing citizens, and would show them that as adults they would be able to meet their families' basic needs through hard work.

(Mr. SMITH of Oregon assumed the chair.)

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

Mr. BIDEN. I will be happy to yield for a question.

Mr. SESSIONS. I enjoyed listening to the Senator. I think he suggested something that, maybe indirectly, he didn't mean to.

First, I want to say I am aware of and respect and appreciate what the Senator has done over the years on crime prevention and law enforcement. But the Senator is not suggesting, I don't think, that any one of these programs is targeted for reduction in any fashion by this amendment, is he? This amendment would simply take a new program and not increase it as much as my colleague and others may prefer to, but none of these programs is threatened. It is not a block grant of any existing programs?

Mr. BIDEN. I thank the Senator for his question. He is absolutely accurate. I am not suggesting in any way that any of the 131 programs listed by GAO would fall to his amendment in any way.

What I am suggesting is, the very compelling argument he makes, when examined, is not as compelling as it appears. And that is, I believe he offered those charts as evidence that we were already doing a great deal on the prevention side.

He is not against prevention. I am not suggesting that either. But he is basically suggesting, as many others have, that we are already doing this massive effort, totaling about $4 billion and 131 programs, to deal with prevention. He believes that what my friends from South Carolina and New Hampshire did by adding $50 million for more prevention is misplaced and it should be placed on the enforcement side of the equation.

The reason I went through in great detail why it is really only about 40 programs and really only about $400 million is to make the point that we are not doing nearly enough on prevention, and to take this paltry sum of $50 million out of prevention, as proposed by my friends on the Appropriations Committee, and put it into enforcement would be a misallocation of a limited number of resources. That is the overall point.

Secondly, I should point out, which I didn't, to put together this little syllogism, that my friend from South Carolina and the chairman of the committee, in fact, allocate $3.5 billion to enforcement just in the Justice Department. Our friends who are the managers of this bill are not—if one listened only to this debate, one would think this debate were about $400 million in youth prevention Federal Government-wide, all the programs I just said. It is not.

My friends are putting $50 million into prevention and $3.5 billion in this bill, in their appropriations bill, into enforcement. It breaks down: On Byrne grants, ½ billion dollars; local law enforcement grants, $460 million; prison grants, $711 million; reimbursement of prison costs for aliens, $350 million; juvenile block grants—that is all enforcement money—$100 million; and $1.4 billion for cops who don't make a distinction between enforcing the law against juveniles and adults.

Again, what the Senator from Alabama and I are really debating about, when you put it all aside, is not whether we should spend money on prevention and not whether we should spend

money on enforcement, but the allocation: Are the limited dollars we have being appropriately allocated?

My argument is, my friends from the Appropriations Committee have appropriately allocated the limited number of dollars and that the amendment my friend from Alabama is proposing would misallocate that money by taking $50 million out of prevention and putting it into enforcement, which already has, as it should, the lion's share of the money.

Let me get back to this prevention issue. The vast majority of the police in America not only do not disagree with the notion that we should be spending money on prevention, not only do not want us to cut existing prevention programs, but want us to spend more money on prevention. They are not in here asking that prevention money be taken and spent on enforcement.

Let me give you one anecdotal piece of evidence before I go to the major organizations. In Seaford, DE, a relatively small community, I asked a question that was—and in Dover, DE, 20,000 people, my State capital, I went to the police officers. I am going to be very blunt about this. I have a great relationship with the law enforcement community. They have always supported me. They have supported me overwhelmingly as long as I have been in the Senate. I pay attention to their concerns. I suppose that is why they support me so strongly.

I went down and met with a very conservative former chief of police in Delaware. He raises steers on the side, and he is a cowboy. I think he thinks my view on a lot of things may be too liberal. We had a debate on how we should treat gays in America, and I think we should treat them no differently than others. I am not so sure he and others would think my view is so good and makes sense, et cetera. This is not a guy who is a liberal law enforcement officer.

I said to him, "If I can do anything for you—get you more cops, get you more equipment—what would you have me do?" Do you know what he said to me? No malarkey. He said to me, "Build me another Boys & Girls Club." This is a hardnosed cop in the southern part of my State. My friend from South Carolina knows the southern part of my State well, and I think he would tell you, it is not a lot different from Virginia or North Carolina or South Carolina. They view themselves as southern, they view themselves as conservative, and they are.

Do you know what he asked me for? He asked me for no more cops, no more money for squad cars, equipment, radios. He said, "Build me a Boys & Girls Club." That is what he said, I say to my friend from South Carolina.

Seaford, DE, had a serious problem with drugs. I said, "What do you want me to do? What do you need?" They said, "We need a Boys & Girls Club. Build us one."

Well, we did. I didn't. We didn't. The local community, with some Federal help, did.

Let me give you a few statistics. This is a letter from the executive director of the Boys & Girls Club in Delaware. He said:

I would like to share with you some recent statistics —

This dated April 30, 1998. It is not about this debate.

I would like to share with you some recent statistics compiled by the Seaford Police Department on juvenile complaints from the period February through March of the last three years.

The statistics revealed:

In 1996, seventy-eight (78) juvenile complaints were logged.

In 1997, eighty-eight (88). . ..

In 1998, only thirty-five (35) juvenile complaints were logged.

The statistics show a 151 percent drop in complaints in 1998 as compared to . . . 1997.

It is no coincidence that the drop in complaints directly corresponds to the opening of the western Sussex Club for Boys and Girls on February 1, 1998.

I say to my colleagues, this "ain't" rocket science. This is not rocket science. There was a study done in the mid-eighties involving three cities, I believe it was New York, Pittsburgh, and Denver. Which took some Boys & Girls Clubs. First of all, there were housing projects in the same demographic areas, same number of people. They put a Boys & Girls Club in the basement of these mostly high-rise public housing projects.

Guess what? Over a period of 2 years, all the indices of crime—rearrests, initial arrest rate, drug use, et cetera—dropped about 30 percent.

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

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

BOYS & GIRLS CLUBS OF DELAWARE,
Wilmington, DE, April 30, 1998.

Senator JOSEPH BIDEN,
Federal Building,
Wilmington, DE.

DEAR SENATOR BIDEN: I would like to share with you some recent statistics compiled by the Seaford Police Department on juvenile complaints for the period February through March of the last three years.

The statistics revealed:

In 1996, seventy-eight (78) juvenile complaints were logged.

In 1997, eighty-eight (88) juvenile complaints were logged.

In 1998, only thirty-five (35) juvenile complaints were logged.

The statistics show a 151% drop in complaints in 1998 as compared to the same period in 1997.

I believe it is no coincidence that the drop in complaints directly corresponds to the opening of the Western Sussex Club on February 1, 1998.

I am sharing these statistics with you because your support was critical in the development of the Western Sussex Club. Your support of $300,000 through the Bureau of Juvenile Assistance was instrumental in the construction of the new Western Sussex Boys & Girls Club facility in Seaford.

The following are a few additional statistics concerning the Western Sussex Club operations:

The Club's membership has grown from 600 to more than 2,000 in three months.

More than 400 boys & girls are using the facility on a daily basis.

The Senior program which is also housed in the facility has dramatically increased both its membership and program service units.

Senator Biden, we sincerely appreciate your strong support of the Boys & Girls Clubs of Delaware and our Clubs throughout the country. We both know that the Clubs work.

Again, I want to thank you for your support and thank you for joining with us in our efforts to do more for even more kids.

Sincerely,

GEORGE KRUPANSKI,
Executive Director.

Mr. BIDEN. Mr. President, prevention works. Giving kids an option works. It works in my State of Delaware, and it works nationwide. The people who recognize it most are the law enforcement community.

Let me give you a quote from William Bratton, former New York and now Boston Police Commissioner. Boston has had a phenomenal—phenomenal—success in controlling murder rates, handguns with youth, and violent crime. Here is what he said:

Those of us who have been on the front lines know that, in the long run, winning the war on crime also will require cutting the enemy's key supply line: its ability to turn kids into criminals. Each day gangs and drug dealers assiduously recruit our children for their army. To fight back, we have to utilize other powerful crimefighting weapons—the proven "right-start" programs and strategies that give kids the armor of values, skills, and positive experiences to ward off crime and violence.

This is one of the toughest cops in the Nation. He is saying the way we keep this from happening is to go out there and engage in prevention activities.

The Buffalo Police Commissioner—I will not go through it —eight juvenile justice directors, the National Association of Counties, say:

Be it resolved that not less than 25 percent of block grant funds be set aside for prevention programs.

Prevention programs.

Police Executive Research Forum; the Catholic Charities of the United States of America; Mark Klaas of the Klaas Foundation for Kids; Patrick Murphy, former police commissioner of New York, Detroit, Washington DC, and Syracuse; the national president of the Fraternal Order of Police, who is a tough crime-fighting guy —he says:

It's time to invest in the programs proven to cut the enemy's most important supply line—its ability to turn kids into criminals.

Prevention.

The U.S. Conference of Mayors; Los Angeles County District Attorney—the

list goes on. I will not take my colleagues' time, but I ask unanimous consent that their statements be printed in the RECORD.

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

WHAT POLICE, PROSECUTORS, CRIME VICTIMS AND OTHER EXPERTS ARE SAYING ABOUT HOW TO FIGHT YOUTH VIOLENCE

170 Police Chiefs, Sheriffs & Prosecutors, the Presidents of the Fraternal Order of Police and International Union of Police Associations, and Leaders of Crime Victim Organizations

As police, prosecutors, and crime survivors, we struggle every day against crime and its devastating impact. We are determined to see that dangerous criminals are arrested and put behind bars. But anyone who thinks that jailing a criminal is enough to undo the agony that crime leaves in its wake hasn't seen crime up close. That is why no one knows better that we—that the most important weapons against crime are the investments which keep kids from becoming criminals—investments which enable all children to get the right start they need to become contributing citizens, and which show them that as adults they will be able to meet their families' basic needs through honest hard work.—Source: A Call For Action From America's Front Line Against Crime (February 5, 1998).

William Bratton, Former New York and Boston Police Commissioner

Those of us who have been on the front lines know that, in the long run, winning the war on crime also will require cutting the enemy's key supply line: it's ability to turn kids into criminals. Each day gangs and drug dealers assiduously recruit our children for their army. To fight back, we must utilize other powerful crime fighting weapons—the proven "right-start" programs and strategies that give kids the armor of values, skills, and positive experiences to ward off crime and violence.—Source: Boston Herald (November 4, 1996).

Buffalo Police Commissioner Gil Kerlikowske

If Congress is serious about fighting crime, it won't pretend just building more jails is going to solve the problem. Those on the front lines know we'll win the war on crime when Congress boosts investments in early childhood programs. Head Start, health care for kids, after-school and mentoring and recreational programs. We'll win when we're ready to invest our tax dollars in America's most vulnerable kids, instead of waiting until they become America's most wanted kids.—Source: Fight Crime: Invest in Kids, News Release (July 24, 1997).

Sheriff Fred W. Scoralick, President, National Sherrifs Association

It is becoming ever more apparent that increasing law enforcement, increasing prosecution of juveniles, and building more jails and prisons is neither sufficient nor adequately effective in stemming the tide of youth violence and crime . . . We must adopt a three-pronged approach to juvenile violence—prevention, intervention, and enforcement. . . . We can no longer afford to focus only on treating the symptoms while ignoring the disease. . . . The challenge facing us as sheriffs, parents, and community residents in America, is to take what is known about youth violence and apply it now to reach at-risk youth before they take their first step into the world of crime, and to deal firmly with those who are already in trouble.—Source: Sheriff Magazine, President's Message: Addressing Youth Violence (January–February 1998).

Eight State Juvenile Justice Directors

At-risk juveniles and juvenile delinquents are at a crucial turning point in their lives. Crime-prevention programs that target this age group are not only essential but also cost-effective when considering the alternative—a person who spends part of all of his adulthood in the state prison system. The success of federally-supported programs in each of the states in our region prove, convincingly, the value of investing in prevention efforts aimed at juveniles.—Source: Letter from Juvenile Justice Directors of Delaware, New York, New Hampshire, Maine, Connecticut, New Jersey, Rhode Island, Puerto Rico, and Vermont (March 5, 1998).

National Association of Counties

Be it resolved, That not less than 25 percent of block grant funds be set aside for primary prevention programs.—Source: Resolution on Senate Bill (S. 10), the Violent and Repeat Juvenile Offender Act of 1997 (February 28, 1998).

Police Executive Research Forum

[I]nvestment in prevention can mean tremendous savings to the criminal justice system. . . . PERF supports the need for improvements in prosecuting and incarcerating dangerous youths, but believes those measures must be balanced by effective prevention programs that will minimize the need for back-end solutions.—Source: Police Executive Research Forum Juvenile Justice Guilding Principles.

Catholic Charities USA

We know prevention programs work. We ask that funds for prevention be set aside to guarantee funding for prevention programs. Our children, even our troubled and at-risk children, are our future. Shouldn't we make the investment to keep today's children from becoming tomorrow's criminals?—Source: Letter from Catholic Charities USA (September 23, 1997).

American Red Cross

The American Red Cross believes that at least 30% of any funds block granted to the states should be allocated specifically to fun on-going, experienced, non-profit, and community based youth development, prevention, and after-care programs.—Source: Letter from Maria Smith, National Volunteer Specialist, Government Relations (July 7, 1997).

Mark Klaas, Klaas Foundation for Kids

Congress should invest in the proven programs that can help kids get the right start, not wait for more innocent Americans to get hurt or killed and then pretend that prisons are a substitute for prevention. No punishment can undo a crime. It is a tragedy—and a travesty—that too few politicians are even talking about making investments that help children become caring citizens instead of brutal criminals.—Source: Fight Crime; Invest in Kids, News Release (July 24, 1997).

Patrick Murphy, Former Police Commissioner in New York, Detroit, Washington, D.C. and Syracuse

When police chiefs hear someone say we can't afford investments in programs that help kids get the right start, we see more bright yellow crime scene tape, more prisons, and thousands of good men and women and boys and girls lying in pools of blood.—Source: Fight Crime: Invest in Kids, New Release (July 3, 1997).

Gilbert Gallegos, National President, Fraternal Order of Police

Its time to invest in the programs proven to cut the enemy's most important supply line—its ability to turn kids into criminals.—Source: Fight Crime: Invest in Kids, New Release (February 5, 1998).

United States Conference of Mayors

We stand ready to support juvenile crime legislation which is flexible both in terms of the requirements states must meet to receive funds and the purposes for which the funds may be used. Specifically, we believe that the legislation should . . . increase the portion of the funds which may be used for prevention and treatment, and assure that there is sufficient funding available for these purposes.—Source: Letter from Jerry Abramson, Chair, Task Force on Youth Violence, February 11, 1998.

Los Angeles County District Attorney Gil Garcetti

We need a multi-pronged approach. We must attack juvenile crime before it starts by using effective crime prevention programming. We also must recognize that there are violent juvenile criminals, particularly gang members, whose crimes are very serious, whose punishment should be severe and for whom lengthy incarceration is appropriate.—Source: Testimony Before the House Subcommittee on Early Childhood, Youth, and Families, April 7, 1997.

Winston-Salem Chief of Police George Sweat

Our fight against crime needs to start in the high chair, not wait for the electric chair. When Congress and state legislatures ignore child care and after-school programs, they force police to fight crime with one hand tied behind our backs.

Mecklenburg County District Attorney Peter Gilchrist

Prosecutors know America will never win the war on crime until it invests more in getting kids the right start. We can pay now or pay later.—Source: Charlotte Observer (October 28, 1996).

Raleigh Police Chief Mitchell Brown

Politicians need to decide if they'd rather just strut like gang members out to prove they're the toughest on their turf, or pay attention to all the overwhelming proof that they could dramatically cut crime if they'd only invest in programs for kids.—Source: Fight Crime: Invest in Kids, News Release (July 24, 1997).

Jean Lewis, President, National Organization of Parents of Murdered Children

To make America safe, we need to be as willing to guarantee our kids space in child care or an after-school program as we are to guarantee a criminal room and board in a prison cell. If we want to do more than flex our muscles and talk about crime—if we want to really keep Americans safe—we must start investing in the programs we know can steer kids down the right path.—Source: Fight Crime: Invest in Kids, *Quality Child Care and After-School Programs* (February, 1998).

Knoxville Police Chief Phil Keith

When we know the peak hours for juvenile crime are between 3:00 and 6:00 in the afternoon, it's just common sense to provide after school programs. When studies show that denying at-risk kids participation in a high school enrichment program quadrupled the chance that they would be arrested, and that excluding them from early childhood programs made them five times more likely to become chronic lawbreakers as adults, it's

just common sense to include those programs in our juvenile crime strategy.—Source: Fight Crime: Invest in Kids, News Release (July 24, 1997).

Ellen Halbert, Crime Victim, Former Vice-Chair Texas Board of Criminal Justice

When politicians focus only on closing jail doors after a crime has been committed, they're leaving the door wide open for more innocent people to become crime victims. Shortsighted policies like these are a prescription for disaster.—Source: Fight Crime: Invest in Kids, News Release (July 24, 1997).

Illinois Attorney General Jim Ryan

Politics aside, what's important is to do what's best for kids, and the best way to fight crime is to prevent it from happening in the first place.—Source: Fight Crime: Invest in Kids (Illinois), News Release (April 30, 1997).

Bloomingdale Police Chief Gary Schira, President of the Illinois Association of Chiefs of Police

Our most powerful weapons to make Illinois safe for our families are investments in the proven programs that help kids get the right start, so they become contributing citizens instead of criminals.—Source: Fight Crime: Invest in Kids (Illinois), News Release (April 30, 1997).

McClean County States Attorney Charles Reynard

I work every day to see that dangerous criminals are behind bars. But we'll just be on a treadmill, with new kids being recruited to take the place of the ones we lock up until we invest in the child development and parenting support and health care programs that have been proven to keep kids from becoming criminals in the first place. These programs really work, and they dramatically reduce crime.—Source: Fight Crime: Invest in Kids (Illinois), News Release (April 30, 1997).

Gordon Rondeau, Founders, Action America: Murder Must End Now

Politicians who focus only on punishment are cheating Americans out of the solutions that could have prevented [my daughter's] death and so many others.—Source: Fight Crime: Invest in Kids, News Release (July 3, 1997).

John Dilulio, Princeton University

Strategically, the key to preventing youth crime and substance abuse among our country's expanding juvenile population is to improve the real, live, day-to-day connections between responsible adults and young people—period. Whether it emanates from the juvenile justice system or from the community, from government agencies or from civil institutions, from faith-based programs or secular ones, from non-profits or for-profits or public/private partnerships, from structural theorists or cultural theorists, from veteran probation officers or applied econometricians, no policy, program or intervention that fails to build meaningful connections between responsible adults and at-risk young people has worked or can.

[I]f we really care about getting a handle on our present and impending youth crime and substance abuse problems, then the time has come to proceed inductively building meaningful connections between at-risk youth and responsible adults via existing community-based programs; focusing on the highly particular and often banal barriers to helping at-risk youth in particular places with particular people at particular times; having the money to fix a broken pipe that flooded the inner-city church basement where a "latch-key" ministry operates; finding a way to transport a young job-seeker from a public housing site to a private job site; getting police and probation officers in a particular neighborhood to work together on a daily basis; funding an incremental expansion of a well-established national or local mentoring program; and so on.—Source: Address to the National District Attorneys Association, July 14, 1997.

Mr. BIDEN. Mr. President, I realize I have kept us here a long time, but I can think of nothing from my perspective that is more important.

By the way, parenthetically, with this surplus we are all arguing about—whether or not we save Social Security, give tax cuts, spend it on things—I still think we should take a significant portion of that surplus over the years that is projected and invest it in the crime trust fund, moving from 100,000 cops to 125,000 cops, writing a juvenile justice bill, doing the violence against women II legislation, and making sure—making sure—that we give local communities more flexibility in maintaining their Federal ability to keep the national 125,000—I hope it will be—cops program alive. That is what we should be spending our money on, in my view. I will get to that at another time.

Let me conclude with the last important overall point. Many of my colleagues on the other side of the aisle have been saying, as I said, that we do not really need to do more. In a report that I offered in December of 1995, I detailed the demographic time bomb which lies ahead. And that demographic time bomb is this: 39 million children now younger than the age of 10, all of these 39 million children are the children of the baby boomers.

Each of them stands on the edge of their teen years, exactly those years that are most at risk of turning children to drugs and crime. There are 39 million children about to enter the crime-committing, drug-consuming years. And the implication of this baby "boomerang" as the demographers call it, even if we do everything right, and at the rate which kids commit crimes—assuming we do everything right and the rate at which kids now commit crimes does not go up one one-hundredth of 1 percent—even if those things occurred, that there is absolutely no change in the rate of crime, we will have a 20-percent increase in juvenile murders by the year 2005, which will mean an increase of the overall murder toll by 5 percent, even if we do every single thing right and there is not one one-hundredth of 1 percent increase in the rate in which juveniles commit crime.

Why? Thirty-nine million children, the largest cadre of youth since my parents were busy in World War II, about to enter their crime-committing years.

I see my friend standing. I have another 10 minutes or so. I will yield to him, but not yield the floor.

Mr. LEAHY. No. Go ahead and finish, I say to my friend.

Mr. BIDEN. Let me speed this up.

Mr. LEAHY. We do have a number of people who want to speak on the same subject.

Mr. BIDEN. I will be happy to yield the floor in a moment.

Clearly, most of the 39 million children in this baby boomerang will never turn to crime and never turn to drugs. But equally clear, we will have a rising number of at-risk children, at-risk children who are at risk to turning to drugs, at risk of being the victims of violence, and at risk of turning to crime.

Let me offer two more figures to indicate the size of the problem we face in the next 10 years. Seventy-seven percent of women with high-school-age children are working moms—77 percent. And all told, about 14 million school-age children have working moms. In all likelihood, this means that these 14 million children will be leaving school after school, unless they come from affluent families, with no supervision after school until mom gets home.

That is not a criticism of moms working, it is a criticism of our failure to recognize the demographic change as well as the social change that has taken place in America.

For the rising number of at-risk children, I believe we have to discuss what has become a dirty word among Washington politicians, even though it is a word I hear over and over again from prosecutors and police chiefs and people in the juvenile justice system and what their solution to the violent problem is. It is prevention—prevention.

We must keep as many of these at-risk children as possible away from drugs and crime in the first place. In the most practical terms, that means keeping kids busy and supervised from 3 o'clock in the afternoon until the dinner hour. Those 3 hours represent about 12 percent of the day, about 20 percent of the hours that our kids are awake; and 40 percent of all juvenile crime that is committed in America is in those 3 hours.

That is why I strongly oppose—strongly oppose—the effort by my friend from Alabama to undo the good work that our friends on the Appropriations Committee have done. And I just want to warn my colleagues, as I was kidding one of the staff here, I do not speak often on the floor, but when I do, I guess I speak long.

But the truth of the matter is, there is nothing—nothing, nothing, nothing, nothing—more important to the economy, to the security, to the safety of this country than what we are going to do to prevent those at-risk youth who find themselves among those 39 million

young people under the age of 10; that nothing—nothing—will affect our standard of living, our quality of life, more than how we deal with that issue.

I will be back on this floor at a later date and, over the next couple years, arguing that portions of that surplus that we are predicting will occur as a consequence of the policies of this administration and Congress—balancing our budget and moving to surplus—should be spent—should be spent—on crime prevention, crime enforcement, and on the prison system.

I thank my friend from Vermont for being so patient. And I thank my colleagues. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Thank you very much, Mr. President.

I have had an interesting time listening to the Senator from Delaware with his remarks about the purpose and intent of our amendment. I think in that regard he is in error. And I think we should talk about that.

First of all, the Fraternal Order of Police, whom he quoted, and the Boys & Girls Clubs, have supported the incentive block grants. I certainly agree that prevention, intervention, and enforcement are the keys to the effort to reduce juvenile crime.

And what is intervention? The experts are telling me—mental health workers, drug abuse people, judges, probation officers whom I have talked with at great length—tell me the most effective point of intervention is when a child has been arrested for some sort of offense, taken to the juvenile court, and answers to the judge and the probation officer. His parents are involved. And if that child is found to be involved with drugs or other psychological or emotional problems that may be involved, that is the single best time to intervene and to prevent them from future criminal conduct that not only makes victims out of innocent young children, who are most often the victims of other juvenile offenders, but also prevents that child perhaps from heading down a life of crime that would leave them serving long periods of time in prison.

And the Senator says these programs that I have cited are not prevention programs. I find that really stunning, to say a homeless youth program, a program designed to deal with homeless youth, isn't a crime prevention program. It surprises me to hear him say that.

Mental health programs, he suggested, are not prevention programs. Or children who are victims of abuse as a child, programs that deal with that certainly are prevention programs. By the way, our amendment does not affect any of these programs. They all continue.

The Foster Grandparent Program, I suggest, is a way to prevent children from being involved in crime. Art for Youth—that is what the art people tell me, "We need more programs to help these young people express themselves," and that would help prevent them from a life of crime. At-Risk Youth Program, certainly those are prevention programs. I just say we have many prevention programs.

In fact, we have none dedicated to law enforcement. The fact that the Department of Justice spends several billions of dollars on law enforcement should not be in any way considered to have an impact on youth crime, because the truth is the Federal Government does not deal with juvenile criminals. They probably prosecute less than 100 a year in all the Federal courts in America, certainly less than a couple hundred. It is just not done. Juvenile crime is dealt with in the State systems. That is where we have the crisis. That is where we need to do something about it.

The Senator from Delaware is most eloquent in advocating after-school programs. For who? Under what circumstances? How much will we spend on them? Which agency should administer that? I suggest without any hesitation that the Department of Justice doesn't need to be the agency handling an after-school program. That ought to be done through the educational establishment.

Mr. BIDEN. Will the Senator yield?

Mr. SESSIONS. Yes.

Mr. BIDEN. Mr. President, I think local authorities should make that judgment. They should decide. I don't think you should discriminate, whether it is at risk or not at risk. It should be after-school programs in which everyone is entitled to participate. Let the States make those decisions, not us; but let's spend the money.

My point is, spend money on after-school programs. All of the other programs the Senator listed do impact indirectly on youth violence. The problem is, 14 million kids with nothing to do for 3 hours, where 40 percent of the crime is committed. None of those programs are directed at that. We don't deal with that. We don't deal with the problem, in my opinion.

Mr. SESSIONS. Mr. President, I understand the Senator's concern, passion, and emotional commitment to that problem of 14 million kids, after school, many of whom are unsupervised. I understand that.

But I believe if we are going to have an after-school program that doesn't distinguish between at-risk kids and others, we are talking about billions of dollars, tens of billions of dollars, an amount of money of which our program doesn't even scratch the surface; we are talking $50 million, is what we are talking about. How can we best use that $50 million in some sort of vague, generalized program?

Let me read to you again what this statute would dispense under the grant for prevention programs: for recreational services, tutoring programs, assessment in work awareness skills. JJTPA, the job program for youth, isn't that a prevention program, $1 billion spent on that? Certainly tries to help young people who are out of work and who have never worked before get a job. That is a prevention program. We are spending $1.1 billion on that.

What we need to do is deal with the youngsters who are coming into contact with the juvenile justice system. If something isn't done about it, they are going to murder somebody or they are going to end up committing an armed robbery and having to serve 20 years, because they are certified as an adult because they committed a serious crime at age 17 and they have to go off for 20 years. Had we had a juvenile justice system capable of intervening early—at 12, 13, 14 or 15, when they are being arrested again and again—they wouldn't be down there.

I have been there. I have talked to juvenile probation officers and judges who have dealt with this on a daily basis. I am telling you, the Juvenile Judges Association in this country endorses this block grant program wholeheartedly. They know that is what we need to do. We need to be dealing with the kids who are most at risk, the ones already coming into contact with juvenile justice.

This plan to spend $50 million more on this program is political. That is what it is. It is a political game. We are going to create a confrontation on the floor and we are going to say we care about children, we want to prevent them from crime, and we are going to spend more on all of these programs; this wide open deal—it has no goals, no standards, no real teeth to it—spend the money on anything in the world. That is on what we want to spend our money. Everybody who has any support for the law enforcement community doesn't like kids, doesn't want to see them change, doesn't care about prevention. All you guys want to lock them up.

Some children need to be locked up. I just told the Members of this body about the three kids who murdered a night watchman—7, 7, and 15 prior arrests for those kids. They would have been better, that night watchman and his family, would have been better if the court system had enough resources to intervene effectively at that point in time.

That is not mean. That is not unkind. That is not a kind of response that is insensitive. You simply cannot allow repeat, dangerous young offenders to be released time after time after time with nothing more than vague programs like this to deal with it.

Do you think that juvenile judge who has given his life to dealing with kids,

do you think that juvenile probation officer who has been working with them all of his life, doesn't care about them? Do you think they are not going to try to craft a program that would help those children? I am telling you, that is what is happening in America where there is sufficient resources for it. Some of them have to be incarcerated.

One of the greatest success stories is in Boston, MA. You have heard about the Boston Miracle. They did two things. They targeted their resources. A professor from the University of Maryland advised the Department of Justice, "If you want to reduce crime, target your resources on the groups and the people who need it the most, primarily those who have been arrested." But in Boston they took the high crime communities, the areas where there were gangs, they confronted the gang members and told them if they did not change their lifestyle, they would be prosecuted. The judges backed them up. They locked up those who were the leaders and the others quit being so active. The murder rate plummeted. It was dramatic what they had done.

My staff member went there and visited with them in Boston. She said, "Do you have a place to put them when they violate probation and curfew," and they said, "Yes, that was a commitment on behalf of the community."

So we are giving resources to the juvenile justice system to set aside the kind of detention facilities, alternative schools, safe houses, whatever they feel is necessary to be able to remove that kid, discipline them for repeat offenses, and change their lifestyle.

But it is important they not be left on the street, leading a bunch of other kids down the wrong path. If you get rid of the main leaders, a lot of the other kids will cease to be involved in a life of crime.

What kind of a message does it send if the police arrest a youngster for the fourth time for an armed robbery or a car theft and nothing happens to him? What kind of moral message is that? This prevention grant program they want to spend $50 million on says one of the goals is to teach that people are and should be held accountable to their actions. Well, I agree with that. We are not saying that the first time a youngster gets in trouble they need to be certified as an adult or sent off for a long period of time, but they need to be confronted seriously. They have to have a serious confrontation with their own immoral, illegal act. Their parents need to be involved in that. They need to have counseling programs, drug testing, drug treatment, and other activities and programs designed to insist that they get on the right track.

Judges and drug treatment people tell me that it is extraordinarily helpful when a person who has violated the law is under the gun of the judge. In other words, he can say you will go to that treatment program. We are going to drug test you. I expect you to stay drug free. I expect you to be back in school. I expect you to be home at night. In Boston, I expect you to follow the curfew I am going to give you.

Boston has a curfew. They call it Operation Night Light. And street police officers go out and knock on the door at 8 or 9 o'clock, or whenever the curfew is, to see if that youngster is there. If he is not there, something happens to him or her. They don't just forget it. That is not happening all over America. What is happening all over America—and I was there for 15 years as a prosecutor—is they come in and meet their probation officer. Some of them have family meetings for 2 or 3 weeks; they meet with parents and try to turn them around. But because of lack of resources, they say "your curfew is 9 o'clock," but they don't check. Nobody is checking on these children. They do what they want to, basically, unless they get caught on another offense.

If we want to prevent crime, if we want to intervene—and intervention is one of the legs of this way to defeat crime, according to the Fraternal Order of Police—if we do that effectively, we can begin to change people. For those who want change, they simply cannot be allowed to travel in the community and threaten the lives and health of other people with impunity. We have to have spaces to put them. Our bill provides matching money that States can use, if they choose, to expand their detention capacity. And it doesn't have to be bars; it can be any kind of facility that would allow the judge to detain them and not allow them to just walk free—although some of them need to be locked up behind bars.

Let me share this number with you. Since 1980, adult prison space in America has more than tripled. Adult crime has been dropping now for some time now to a significant degree. I am convinced that one of the reasons for that is because we are doing a better job of identifying the repeat dangerous offenders, and they are serving longer periods of time. They are not corrupting others around them, and they are not out on the street committing crimes. Many repeat offenders—we know, according to a Rand study—commit as many as 200 crimes per year. You may say that is ridiculous, they don't commit 200 crimes per year. Well, that is four burglaries a week. Many commit four in one night. These repeat offenders commit a substantial amount of the crime in America. And the same is true with juveniles. We simply have to identify those, and some of them are going to have to be incarcerated.

But while we were tripling the adult prison space in America, let me share this with you. In 1978, there were 56,000 beds in juvenile detention facilities in America. In 1994, during a period when violent juvenile crime has more than doubled—I am talking about armed robbery, assault with intent to murder, murder; those kinds of things were doubling and more than doubling during that period, and we had gone on from 56,000 to 61,000 bed spaces by 1994.

Do you see what happened? We poured our resources into adult criminality and we made a big impact. But we didn't respond appropriately to juvenile crime. We did not expand our commitment there. We did not give the judges and probation officers the resources needed to intervene effectively, to monitor these youngsters who need close monitoring, because they are on the edge and they can go either way. They didn't give them those resources, and as a result, juvenile crime continued to go up, while adult crime was declining.

(Mr. BURNS assumed the Chair.)

Mr. SESSIONS. Mr. President, I am pleased that we are beginning to see a modest reduction in juvenile crime—although many experts are telling us that, with the demographics of more teenagers being in the crime-prone years, in the next few years we can expect those numbers to edge back up. I think one reason is that since 1994 States have begun to focus on juvenile crime and commit more resources to it. It is beginning to have an affect.

It is a myth and not true that we have no ability to affect crime. That is not true. Somebody said that we are going to end up putting everybody in jail. Well, everybody doesn't rob; everybody doesn't burglarize. We ought to do something serious to everybody who commits a serious crime. If we do so promptly and effectively, with wisdom, in a smart way, we can affect the crime rate, and we can make the lives of Americans safer. We ought to do that.

To me, there is no higher function of a government than to make its citizens safe in their communities, on their streets, in their homes, and where they go to work. What higher function could a government have than that? We have failed in that regard. I have seen it, and I have talked with the judges. That is why the Fraternal Order of Police, the Judges' Association, and the Boys and Girls Club support this project.

Our proposal—unlike the one set forth in the statute already, in which they are adding $50 million—is targeted to deal with criminality. Their proposal, again, is for leadership development activities, recreational services, teaching that people are and should be accountable for their actions. Well, there is nothing wrong with those goals, but that is not a very good crime proposal, in my opinion. I have been there. I have prosecuted crimes, I have dealt with every aspect of it. That is not the way to deal with crime. That is

not targeted at all. That says you can spend the money on any doggone thing you want to spend it on.

Our proposal—the block grant proposal—was developed along with the support of Senator BIDEN from Delaware and others. And we had input and discussions with the ranking member from Vermont on the Judiciary Committee. Everybody had some input. They may not agree with everything in it, but it is focused on crime prevention, intervention and enforcement. By the way, the Senator from Delaware mentions $1 billion in prevention programs. He admits that. We only have $100 million in this enforcement program.

By the way, also in this bill the chairman has brought out is a new $220 million for a safe schools initiative. It is designed to build partnerships in the communities between police and schools and to try to make schools safer. That is $220 million in new money in another program designed that way. What we have left out, I am telling you—I can't tell you how strongly I believe this; I know it in my heart—what we are leaving out is the greatest engine for reducing juvenile crime, and that is the juvenile court system. They are the ones that are innovating at the most basic level, when kids are out of control. They have the capacity to effectively order them to do things they don't want to do, and to monitor those orders if we give them the support necessary.

So if we put the money into the block grant program, it would enhance prosecution and define opportunities to effectuate the bipartisan agreement that we have to support graduated sanctions or increase levels of punishment for repeat offenders. It would provide for short-term confinement for those who need it. Some do. It will also provide for the incarceration of violent repeat offenders for more extended periods. Not all the money would be for that; only 40 percent would be for that.

It would provide moneys for programs that require juvenile delinquents to pay restitution. It would provide programs to require juvenile offenders to complete schooling in vocational training. Is that a prevention program, or not? Is that a program that doesn't care about kids, or not? Does anybody deny that we need to have some children go into custody of some fashion? I doubt that. It has programs to require young juveniles to pay their child support. They ought to support their children. They bring them into this world.

Programs to curb truancy. The Senator from Delaware says we need to do something about truancy. I agree, absolutely. Truancy is a key signal that a child is out of control. School systems, police departments, and others ought to have an intensive effort to identify truancy at the earliest level.

His bill, if they want to put $50 million more in, doesn't have anything about truancy in it. The program I support does. It provides programs that seek to curb truancy by name. Then it has programs to collect records, drug testing of youngsters, juvenile crime prevention programs, and night curfews. Antidrug programs could be funded under this.

We have programs to deal with habitual offenders; programs targeted at youth gang members, trying to break them up; and programs to train law enforcement officers, juvenile judges, prosecutors, probation officers, and other court personnel in how to better deal with children.

We have $50 million on the table. That is what we have—$50 million sitting there. Do you want to put it in this bogus program that has no standards, can be spent for anything, or a program carefully crafted, carefully crafted to identify those youngsters who need help, and get it to them in a way that will reduce crime?

I am sorry if I feel strongly about it. But I have been involved in it for a long time. And I have worked hard on this committee. I am absolutely convinced that this is a valid program. We have many prevention programs. This has much of a prevention aspect to it. But what we don't have any money for is to strengthen our enforcement aspect.

Mr. President, this is a critical issue to me. It is the overlook aspect of crime in America: How can we most effectively intervene and change the lifestyle of these youngsters? Too often they are coming in for vandalism, petty theft, maybe for burglary, maybe for a household burglary, a car theft. And they come in and get involved in some other serious crime, are treated as an adult, and sent off for 15 years in the slammer. If we could have intervened for the first offense or two effectively, sometimes they might have been well served if they had been sent to jail or detained a few days. If we had intervened effectively there, we would have fewer crime victims and less need for housing for a youngster who became a career criminal and ended up serving a long time in jail.

Mr. President, that is the purpose of our amendment. I believe it meets all the standards for prevention, and for enforcement, and for intervention. I think it is the right way to go.

I yield the floor.

Mr. KOHL. Mr. President, I oppose this amendment. It would significantly cut the proposed funding for an effective prevention program, known as Title V. And it would undermine this bill's balanced approach between prevention and enforcement.

Let me explain why we should support this program.

First, it is truly bipartisan. It was originally drafted in 1992 by Senator Brown and myself. Last year, the full Senate supported increasing its funding level from $20 million to $75 million. And this year, with the support of Senators CAMPBELL, SPECTER and REID, its funding level is $70 million. Although on its face it gets $95 million, $25 million is set aside for a separate anti-drinking program. So if we cut $50 million, Title V gets the same $20 million it gets every year—and there will be no increase.

Second, it relies on local communities—who know their needs better than the federal government—to identify solutions tailored to local needs. Let me tell you about some of these programs which get funding in Wisconsin.

In Madison, Title V funds an after-school program for junior and high school age at-risk youth living in targeted low income neighborhoods. In Racine, it funds home visits by social workers and prenatal and postnatal education to mothers in low-income neighborhoods. In Jefferson County, it supports a program that works with school bullies—and their victims—to reduce school violence.

And these kinds of innovative programs are supported by Title V all over the nation. For example, in Senator SESSIONS' home state of Alabama, a Title V program in Tuscaloosa, has—according to its organizers—"made a significant impact in the incidence of juvenile violence and crime."

Under Title V, communities qualify for funds only if they establish local boards to design long-term strategies for combating juvenile crime, and if they match federal funds with a 50 percent local contribution. Local communities know what works, and they don't throw good money after bad.

Finally, Title V works. Nearly 400 participating communities—from 49 states—believe in this program so much that, according to the GAO, they've matched federal money almost dollar-for-dollar—far more than the 50 percent match this program requires. And studies confirm that many of these programs have reduced crime in cities across the nation, including cities like Cincinnati, Ohio and Woodbury, Iowa.

Mr. President, it's a good idea to get rid of prevention programs that don't work. In fact, I authored legislation that resulted in a very controversial study by the Justice Department, which said that many prevention programs don't work. And with Senator Cohen I introduced legislation to junk bad prevention programs and consolidate many others. But we should keep and expand the programs that do work—especially ones like Title V that use federal dollars to inspire local action and local contributions.

Mr. President, I oppose this amendment.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I could respond at some length to the comments made by the Senator from Alabama. His intensity of concern and his legitimate efforts, which have been extraordinary in the area of juvenile justice, are something that I admire. He obviously has strong feelings expressed by the Senator from Delaware.

I know that there are a number of other Senators who wish to speak on this issue to express their thoughts. But I have had the courtesy of a number of Senators who have come up to me and said they would withhold their statements because there is a group of Members who wish to get down to the White House for the bill signing on the IRS, which is a fairly significant bill. I would like to get this vote completed before that occurs.

Let me simply say that I believe this is an extraordinarily balanced approach. We have eventually divided the money between prevention and incarceration, for the lack of a better term. It is an attempt to address both sides of the issue of juvenile justice within this bill. Yes, there are other programs outside of this bill that address both sides. In fact, there is a lot more incarceration money in this bill that wasn't talked about. But the fact is that this is a very balanced approach, both sets of programs are extremely credible, and we will move forward on the issue that we are concerned about, which is trying to reduce juvenile crime, which is clearly one of the major issues facing this country today.

Mr. President, at this time I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Hampshire to lay on the table the amendment of the Senator from Alabama. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 64, nays 36, as follows:

[Rollcall Vote No. 220 Leg.]

YEAS—64

Akaka	Collins	Hagel
Baucus	Conrad	Harkin
Bennett	D'Amato	Hollings
Biden	Daschle	Hutchison
Bingaman	Dodd	Inouye
Boxer	Dorgan	Jeffords
Breaux	Durbin	Johnson
Bryan	Feingold	Kennedy
Bumpers	Feinstein	Kerrey
Byrd	Ford	Kerry
Campbell	Glenn	Kohl
Chafee	Gorton	Landrieu
Cleland	Graham	Lautenberg
Coats	Grassley	Leahy
Cochran	Gregg	Levin
Lieberman	Reid	Stevens
McCain	Robb	Torricelli
Mikulski	Rockefeller	Warner
Moseley-Braun	Roth	Wellstone
Moynihan	Sarbanes	Wyden
Murray	Snowe	
Reed	Specter	

NAYS—36

Abraham	Frist	McConnell
Allard	Gramm	Murkowski
Ashcroft	Grams	Nickles
Bond	Hatch	Roberts
Brownback	Helms	Santorum
Burns	Hutchinson	Sessions
Coverdell	Inhofe	Shelby
Craig	Kempthorne	Smith (NH)
DeWine	Kyl	Smith (OR)
Domenici	Lott	Thomas
Enzi	Lugar	Thompson
Faircloth	Mack	Thurmond

The motion to lay on the table the amendment (No. 3245) was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, the managers of the legislation are trying their best to move this bill along. Senator DASCHLE and I have been working trying to keep extraneous amendments off of this bill, amendments that are not really related to it, strictly legislating on this appropriations bill. We have had some success over here, and, obviously, there has been an effort and success on the Democratic side. As usual, the longer we go, the longer the list of amendments. We need to get some finite list of amendments and work on this bill to get it completed.

It is my intent, after discussion with Senator DASCHLE and the managers, Senator GREGG and Senator HOLLINGS, that we complete this bill tonight and that we have votes tonight, as late as is necessary.

Everybody needs to know that this is not going to be a night where we all leave at 7 o'clock and the managers try to make things happen and nothing happens. We are going to be voting into the night. If it takes going to 11, 12 or 1 o'clock, I think it is time we have to do that in order to complete this work.

In that vein, I ask unanimous consent that the following amendments be the only remaining list of first-degree——

Mr. HOLLINGS. Will the distinguished leader yield? I have to check two other things. We are not prepared to agree to that.

Mr. LOTT. I had the impression we had cleared this on both sides of the aisle.

Mr. HOLLINGS. Not on this side, not yet.

Mr. LOTT. Senator DASCHLE is aware we are going to try to lock in the list. I must say, the list is 70 amendments, not exactly a great achievement.

Mr. HOLLINGS. We can clear it after a while, but I am not ready to agree right now.

Mr. LEAHY. Will the majority leader yield?

Mr. LOTT. I will be glad to yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, if it helps, if the distinguished leader wishes to check that, I have a brief comment I want to make about this last vote. I will be willing to do that and you can check that.

Mr. LOTT. Mr. President, why don't we do that. We will withhold while we can run our checks then. The Senator from Vermont can comment and, hopefully, we can get it worked out.

Mr. KENNEDY. May I ask the majority leader a question? May I inquire of the majority leader if there has been any further progress in establishing a time when we are going to consider the Patients' Bill of Rights legislation? I know there have been communications between——

Mr. LOTT. We are ready to go. We have our bill. I think we have a good bill. Senator KENNEDY has his bill. I would like for us to just have a vote on his bill and a vote on our proposal. I understand that you feel you have solutions we need in this area. We feel very good about our bill.

The problem has been last week, for instance, it was suggested, "Well, we will need 40 amendments." If we have these bills that have just been sent down on both sides, why don't we vote on what we have instead of going on for days and weeks trying to reach a conclusion?

Having said that, Senator DASCHLE and I have continued to talk to try to narrow down exactly when would be the best time to do it. We are talking about how we can get an agreement with which both sides can be satisfied. Obviously, the Senator from Massachusetts, Senator KENNEDY, wants to be involved in what the final unanimous-consent request will be, and a lot of Senators on this side, including Senator GRAMM, will have an interest in it.

I think we can come up with a reasonable proposal. I have been sending proposals since June 18, for a month. I continue to say, "OK, how about this?" And Senator DASCHLE has responded. I know he is negotiating in good faith. Both of us have a difficult time trying to satisfy Senators on both sides of this issue on both sides of the aisle, but we are narrowing them.

If we can get an agreement to a time certain that it will come up, with a couple of days for debate and for discussion of amendments or a limited number of amendments on both sides, that will be perfectly reasonable. But I know of no bill in the history of mankind that needs 40 or 50 or 70 amendments. Why do we want to go through that process? A reasonable number can be agreed to.

All I have to say is, just say yes. We are ready to do what the Senator from Massachusetts asked for a month ago. You get a vote, we get a vote and we move on. Yes; just say yes, we will do that.

Mr. KENNEDY. I am just wondering if it is the intention of the majority

leader to schedule this. We are into Wednesday of this week. Is it his intention to afford us an adequate opportunity to debate these issues prior to the time of the break?

Mr. LOTT. It is certainly my hope. We are working to try to get that agreed to. In fact, it has been my plan to do that, and I am going to be disappointed if we can't get it agreed to. I know there is good faith on Senator DASCHLE's part; there is on mine. We will just keep working until we get it done.

Mr. KENNEDY. I thank the Senator.

Mr. LOTT. I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

AMENDMENT NO. 3245

Mr. LEAHY. Mr. President, I thank the leader for his courtesy earlier. I will be very brief. Any time we speak of juvenile justice, there are, obviously, emotional issues that come up, as there was on this. But I believe the Senate has voted the proper way on the motion of the distinguished senior Senator from New Hampshire to table the amendment.

We can all tell horror stories of juvenile justice. One that came to my mind while listening to the lengthy debate this morning is a case when I was State's attorney. A man I knew well died as he was telling me who killed him. It was a juvenile. As he described it, we were in the emergency room and doctors were trying to save his life. I was there as the chief law enforcement officer of the county. And heard him tell me who the juvenile was who killed him. So we can all tell terrible stories.

What I also know, though, from my experience in law enforcement, and from law enforcement experts I have talked with today all over the country, is that prevention is still the best way to stop juvenile crimes. It is almost axiomatic. And we have a good funding method that the distinguished senior Senator from New Hampshire and the distinguished Senator from South Carolina have put together in this bill, and we should keep with that formula.

Had this amendment not been tabled, we would have had these juvenile prevention moneys—we would have had 35 percent going to building facilities and information-sharing programs, 45 percent into more judges and probation officers and prosecutors and technology and courts, and so forth.

The fact is, we are getting a handle on juvenile crime in this country, but we are doing it through prevention programs. All the police officers I have talked with in my State, and all the police officers I have talked with elsewhere, tell me the same thing: Better and more prevention programs to stop juvenile crime.

Among my duties as a prosecutor was to represent the State in the most active juvenile court in our State. Nearly a third of the juvenile cases in our State went through there. Over and over and over again, I saw the tragedy of juvenile crimes occurring because there had not been prevention programs. We did the right thing in this vote.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 3252

(Purpose: To provide for mental health screening and treatment for incarcerated offenders)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 3252.

Mr. WELLSTONE. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 51, between lines 9 and 10, insert the following:

SEC. 121. MENTAL HEALTH SCREENING AND TREATMENT FOR PRISONERS.

(a) ADDITIONAL REQUIREMENTS FOR THE USE OF FUNDS UNDER THE VIOLENT OFFENDER INCARCERATION AND TRUTH-IN-SENTENCING GRANTS PROGRAM.—Section 20105(b) of the Violent Crime Control and Law Enforcement Act of 1994 is amended to read as follows:

"(b) ADDITIONAL REQUIREMENTS.—

"(1) ELIGIBILITY FOR GRANT.—To be eligible to receive a grant under section 20103 or 20104, a State shall, not later than January 1, 1999, have a program of mental health screening and treatment for appropriate categories of convicted juvenile and other offenders during periods of incarceration and juvenile and criminal justice supervision, that is consistent with guidelines issued by the Attorney General.

"(2) USE OF FUNDS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subtitle, amounts made available to a State under section 20103 or 20104 may be applied to the costs of programs described in paragraph (1), consistent with guidelines issued by the Attorney General.

"(B) ADDITIONAL USE.—In addition to being used as specified in subparagraph (A), the funds referred to in that subparagraph may be used by a State to pay the costs of providing to the Attorney General a baseline study on the mental health problems of juvenile offenders and prisoners in the State, which study shall be consistent with guidelines issued by the Attorney General.".

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Chris Schoenbauer, an intern, and Ellen Gerrity, a fellow, be allowed to be on the floor during the debate on this piece of legislation.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, today I am offering an amendment—and I thank both Senator HOLLINGS and Senator GREGG for their support—that would allow States to use Federal prison construction moneys for mental health treatment in our Nation's adult and juvenile corrections facilities—allow States; States make that decision.

I am a Senator from the State of Minnesota. Hubert Humphrey, a great Senator from Minnesota, once said:

The moral test of government is how the government treats those who are in the dawn of life, children; those who are in the twilight of life, the elderly; and those who are in the shadows of life —the sick, the needy, and the handicapped.

Today, throughout America, we are failing the moral test of how we treat adults and children. I want to focus on children in mental health, in the criminal and juvenile justice system, too many of whom live in the shadow of mental illness.

According to a recent article in the New York Times by Fox Butterfield—this was a front page piece. The title of it is "Profits at a Juvenile Prison Come With a Chilling Cost."

I ask unanimous consent that this very fine piece of journalism be printed in the RECORD.

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

[From the New York times, July 15, 1998]

PROFITS AT A JUVENILE PRISON COME WITH A CHILLING COST

(By Fox Butterfield)

TALLULAH, LA.—Here in the middle of the impoverished Mississippi Delta is a juvenile prison so rife with brutality, cronyism and neglect that many legal experts say it is the worst in the nation.

The prison, the Tallulah Correctional Center for Youth, opened just four years ago where a sawmill and cotton fields once stood. Behind rows of razor wire it houses 620 boys and young men age 11 to 20, in stifling corrugated-iron barracks jammed with bunks.

From the run-down homes and bars on the road that runs by it, Tallulah appears unexceptional, one new cookie-cutter prison among scores built in the United States this decade. But inside, inmates of the privately run prison regularly appear at the infirmary with black eyes, broken noses or jaws or perforated eardrums from beatings by the poorly paid, poorly trained guards or from fights with other boys.

Meals are so meager that many boys lose weight. Clothing is so scarce that boys fight over shirts and shoes. Almost all the teachers are uncertified, instruction amounts to as little as an hour a day, and until recently there were no books.

Up to a fourth of the inmates are mentally ill or retarded, but a psychiatrist visits only one day a week. There is no therapy. Emotionally disturbed boys who cannot follow guards' orders are locked in isolation cells for weeks at a time or have their sentences arbitrarily extended.

These conditions, which are described in public documents and were recounted by inmates and prison officials during a reporter's visit to Tallulah, are extreme, a testament to Louisiana's well-documented violent history and notoriously brutal prison system.

But what has happened at Tallulah is more than just the story of one bad prison. Corrections officials say the forces that converged to create Tallulah—the incarceration of more and more mentally ill adolescents, a rush by politicians to build new prisons while neglecting education and psychiatric services, and states' handing responsibility for juvenile offenders to private companies—have caused the deterioration of juvenile prisons across the country.

Earl Dunlap, president of the National Juvenile Detention Association, which represents the heads of the nation's juvenile jails, said, "The issues of violence against offenders, lack of adequate education and mental health, of crowding and of poorly paid and poorly trained staff are the norm rather than the exception."

Recognizing the problem, the United States Justice Department has begun a series of investigations into state juvenile systems, including not only Louisiana's but also those of Kentucky, Puerto Rico and Georgia. At the same time, private juvenile prisons in Colorado, Texas and South Carolina have been successfully sued by individuals and groups or forced to give up their licenses.

On Thursday, the Juvenile Justice Project of Louisiana, an offshoot of the Southern Poverty Law Center, filed a Federal lawsuit against Tallulah to stop the brutality and neglect.

In the investigations by the Justice Department, some of the harshest criticism has been leveled at Georgia. The department threatened to take over the state's juvenile system, charging a "pattern of egregious conditions violating the Federal rights of youth," including the use of pepper spray to restrain mentally ill youth, a lack of textbooks, and guards who routinely stripped young inmates and locked them in their cells for days.

A surge in the inmate population forced Georgia's juvenile prison budget up to $220 million from $80 million in just four years, but the money went to building new prisons, with little left for education and psychiatric care. "As we went through a period of rapid increase in juvenile crime and record numbers of juvenile offenders," said Sherman Day, chairman of the Georgia Department of Juvenile Justice, it was "much easier to get new facilities from the Legislature than to get more programs."

After reacting defensively at first, Gov. Zell Miller moved quickly to avert a takeover by agreeing to spend $10 million more this year to hire teachers and medical workers and to increase guard salaries.

Louisiana, whose juvenile system is made up of Tallulah and three prisons operated by the state, is the Justice Department's latest target. In hundreds of pages of reports to a Federal judge who oversees the state's entire prison system under a 1971 consent decree, Justice Department experts have depicted guards who routinely resort to beatings or pepper spray as their only way to discipline inmates, and who pit inmates against one another for sport.

In June, two years after the Justice Department began its investigation and a year after it warned in its first public findings that Tallulah was "an institution out of control," consultants for the department filed new reports with the Federal judge, Frank J. Polozola of Federal District Court in Baton Rouge, warning that despite some improvements, conditions had deteriorated to "a particularly dangerous level."

Even a former warden at Louisiana's maximum-security prison, acting as a consultant to Judge Polozola, found conditions at Tallulah so serious that he urged the judge to reject its request to add inmates.

"I do not make these recommendations because of any sympathy for these offenders," wrote the former warden, John Whitley. "It shocks me to think" that "these offenders and their problems are simply getting worse, and these problems will be unleashed on the public when they are discharged from the system."

Some of the worst conditions in juvenile prisons can be found among the growing number of privately operated prisons, whether those built specifically for one state, like Tallulah, or ones that take juveniles from across the country, like boot camps that have come under criticism in Colorado and Arizona.

Only 5 percent of the nation's juvenile prisons are operated by private, for-profit companies, Mr. Dunlap of the National Juvenile Detention Association estimates. But as their numbers grow along with privately operated prisons for adults, their regulation is becoming one of the most significant issues in corrections. State corrections departments find themselves having to police contractors who perform functions once the province of government, from psychiatric care to discipline.

In April, Colorado officials shut down a juvenile prison operated by the Rebound Corporation after a mentally ill 13-year-old's suicide led to an investigation that uncovered repeated instances of physical and sexual abuse. The for-profit prison housed offenders from six states.

Both Arizona and California authorities are investigating a privately operated boot camp in Arizona that California paid to take hundreds of offenders. A 16-year-old boy died there, and authorities suspect the cause was abuse by guards and poor medical care. California announced last Wednesday that it was removing its juveniles from the camp.

And recently Arkansas canceled the contract of Associated Marine Institutes, a company based in Florida, to run one juvenile institution, following questions of financial control and accusations of abuse.

A series of United States Supreme Court decisions and state laws have long mandated a higher standard for juvenile prisons than for adult prisons. There is supposed to be more schooling, medical care and security because the young inmates have been adjudged delinquent, rather than convicted of crimes as adults are, and so are held for rehabilitation instead of punishment.

But what has made problems worse here is that Tallulah, to earn a profit, has scrimped on money for education and mental health treatment in a state that already spends very little in those areas.

"It's incredibly perverse," said David Utter, director of the Juvenile Justice Project of Louisiana. "They have this place that creates all these injuries and they have all these kids with mental disorders, and then they save money by not treating them."

Bill Roberts, the lawyer for Tallulah's owner, Tans-American Development Associates, said that some of the Justice Department's demands like hiring more psychiatrists, are "unrealistic." The state is to blame for the problems, he said, because "our place was not designed to take that kind of inmate."

Still, Mr. Roberts said, "There has been a drastic improvement" in reducing brutality by guards. As for fights between the inmates, he said, "Juveniles are a little bit different from adults. You are never going to stop all fights between boys."

In papers filed with Judge Polozola on July 7 responding to the Justice experts and Mr. Whitley, the State Attorney General's office disputed accusations of brutality and of high numbers of retarded and mentally ill inmates at Tallulah.

In a recent interview, Cheney Joseph, executive counsel to Gov. Mike Foster, warned there were limits to what Louisiana was willing to do. "There are certain situations the Department of Justice would like us to take care of," he said, "that may not be financially feasible and may not be required by Federal law."

The idea for a prison here was put forward in 1992 by James R. Brown, a Tallulah businessman whose father was an influential state senator.

One of the poorest areas in a poor state, Tallulah wanted jobs, and like other struggling cities across the country it saw the nation's prison-building spree as its best hope.

Louisiana needed a new juvenile prison because the number of youths being incarcerated was rising steeply; within a few years it more than doubled. Adding to that, mental health experts say, were hundreds of juveniles who had no place else to go because of cuts in psychiatric services outside of jail. Mental health authorities estimate that 20 percent of juveniles incarcerated nationally have serious mental illnesses.

To help win a no-bid contract to operate a prison, the company Mr. Brown formed included two close friends of Gov. Edwin W. Edwards—George Fischer and Verdi Adam—said a businessman involved in the venture's early stages, who spoke on the condition of anonymity.

None of the men had any particular qualification to run a prison. Mr. Verdi was a former chief engineer of the state highway department. Mr. Fischer had been the Governor's campaign manager, Cabinet officer and occasional business partner.

Tallulah opened in 1994, and the town of 10,000 got what it hoped for. The prison became its largest employer and taxpayer.

From the beginning, the company formed by Mr. Brown, Trans-American, pursued a strategy of maximizing its profit from the fixed amount it received from the state for each inmate (in 1997, $24,448). The plan was to keep wages and services at a minimum while taking in as many inmates as possible, said the businessman involved in the early stages.

For-profit prisons often try to economize. But the best-run companies have come to recognize that operating with too small or poorly trained staff can spell trouble, and experts say state officials must pay close attention to the level of services being provided.

"Ultimately, the responsibility belongs to the state," said Charles Thomas, director of the Private Corrections Project at the University of Florida.

Louisiana officials say they monitored conditions at Tallulah and first reported many of the problems there. But in fiscal year 1996–97, according to the State Department of Public Safety and Corrections, Tallulah still listed no money for recreation, treatment or planning inmates' return to society. Twenty-nine percent of the budget went to construction loans.

By comparison, 45 percent of the $32,200 a year that California spends on each juvenile goes to programs and caseworkers, and none to construction. Nationally, construction costs average 7 percent of juvenile prison budgets, Mr. Dunlap said.

"That means either that Tallulah's construction costs are terribly inflated, or the services they are providing are extraordinarily low," he said.

Part of Tallulah is a boot camp, with boys crammed so tightly in barracks that there is room only for double bunks, a television set and a few steel tables. Showers and urinals are open to the room, allowing boys who have been incarcerated for sexual assault to attack other inmates, according to a report in June by a Justice Department consultant, Dr. Bernard Hudson.

The only space for the few books that have recently been imported to try to improve education is a makeshift shelf on top of the urinals. Among the aging volumes that a reporter saw were "Inside the Third Reich," "The Short Stories of Henry James" and "Heidi."

From their wakeup call at 5:30 A.M., the inmates, in white T-shorts and loose green pants, spend almost all their time confined to the barracks. They leave the barracks only for marching drills, one to three hours a day of class and an occasional game of basketball. There is little ventilation, and temperatures in Louisiana's long summers hover permanently in the 90's.

The result, several boys told a visitor, is that some of them deliberately start trouble in order to be disciplined and sent to the other section of Tallulah, maximum-security cells that are air-conditioned.

Guards put inmates in solitary confinement so commonly that in one week in May more than a quarter of all the boys spent at least a day in "Lockdown," said Nancy Ray, another Justice Department expert. The average stay in solitary is five to six weeks; some boys are kept indefinitely. While in the tiny cells, the boys are stripped of all possessions and lie on worn, thin mattresses resting on concrete blocks.

The crowding, heat and isolation are hardest on the 25 percent of the boys who are mentally ill or retarded, said Dr. Hudson, a psychiatrist, tending to increase their depression or psychosis.

Although Tallulah has made some improvements in its treatment of the emotionally disturbed over the last year, Dr. Hudson said, it remains "grossly inadequate."

The prison still does not properly screen new arrivals for mental illness or retardation, he reported. The part-time doctor and psychiatrist are there so infrequently that they have never met, Dr. Hudson said. Powerful anti-psychotic medications are not monitored. Medical charts often cannot be found.

And the infirmary is often closed because of a shortage of guards, whose pay is so low—$5.77 an hour—that there has been 100 percent turnover in the staff in the last year, the Justice Department experts said.

Other juvenile prisons that have come under investigation have also been criticized for poor psychiatric treatment. But at Tallulah this neglect has been compounded by everyday violence.

All these troubles are illustrated in the case of one former inmate, Travis M., a slight 16-year-old who is mentally retarded and has been treated with drugs for hallucinations.

Sometimes, Travis said in an interview after his release, guards hit him because his medication made him sleepy and he did not stand to attention when ordered. Sometimes they "snuck" him at night as he slept in his bunk, knocking him to the cement floor. Sometimes they kicked him while he was naked in the shower, telling him simply, "You owe me some licks,"

Travis was originally sentenced by a judge to 90 days for shoplifting and stealing a bicycle. But every time he failed to stand for a guard or even called his grandmother to complain, officials at Tallulah put him in solitary and added to his sentence.

After 15 months, a judge finally ordered him released so he could get medical treatment. His eardrum had been perforated in a beating by a guard, he had large scars on his arms, legs and face, and his nose had been so badly broken that he speaks in a wheeze. A lawyer is scheduled to file suit against Tallulah on behalf of Travis this week.

One reason these abuses have continued, Mr. Utter said, is that juveniles in Louisiana, as in a number of states, often get poor legal representation. One mentally ill boy from Eunice was sentenced without a lawyer, or even a trial. Poorly paid public defenders seldom visit their clients after sentencing, Mr. Utter said, and so are unaware of conditions at places like Tallulah.

Another reason is that almost all Tallulah's inmates are from poor families and 82 percent are black, Mr. Utter noted, an imbalance that afflicts prisons nationwide to one degree or another. "They are disenfranchised and no one cares about them," he said.

In September, Tallulah hired as its new warden David Bonnette, a 25-year veteran of Angola State Penitentiary who started there as a guard and rose to assistant superintendent. A muscular, tobacco-chewing man with his initials tattooed on a forearm, Mr. Bonnette brought several Angola colleagues with him to impose better discipline.

"When I got here, there were a lot of perforated eardrums," he said. "Actually, it seemed like everybody had a perforated eardrum, or a broken nose." When boys wrote complaints, he said, guards put the forms in a box and pulled out ones to investigate at random. Some were labeled, "Never to be investigated."

But allegations of abuse by guards dropped to 52 a month this spring, from more than 100 a month last summer, Mr. Bonnette said, as he has tried to carry out a new state policy of zero tolerance for brutality. Fights between boys have declined to 33 a month, from 129, he said.

In June, however, Ms. Ray, the Justice Department consultant, reported that there had been a recent increase in "youth defiance and disobedience," with the boys angry about Tallulah's "exceptionally high" use of isolation cells.

Many guards have also become restive, the Justice Department experts found, a result of poor pay and new restrictions on the use of force.

One guard who said he had quit for those reasons said in an interview: "The inmates are running the asylum now. You're not supposed to touch the kids, but how are we supposed to control them without force?" He has relatives working at Tallulah and so insisted on not being identified.

The frustration boiled over on July 1, during a tour by Senator Paul Wellstone, the Minnesota Democrat who is drafting legislation that would require psychiatric care for all incarcerated juveniles who need it. Despite intense security, a group of inmates climbed on a roof and shouted their complaints at Senator Wellstone, who was accompanied by Richard Stalder, the secretary of Louisiana's Department of Public Safety and Corrections.

Mr. Stalder said he planned to create a special unit for mentally ill juvenile offenders. One likely candidate to run it, he said, is Trans-American, the company that operates Tallulah.

Mr. WELLSTONE. Almost 200,000 people behind bars in the United States of America, according to Mr. Butterfield, are known to suffer from schizophrenia, manic-depression, or major depression—the three most severe mental illnesses. This rate is four times greater than for the general population. And there is strong evidence, particularly among juveniles, that their numbers in the jails are growing.

The vast majority of these people, colleagues, have not committed serious violent crimes. Some are homeless people charged with minor crimes that are a byproduct of their mental illness. They just get swept up and incarcerated. Others are picked up with no charges at all, in what police call "mercy arrests," simply for acting strange.

Jails and prisons often find themselves unprepared to deal with the mentally ill. For instance, medication may not be properly monitored or guards do not know how to respond to disturbed inmates who are simply not capable of standing in an orderly line for meals. A common result is that these inmates find themselves in solitary confinement.

Colleagues, 200 years ago the most common treatment for the seriously mentally ill was jail. Thousands of people with severe disorders were brutally locked away and forgotten. This did not change until Dorothy Dix, and other reformers in the middle of the last century, successfully fought to have these people transferred form jails to hospitals.

I fear that our jails are once again becoming dumping grounds for ill people who need treatment and care and that as a result we are recriminalizing the mentally ill in America today.

On July 1, Mr. President, I went with the National Mental Health Association to the Tallulah Correctional Center for Youth. Mr. President, I want to just briefly summarize this trip and then focus on mental health and children.

First of all—and I have talked with my colleagues from Louisiana who care a great deal about this. Let me say that, in particular, the warden, David Bonnette, is very committed to trying to make the changes.

I went there because I had seen some preliminary Justice Department reports that essentially said there were kids who really had not committed any crimes—by the way, the vast majority of children, over 90 percent in the juvenile corrections system, have not committed violent crime. But I heard that there were kids who had been dumped in this facility—but the same can be said for other facilities in our country—who had not committed any violent crimes. Some had not committed any crime. And then, to make matters

worse, there is no medication, no counseling, and there they are. It is unconscionable.

I went to visit this facility. When I got there, I first met with people in the administrative building. A lot of officials from Louisiana were there, quite a bit of media was there—journalists, TV, radio. But forget all that.

We had some initial negotiations because I wanted to visit where the solitary confinement cells were. I wanted to find out why kids were put in these cells for up to 6 or 7 weeks at a time, up to maybe 23 hours a day—if my colleagues are listening. I wanted to find out why.

Before visiting there, we first went to a building where these kids—and they are kids from age 11 to age 18—were eating. I say to my colleague from South Carolina, he might be interested in this. Again, I am not trying to point the finger of blame, but I saw these kids eating, and probably 85 percent of them were black, African American, ages 11 to 18. There are 500-plus kids in this facility.

I went over to where some of these kids were eating, and I said, "How are you doing?" And this one kid said, "Not so good." I said, "What do you mean?" He said, "This food, they never serve this food. They just did this for today. We don't ever get this kind of food. These clothes, we never had these clothes. Every day it's the same clothes. Every day it's the same underwear. It's hot. There's no air conditioning. And we don't have any clothes like this, clean clothes. These shoes, we never had any shoes like this. Smell the paint on the table. These tables have all been freshly painted. This is just a show for you, Senator."

Then I turned to officials from Louisiana, and I never heard them contradict that. Again, I am going to end up very much in the positive about what I think is going to happen now.

And then we walked across the compound—that is what I will call it—because I wanted to get to where these solitary confinement cells were. And this one young man climbs up on a roof, leaps up on a roof, and runs toward me and a whole lot of people who are with me. And I said to him, "You're going to get in a lot of trouble. Why are you doing this?" He said, "I want to make a statement." I said, "What is your statement?" He said, "This is a show. And we're all going to get beaten up when you leave. We get beaten up all the time."

Then I met with four young guys. One had stolen a moped. That is why he was there. One was there for breaking and entering, and another was breaking and entering. The point is, they talked about being beaten up all the time.

Now, the Justice Department has also chronicled some of these conditions. The truth of the matter is, I believe the warden there and the State of Louisiana knows that things have to change. That is the good news, I hope. There has now been a civil rights lawsuit filed. There is a tremendous amount of interest.

What I want to say to colleagues, and I believe this Fox Butterfield article was terribly important as well, but I want to just simply talk about some of what I observed, regarding the mental health in children. One hallucinating child was in isolation for observation, yet his transfer to an appropriate mental health facility was uncertain. Another child I met was taking three different types of powerful psychiatric medications but had only seen a psychiatrist twice in the last 8 months. The Justice Department chronicled instances where boys were being repeatedly sexually and physically abused, and children with mental illness were being housed with youths who had committed violent crimes—mentally ill children who had received no therapy, and when they are having the symptoms they are often isolated or punished for their illness.

Mr. President, I just say that what is happening to these troubled children who were dumped in these facilities and get no care, many of whom shouldn't be there in the first place, is a national tragedy. All across our country we are dumping emotionally disturbed kids into juvenile prisons. Each year more than 1 million youth come in contact with the juvenile justice system, and more than 100,000 of these youth are detained in some type of jail or prison. These children are overwhelmingly poor, and a disproportionate number of them are children of color.

By the time many of these children are arrested and incarcerated, they have a long history of problems in their short lives. As many as two-thirds suffer from mental or emotional disturbances. One in five has a serious disorder. Many have substance abuse problems and learning disabilities, and most of them come from troubled homes.

Tallulah is not the only offending facility. The Justice Department has exposed gross abuses in Georgia, Kentucky, and other juvenile facilities all across our country. Other States are experiencing similar problems. Investigators found extreme cases of physical abuse and neglected mental health needs, including unwarranted and prolonged isolation of suicidal children who are hog-tied, and chemical restraints are used on youth with serious emotional disturbances, as well as forced medication and even denial of medication. Children with extensive psychiatric histories who are prone to self-mutilation never even saw a psychiatrist. This is a Justice Department report, Justice Department findings on conditions in our juvenile "correction" facilities.

Mr. President, our current system fails mentally ill adults and children. The screening and treatment of mental and emotional disturbances are inadequate or nonexistent at correctional facilities. Mental illness typically is addressed solely through discipline, isolation, and restraint. At Tallulah, children told us they were beaten and put in isolation for long periods, even months, echoing in painful detail what has been revealed in the Justice Department reports.

The tragedy of this situation is that we know what works—treatment. But our current system for adults and children with mental illness favors punishment over treatment. For children, we know that family focused, individualized treatment, delivered in a child's community can improve that child's mental health and prevent them from offending in the first place. It is proven that if you integrate these mental health and substance abuse services with schools and child agencies and you make it happen at the local level, it provides even greater success. In fact, linked with community services, these other treatment programs have been shown to reduce contact with the juvenile system by 46 percent.

This amendment, really, builds on this. Under this amendment, States receiving Federal prison construction moneys would be able to use these funds to implement mental health screening and treatment of adult and juvenile offenders within their correctional systems. It is badly needed. Those States receiving Federal prison construction moneys would also be required to develop a plan for mental health treatment of mentally ill offenders. Finally, States receiving these funds would be required to provide the attorney general an initial baseline study of mental illness in their correction facilities.

We can't any longer ignore this tragedy. What I saw in Tallulah is a national disgrace. The wholesale neglect of adults and youth with emotional disturbances in our prisons must end. We, as a society, have the moral obligation to see that they get the help they need.

I thank both of my colleagues for supporting this amendment. I want to end on this note. I said it once earlier. I want to make it crystal clear, because I am sensitive to not doing any bashing of any one State. Yes, I visited the facility in Tallulah. I will tell you something, those conditions shouldn't exist. I will tell you something else, beyond the connection of mental health in children and children who have never committed a crime, they just get dumped in these correction facilities, and then when they are there they get no treatment, no vocational ed treatment, precious little education, no counseling, inadequate medical attention, on and on and on.

Mr. President, the other thing I want to say, which is another point which I

guess speaks back to the vote we just had, I tell you I am all for holding people accountable when they commit a brutal or heinous crime. I have said it before and I will say it again, when three 16-year-olds beat up an 85-year-old woman and leave her for dead, I don't feel sorry for them. But I tell you Democrats and I tell you Republicans, anybody who believes that those kinds of conditions that I saw at Tallulah Correctional Center—they exist in a lot of other centers, and people in Louisiana are taking action to make things better, and I believe they will—anybody who thinks that is the answer, is way off base. A lot of those kids, those 11-year-olds and 12-year-olds I met, I wouldn't have been afraid to meet then at 10 at night before they came to this "correction" facility, but I wouldn't want to meet some of these kids at 10 at night alone after they have been in these facilities.

What do you think we will get from this with these kinds of conditions? What do you think we will get from this when you put kids in brutal conditions? You make them brutal. Every one of these children who I visited with is a mother's child and a father's child. This is disgraceful. This is disgraceful.

I wouldn't say this is necessarily the central issue in the country. That is why I thank my colleagues for their support. But I am telling you I really believe this amendment will be very helpful, because what this amendment will do is it will say to the States, look, if you want to do the assessment before you incarcerate a kid, if you want to find out what happened by way of violence in the home or substance abuse, or whether or not the kid should even be in a correctional facility versus somewhere else, and you want to figure if they should be incarcerated—some should—or what kind of treatment is needed, you can use some of this money to do that. We have estimates of up to 25 percent-plus of the kids in these juvenile correction facilities are struggling with these mental problems and we just abandon them.

The second thing it said is, look, States, with your prison system, you have to lay out the plan that you have for dealing with some of the people who are in the system who are struggling with these mental problems and what kind of treatment they will get. We are worse off as a nation in terms of losing our soul if we don't do this. Frankly, it is in the self-interest of every family in America to make sure we get treatment to these kids and treatment to some of these people who are incarcerated. If they don't get the treatment, or the conditions that I described today from Fox Butterfield in the New York Times article, we are all worse off for it.

So I thank both my colleagues for their support. I hope I will get strong support in conference committee as well. I am very proud to have had a chance to introduce this amendment, and I am pleased that the amendment is going to be accepted.

I yield the floor.

Mr. GREGG. Mr. President, I ask unanimous consent that the amendment be agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. HOLLINGS. I have just been informed that the distinguished Senator from Louisiana wanted to be heard on the amendment.

I understand that the Senator will speak after we agree to the amendment. She will be here shortly.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3252) was agreed to.

Mr. GREGG. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Ms. LANDRIEU. Mr. President, I understand that the amendment by my distinguished colleague, Mr. WELLSTONE, has been accepted. I wanted to say how much I admire him for bringing this issue to the attention of the Senate and for his eloquent presentation on what I think is a real problem in our Nation. As he outlined, in Louisiana, during his last visit, he found that one of our facilities sure could stand great improvement. I am also positive that there are many facilities in other States in our Nation that can also use improvement and attention.

I wanted to say for the record that we talk, in campaigns particularly and finally when we get here to this body, a lot about being "tough on crime." We talk about being smart and tough because it takes a combination of that to really drive down these juvenile crime rates, drive down crime rates in America. We need to remain tough, with tough penalties; but we also have to be smart. This was a smart amendment that we accepted just a few minutes ago. This was maybe one of the smartest things we have done in a couple of weeks here—and maybe for a long time—because we have allowed States to take some of their money for construction and use it for mental health services.

It does us no good, Mr. President, as we know, to keep juveniles in facilities that are inappropriate and don't offer the proper training and counseling, only to turn them into hardened criminals—for them to then be released to go back into our neighborhoods and communities and wreak havoc when we could have done the smart thing, which Senator WELLSTONE has urged us to do, and what we have now done, by intervening earlier and providing this counseling, which would prevent us from spending extra money. But it is not just the extra money that we spend, it is also the loss of life, the loss of property, the pain and suffering that is caused when we don't do these things early on. So spending a small amount of money for the proper mental health counseling would go a long way, I think, in our Nation toward getting us to our goal of reducing crime across the board in America.

I want to thank the Senator for his visit to Louisiana. I am familiar with this facility. I had some dealings with this and three other facilities when I was State treasurer in Louisiana. At that time, many years ago, I objected to the construction of these facilities based on the thought that it was profits driving them and not good policies about how to incarcerate, when to incarcerate, and what kind of counseling these juveniles would get. Sometimes they are first offenders, sometimes they are nonviolent offenders. The lack of those services has provided a prospective. I did not prevail, obviously, because these facilities were built. We can clearly see now that there are problems when our policies are driven by profits, not good crime-fighting policies and good prevention. I am thankful and glad that we adopted this amendment. I want to voice my support for what we are doing. Hopefully, we can do more of it.

Mr. FAIRCLOTH addressed the Chair.

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

AMENDMENT NO. 3253

(Purpose: To amend section 3486 of title 18, United States Code, relating to offenses involving the sexual exploitation or other abuse of children)

Mr. FAIRCLOTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH] proposes an amendment numbered 3253.

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

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

The amendment is as follows:

On page 51, between lines 9 and 10, insert the following:

SEC. 121. Section 3486(a)(1) of title 18, United States Code, is amended by inserting

"or any act or activity involving a Federal offense relating to the sexual exploitation or other abuse of children," after "health care offense,".

Mr. FAIRCLOTH. Mr. President, we all know that the Internet has become the tool of choice for sexual predators and child pornographers. In fact, the Senate just yesterday attempted to deal with pornography on the Internet by refining the Communications Decency Act.

There are numerous legislative proposals to deal with this issue.

I especially want to thank Chairman GREGG. Under his leadership in this bill, he has provided millions for the Justice Department to investigate these crimes. And his leadership on this issue is to be commended—for the method which he has handled it, and the far-reaching effect it is going to have.

I asked the FBI what tool is it that they most need to go after sexual predators on the Internet. What would do the most good? They tell me that a legislative change that is most needed by them is administrative subpoena authority to quickly get records on sexual predators—that administrative subpoena authority would do more to expedite matters than anything else we could do.

Mr. President, the FBI has an operation known as "Innocent Images." The operation was created in the wake of the disappearance of a small boy in Maryland. The FBI found an elaborate operation being used to lure children over the Internet. That was its sole purpose. Thus far, the operation has net 200 indictments, 150 convictions, and 135 arrests.

Literally every day you cannot pick up a newspaper without reading about a case of a sexual predator looking for children on the Internet.

When the FBI testified before the Senate Appropriations Committee in March, Director Freeh said that when an agent, pretending to be a child, signed onto a "chat room" with 23 other children, 22 of the 23—23 supposed children—22 of the 23 turned out to be adults seeking improper contact with the girl, the one out of the 23.

That is how pervasive this problem is today on the Internet.

What the FBI needs most is an administrative subpoena authority for cases that involve a Federal violation related to sexual exploitation and abuse of children.

They have informed my staff that this would be the most useful tool they could have in order to crack these cases.

This would allow them to quickly access records from Internet service providers regarding a potential sexual predator using the Internet to prey on children. Without this authority, the FBI has to go through a very cumbersome process of contacting the U.S. attorney and convening a grand jury just to get this information.

The FBI has already had this administrative subpoena authority in narcotics cases and health care fraud cases. But surprisingly they do not have it in sexual predator cases involving our children.

I know that health care fraud is important. But it is not really more important than catching sexual predators.

Mr. President, there is a very practical reason this is needed as well.

The FBI task force on this issue has had to get 6,200 grand jury subpoenas for routine subscriber information off of the Internet. This would reduce the administrative burden on U.S. attorneys, and certainly on the grand jury system. Further, because of grand jury secrecy rules, this information cannot be shared with State and local law enforcement officials. So once it is acquired through a grand jury, there still are impediments to using it.

Together with local law enforcement police, the FBI needs help to catch these people. It is very important that we move in this direction. But this is a narrow approval of the use of the administrative subpoena, so that cases involving Internet crimes on children can be solved quickly and the information obtained quickly.

Mr. President, I strongly urge the Senate to accept this amendment. Mr. President, I understand the amendment is to be accepted. I urge its a adoption.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I believe there is no further debate on this amendment. I urge simply a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

The amendment (No. 3253) was agreed to.

Mr. GREGG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from South Carolina.

AMENDMENT NO. 3254

(Purpose: To express the sense of the Senate on saving Social Security first)

Mr. HOLLINGS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS], for himself, and Mr. DASCHLE, Mr. DORGAN, Mr. CONRAD, Mr. LAUTENBERG, and Mrs. MURRAY, proposes an amendment numbered 3254.

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

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

The amendment is as follows:

At the appropriate place, add the following new section:

SEC. . SENSE OF THE SENATE ON THE BUDGET AND SOCIAL SECURITY.

(a) FINDINGS.—The Senate finds that:

(1) the Social Security system provides benefits to 44 million Americans, including 27.3 million retirees, over 4.5 million people with disabilities, 3.8 million surviving children and 8.4 million surviving adults, and is essential to the dignity and security of the nation's elderly and disabled;

(2) the Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds have reported to the Congress that the "total income" of the Social Security system "is estimated to fall short of expenditures beginning in 2021 and in each year thereafter . . . until the assets of the combined trust funds are exhausted in 2032";

(3) intergenerational fairness, honest accounting principles, prudent budgeting, and sound economic policy all require saving Social Security first, in order that the Nation may better afford the retirement of the baby boom generation, beginning in 2010;

(4) in reforming Social Security in 1983, the Congress intended that near-term Social Security trust fund surpluses be used to prefund the retirement of the baby boom generation;

(5) in his State of the Union message to the joint session of Congress on January 27, 1998, President Clinton called on the Congress to "save Social Security first" and to "reserve one hundred percent of the surplus, that is any penny of any surplus, until we have taken all the necessary measures to strengthen the Social Security system for the twenty-first century";

(6) Section 13301 of the Budget Enforcement Act of 1990 expressly forbids counting Social Security trust fund surpluses as revenue available to balance the budget.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress and the President should—

(1) continue to rid our country of debt and work to balance the budget without counting Social Security trust fund surpluses;

(2) work in a bipartisan way on specific legislation to reform the Social Security system, to ensure that it is financially sound over the long term and will be available for all future generations; and

(3) save Social Security first by reserving any surpluses in fiscal year 1999 budget legislation.

Mr. HOLLINGS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the Senator proposing a second-degree amendment?

Mr. GREGG. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. The Senator from New Hampshire reserves the right to object.

Mr. HOLLINGS. This is a sense-of-the-Senate amendment on Social Security.

Mr. GREGG. May we have a look at it?

Mr. HOLLINGS. Yes. We all voted for it. It is the same thing we voted for.

Where do you need to ask unanimous consent for an amendment?

The PRESIDING OFFICER. The Chair will observe that the Senator does not have a right to send a second-degree amendment to the first-degree amendment until that first-degree amendment has been disposed of, or has had some action, or unless consent is granted, and the Senator from New Hampshire reserves the right to object.

Mr. GREGG. I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, I ask unanimous consent at this time that the Senator from South Carolina be recognized for the purposes of debate only, and that immediately upon the conclusion of his remarks the floor be returned to me.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I thank the distinguished chairman.

With respect to this particular sense-of-the-Senate amendment, it really goes right to the heart of the expression "Saving Social Security first." The fact is, as we talk about campaign finance reform, the abuses and the scandals of campaign finance reform are not corporate money, labor money, soft money, hard money, Buddhist temple money, Lincoln bedroom money. The scandal of campaign finance is the looting of the Social Security fund by politicians who want to get reelected, whereby they determine every year that they have a big surplus.

The reason for this amendment, of course, is the constant chatter, particularly on the other side of the Capitol, about Social Security, surpluses, and taxes.

In order to get a surplus, here is exactly the moneys necessary to be used and even allow you to talk the language. Under the law, we are not allowed to talk the language, under section 13301. But in violation of Section 13301, a statute signed into law November 5, 1990, the CBO report uses numbers of the so-called unified budget. This is not a long report, Mr. President. I ask unanimous consent that excerpts of the CBO report of July 15 be printed in the RECORD.

I understand the Government Printing Office estimates the cost of printing this report in the RECORD to be $2,222.

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

THE ECONOMIC AND BUDGET OUTLOOK FOR FISCAL YEARS 1999–2008: A PRELIMINARY UPDATE, JULY 15, 1998

(Prepared by the Congressional Budget Office)

The Congressional Budget Office (CBO) projects that the federal budget for fiscal year 1998 will record a total surplus of $63 billion, or 0.8 percent of gross domestic product (GDP). If current policies remain unchanged, the surplus is expected to rise to $80 billion in 1999 and reach $251 billion (nearly 2 percent of GDP) by 2008. Excluding the surplus in Social Security and the net outlays of the Postal Service (both of which are legally classified as off-budget), CBO's new projections show an on-budget deficit of $41 billion in 1998, which gives way to surpluses in 2002 and in 2005 through 2008.

The budget outlook has improved significantly in the past six months. Unexpectedly strong revenue collections by the Treasury in the first nine months of fiscal year 1998 are the major reason that CBO has gone from projecting a small deficit last January to estimating a surplus of $63 billion today. The strength of 1998 revenues, together with a slightly more optimistic economic outlook, also forms the basis for increases in CBO's projections of the surplus for 1999 through 2008.

Determining the degree to which this year's unanticipated revenues should carry over into projections of future revenues is difficult at this time because the reasons for the increase are still largely unknown. In January, CBO projected that 1998 revenues would total $1,665 billion. By March, revenue collections to date suggested that the total would reach $1,680 billion. Based on collections through June, CBO believes that 1998 revenues will total $1,717 billion. New economic data explain less than $7 billion of the increase in the projection since January, while new legislation is responsible for $1 billion. That leaves $45 billion, almost all in revenues from individual income taxes, to be explained by other factors.

At this point, analysts can only speculate about the sources of income that produced the added revenues in 1998 and their implications for revenue growth in future years. Certain explanations of the sources of the additional income would suggest that projections of revenues should be adjusted by growing amounts over time. But others point to temporary factors and would suggest an adjustment that fades away over several years. After assessing the possible causes, CBO has chosen a middle path: it has assumed that the factors producing the additional revenues in 1998 will continue to add a similar amount to revenues in future years.

Changes in the economic outlook also boost surpluses projected over the next decade. A smaller expected decline in corporate profits as a share of GDP increases projected revenues, and slightly lower real long-term interest rates after 2000 reduce interest payments on the national debt. A reduction in the projected rate of inflation—which holds down required cost-of-living increases, the growth of Medicare costs, nominal interest rates, and assumed increases in discretionary spending after 2002—significantly lowers projected outlays in the longer term. But lower inflation does not have a major impact on the surplus because it also slows the growth of taxable incomes, leading to a reduction in projected tax revenues that offsets the reduction in outlays.

CBO now expects lower outlays in 1998 than it projected in March, but that decrease largely reflects temporary factors that are not expected to reduce spending in the future. Legislation enacted since March has lowered projected surpluses by a few billion dollars a year—primarily reflecting higher spending for transportation programs.

THE ECONOMIC OUTLOOK

The economy has continued to grow at a healthy pace, with low unemployment and subdued inflation. CBO projects that growth will slow over the next few years and that the unemployment and inflation rates will gradually rise (see Table I). The current outlook is not dramatically different from CBO's last economic projections, made in January, but small increases in real growth, somewhat lower inflation, profits that account for a larger share of GDP, and lower real long-term interest rates significantly affect the budget's projected bottom line.

TABLE 1.—COMPARISON OF CBO ECONOMIC PROJECTIONS, CALENDAR YEARS 1998–2008

	Actual 1997	Forecast		Projected								
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nominal GDP (Billions of dollars):												
Summer 1998	8,080	8,487	8,849	9,213	9,582	10,019	10,486	10,966	11,458	11,963	12,486	13,029
January 1998	8,081	8,461	8,818	9,195	9,605	10,046	10,529	11,038	11,565	12,112	12,684	13,280
Nominal GDP (Percentage change):												
Summer 1998	5.8	5.0	4.3	4.1	4.0	4.6	4.7	4.6	4.5	4.4	4.4	4.3
January 1998	5.8	4.7	4.2	4.3	4.5	4.6	4.8	4.8	4.8	4.7	4.7	4.7
Real GDP (Percentage change):												
Summer 1998	3.8	3.3	2.1	1.8	1.8	2.4	2.4	2.4	2.3	2.2	2.1	2.1
January 1998	3.7	2.7	2.0	1.9	2.0	2.1	2.3	2.3	2.2	2.2	2.2	2.1
GDP Price Index (Percentage change):												
Summer 1998	2.0	1.6	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
January 1998	2.0	2.0	2.2	2.3	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.5
Consumer Price Index[1] (Percentage change):												
Summer 1998	2.3	1.7	2.6	2.7	2.6	2.5	2.5	2.5	2.5	2.5	2.5	2.5
January 1998	2.3	2.2	2.5	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Unemployment Rate (Percent):												
Summer 1998	4.9	4.6	4.7	5.1	5.5	5.7	5.7	5.7	5.7	5.7	5.7	5.7
January 1998	4.9	4.8	5.1	5.4	5.6	5.8	5.9	5.9	5.9	5.9	5.9	5.9
Three-Month Treasury Bill Rate (Percent):												
Summer 1998	5.1	5.1	5.2	4.8	4.6	4.4	4.4	4.4	4.4	4.4	4.4	4.4

TABLE 1.—COMPARISON OF CBO ECONOMIC PROJECTIONS, CALENDAR YEARS 1998–2008—Continued

	Actual 1997	Forecast		Projected								
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
January 1998	5.1	5.3	5.2	4.8	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7
Ten-Year Treasury Note Rate (Percent):												
Summer 1998	6.4	5.8	6.1	5.8	5.6	5.4	5.4	5.4	5.4	5.4	5.4	5.4
January 1998	6.4	6.0	6.1	6.0	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
Tax Bases (Percentage of GDP):												
Corporate profits:[2]												
Summer 1998	10.0	9.6	9.4	9.2	8.8	8.6	8.5	8.5	8.4	8.4	8.3	8.3
January 1998	9.9	9.7	9.2	8.8	8.5	8.4	8.2	8.1	8.0	7.9	7.8	7.7
Wages and salaries:												
Summer 1998	48.0	48.7	48.7	48.7	48.7	48.7	48.7	48.6	48.6	48.6	48.6	48.6
January 1998	48.0	48.4	48.5	48.6	48.6	48.6	48.6	48.7	48.8	48.8	48.8	48.8

[1] The consumer price index for all urban consumers.

[2] Corporate profits are the profits of corporations, adjusted to remove the distortions in depreciation allowances caused by tax rules and to exclude capital gains on inventories.

Sources: Congressional Budget Office; Department of Commerce; Bureau of Economic Analysis; Federal Reserve Board; Department of Labor, Bureau of Labor Statistics.

The forecast for 1998 and 1999

The growth of real GDP is likely to slow to 2 percent for the rest of calendar year 1998 and early 1999, down from the 4 percent pace set during 1997 and the first quarter of 1998. Factors contributing to the slowdown include a continuation of the recent increase in the real trade deficit, a pickup in inflation, and weaker profits.

Demand for U.S.-produced goods and services has been dampened by events overseas. The economic contraction in Asia stemming from that region's currency crisis was the major reason for the slowdown in demand, but an already strong dollar and the slowly growing demand in Europe also contributed to stagnating real exports and accelerating import growth. The outlook is for continued strength of the dollar and weak demand growth overseas, which make it likely that foreign trade will continue to depress demand for U.S. goods into 1999.

The underlying rate of inflation—the increase in the consumer price index (CPI) excluding energy and food prices—is forecast to rise slightly over the next year and a half because of strong upward pressure on wages and a partial dissipation of the factors that have been dampening price growth for several years. Growth of the overall CPI on a year-over-year basis was 1.7 percent in June, but that measure is distorted by the sharp drop in petroleum prices this year. The underlying rate of inflation was 2.2 percent through June. CBO's forecast assumes that the underlying rate will increase slowly to 2.7 percent by the end of 1999. Because energy prices are expected to remain steady, the forecast growth rate for the overall CPI is similar.

Some favors that have held down CPI growth over the past two or three years will continue to have an effect. For example, import prices are expected to continue declining in 1998 (in part because of the Asian crisis), and the Bureau of Labor Statistics will institute more changes to the CPI that will reduce its growth by about 0.2 percentage points in 1999 and later years. However, import price deflation is expected to fade during 1999. In addition, medical care inflation, which grew relatively slowly and dampened overall inflation in the past two years, is forecast to bounce back from its 1997 low of 2.6 percent to more than 4 percent a year during the next 18 months.

Corporate profits, which have stagnated since the third quarter of last year, will remain under pressure through 1999. Rising wages and an expected increase in the growth of employee benefits will push the growth of total compensation higher at the same time that sales growth slows. Thus, costs per unit of output will rise more rapidly over the next year and a half than in 1997. Some of those costs will be passed on in the form of higher prices, but some will be absorbed through lower profits.

The anticipated rise in inflation may lead to higher interest rates, but any increase is likely to be mild and temporary. If the Federal Reserve Board is uncertain about the pervasiveness of the slowdown in economic activity, an increase in inflation may prompt it to raise short-term rates by the end of the year. Long-term rates may also pick up slightly. However, if economic growth slows to a 2 percent rate for 1999, short-term interest rates will probably ease back to their current levels by the end of that year.

The projection for 2000 through 2008

CBO does not forecast cyclical economic effects beyond two years. Instead, it calculates a range of estimates for the medium-term path of the economy that reflect the possibility of booms and recessions. CBO then presents the middle of that range as its baseline projection of the economy for 2000 through 2008. Over that period, CBO expects real GDP to grow at an average rate of 2.2 percent a year, the CPI to increase at an average rate of 2.5 percent, and short-term interest rates to average 4.5 percent.

The small variations in real GDP growth and other variables during that period that are apparent in Table I do not stem from any assumptions about cyclical effects in those years. The slight drop in the projected growth rate of real GDP between 2002 and 2008 reflects a demographic assumption that growth of the labor force will slow in line with slower growth of the working-age population and an assumption that growth of investment will return to a lower, long-term trend. In order to achieve the projected average values assumed over the 2000–2008 period without having a misleadingly sudden drop at the end of 1999, CBO phases in reductions in inflation, interest rates, and profits as a share of GDP over the first few years of the projection period.

Changes since January

CBO now forecasts that real GDP in 1998 will be higher than it anticipated in January and projects that real GDP will grow, on average, about 0.1 percentage point a year faster over the entire 1998–2008 period than was projected at that time.

Inflation, whether measured by the consumer price index or the GDP price index, is lower this year than was forecast in January, largely because of a drop in energy prices. Inflation is expected to rise over the next two years, with the increase in the CPI projected to grow from 1.7 percent in 1998 to 2.7 percent in 2000. However, the average growth rate for the CPI from 2002 through 2008 is projected to be 2.5 percent a year—about 0.3 percentage points lower than had been projected in January. Because of changes that the Bureau of Labor Statistics has made or plans to make in how it measures the CPI, the 2.7 percent inflation projected for 2000 is comparable to 3.4 percent inflation calculated on the basis of the measurement techniques used before 1995. The Federal Reserve Board is unlikely to be satisfied with inflation at that rate over a long period; thus, CBO assumes that inflation will be lower, on average, after 2000.

The GDP price index is also projected to increase at a slower pace than CBO anticipated in January. That assumption of lower inflation significantly reduces both nominal GDP and the total national income and product account (NIPA) tax base in the latter years of the projection period. As a share of GDP, however, the total tax base is higher in the current projection than it was in January. Corporate profits as a share of GDP in 1998 and 1999 are similar to the previous forecast, but the projection for subsequent years is significantly higher than before (although the share still drops over time). CBO increased that projection because of lower projected interest rates, which reduce the debt-service costs of companies and boost profits. The projection for wages and salaries as a share of GDP has changed little since January.

Nominal interest rates are lower than previously projected because of the assumed decline in inflation. The outlook for real (inflation-adjusted) short-term interest rates is unchanged from January. However, inflation-adjusted long-term rates are projected to be lower because of the dramatic reduction in the variation of inflation. Such a reduction tends to reduce investors' concerns about locking in investments for the long term and reduces the extra interest—the inflation risk premium—that they demand on long-term investments.

Uncertainty of the outlook

One source of errors in predicting the future performance of the economy is data on its recent performance. Reported data on GDP and the components of national income are regularly revised, sometimes by quite large amounts. Because forecasts necessarily depend on the economic data that are currently available, the likelihood of revisions to those data increases the uncertainty of any forecast.

In addition, there is a risk that future events will cause a significant divergence from the path laid out in the new forecast. The economy could be more adversely affected by the Asian crisis than CBO assumes; the tightness of the labor market could cause a significant jump in the rate of inflation (such as the increase of 3 percentage points that occurred in the 1960s); or the stock market could drop precipitously. Conversely, the Asian crisis could have little additional effect on the United States; productivity growth might remain higher than CBO

anticipates, which would permit a continuation of rapid noninflationary growth and stronger profits; or labor force participation rates might again increase rapidly, easing pressures on the labor market for a few years. Such alternative outcomes could have a substantial effect on the budget, increasing or decreasing its bottom line by $100 billion or more in a single year.

THE BUDGET OUTLOOK

In March, CBO projected that the total federal budget would show a surplus of $8 billion in fiscal year 1998—the first surplus in almost 30 years—but warned that the final budget numbers for the year could quite easily show a small deficit or a larger surplus. With actual spending and revenues reported for three-quarters of the fiscal year, a surplus this year is now virtually certain, and CBO has boosted its projection of that surplus to $63 billion (see Table 2). Moreover, the improvement in the budget outlook for 1998—primarily associated with higher-than-anticipated revenues—seems likely to carry over to future years as well. Assuming that policies remain unchanged, CBO projects that the surplus will generally increase over the next 10 years, reaching $251 billion (1.9 percent of GDP) in 2008.

Although the total budget is expected to show a healthy surplus in 1998, CBO expects that there will still be an on-budget deficit. On-budget revenues (which by law exclude revenues earmarked to Social Security) are projected to be $41 billion less than on-budget spending (which excludes spending for Social Security benefits and administrative costs and the net outlays of the Postal Service, but includes general fund interest payments to the Social Security trust funds). By 2002, and in 2005 through 2008, the budget will be balanced even when off-budget revenues and spending are excluded from the calculation.

TABLE 2.—CHANGES IN CBO BUDGET PROJECTIONS SINCE MARCH 1998

[By fiscal year, in billions of dollars]

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
March 1998 Baseline Surplus	8	9	1	13	67	53	70	75	115	130	138
Changes:											
Legislative:											
Revenues	1	1	(1)	−1	−1	−1	−1	1	1	1	1
Outlays [2]	−1	−3	−4	−4	−4	−3	−2	−1	−1	(1)	1
Subtotal	(2)	−2	−4	−5	−5	−4	−4	(2)	1	1	2
Economic:											
Revenues	7	13	15	5	(1)	−3	−10	−17	−24	−33	−43
Outlays	1	9	10	12	16	24	32	40	48	56	63
Subtotal	8	22	25	17	16	21	22	24	23	23	21
Technical											
Revenues	30	48	50	51	49	50	49	51	52	52	55
Outlays [2]:											
Other than debt service	16	−1	(1)	−1	−1	(1)	−2	−1	(1)	1	1
Debt service	1	4	7	10	13	16	19	22	26	30	34
Subtotal	48	51	57	61	61	66	65	72	78	83	90
Total Changes	55	71	78	73	72	82	84	96	102	106	113
Summer 1998 Baseline Surplus	63	80	79	86	139	136	154	170	217	236	251
Memorandum:											
Total Change in Revenues	38	62	65	56	48	46	37	35	29	20	13
Total Change in Outlays	18	9	13	17	23	37	46	61	73	86	99

[1] Less than $500 million.

[2] Increases in outlays are shown with a negative sign because they reduce surpluses.

Source: Congressional Budget Office

Changes since March

Actual revenues for 1998 reported by the Treasury have been higher and actual outlays have been lower than CBO had projected in March. Revenues now seem likely to reach $1,717 billion this year, $38 billion (2.2 percent) higher than the March estimate and $53 billion (3.2 percent) higher than CBO projected in January. CBO also expects total outlays of $1,654 billion this year, $18 billion (1.1 percent) less than projected in March.

The unexpected revenues in 1998 have led CBO to boost its projection of revenues in later years because some of the unknown factors that have affected 1998 taxes will probably continue to have an impact. The reductions in 1998 spending, by contrast, result largely from temporary factors and have little effect on CBO's projections of spending beyond 1998.

CBO's spending and revenue projections incorporate the effects of legislation enacted since March, but those effects are relatively small. Changes prompted by CBO's new economic projections have had a larger effect on the budget projections, but not nearly as large as the revisions stemming from the increased 1998 revenues. The most significant change in the economic outlook is a decline in projected inflation, but that change has a limited impact on projected surpluses because it lowers both spending and revenues.

Changes in Projected Revenues. In January, CBO predicted that revenues would total $1,665 billion in 1998. That projection was based on actual collections reported through November, economic data available at that time, and CBO's forecast of economic activity through the rest of the year. In March, actual collections reported through January let CBO to raise its projection to $1,680 billion. Based on actual collections reported through June, revised economic data, and a new economic forecast, CBO now expects total collections of $1,717 billion for the year. Revisions to data on aggregate wages and salaries, corporate profits, and other variables reported in the national income and product accounts, and to CBO's forecast of those NIPA variables, explain about $7 billion of the $53 billion increase in projected revenues since January (Higher-than-expected wages have boosted projected individual income and payroll taxes by $11 billion, including the effects of bracket creep, but lower profits have reduced corporate income taxes by $5 billion.) Legislation enacted since March explains an additional $1 billion of the increase. That leaves a $45 billion increase in expected revenues to be explained by other factors.

What is known from the data on actual collections is that the $45 billion increase in the projection results almost entirely from additional individual income taxes. About one-third of the unexplained increase was in final payments in April, which reflect tax liabilities on income received in calendar year 1997. One-third was in higher-than-expected with-holding on 1998 incomes. The other one-third was in higher-than-expected estimated tax payments on 1998 liabilities, which are also based on 1998 incomes.

However, available data provide virtually no information about the sources of the increased income that generated those tax collections. A well-founded explanation of the unexpected revenues would require detailed information from tax returns about the incomes that generated tax liabilities in calendar years 1997 and 1998. But such information is available only through 1996. Sufficient data on 1997 incomes and tax liabilities will not be available until late this year, and data on 1998 liabilities will not be available until late 1999.

This year will be the third year in a row in which actual revenues exceed the amount CBO estimated in its winter baseline projections. The unexpected revenues represented 1.7 percent of total revenues in 1996, 4.6 percent in 1997, and are likely to represent 3.1 percent this year. Some of the explanations for the additional revenues in the previous two years could apply to the unexplained revenues in 1998. CBO based its projections of 1996 revenues on reported NIPA incomes that turned out to be too low and were later revised upward. Incomes for higher-income tax-payers—particularly income from partnerships—grew faster than expected. In addition, the growth in deductions lagged behind incomes. Not all of the factors affecting the unanticipated revenues in 1997 are known yet, but unexpectedly high realizations of capital gains in calendar year 1996 clearly contributed to them. The explanation for the

additional revenues in 1998 is likely to be some combination of these and other factors.

How projections of future revenues should be adjusted to reflect the outcome in 1998 depends on which of the factors were actually at work, and to what extent. If incomes in the recent past were higher than has been reported in the NIPA data, that discrepancy would produce an effect that would be expected to grow over time at roughly the rate of the projected growth in incomes. Although the incomes of high-income taxpayers could continue to rise more rapidly than average incomes, they could also grow at the same rate or more slowly, producing a constant or declining effect on future revenues. An increase in realizations of deferred income that has accumulated over a number of years—such as capital gains—often is a temporary phenomenon that could even lead to lower revenues in the future.

After assessing the possible alternatives, CBO has chosen a middle course. its projections assume that the unexplained revenues in 1998 continue over time, neither growing nor fading away. That assumption, along with small changes resulting from other adjustments, generates the technical changes to revenues shown in Table 2. (Technical changes are those that are not attributable to legislation or the economy.)

CBO also revised its revenue projections to reflect legislation enacted since March, primarily the Internal Revenue Service Restructuring and Reform Act of 1998. Those changes increase revenues in some years and decrease them in others but boost them by a total of $3 billion over the 1998–2008 period.

Changes in CBO's economic projections affected revenues much more substantially than did legislation. Over the next few years, the revised economic assumptions increase revenues by as much as $15 billion a year. But after 2002, the revised outlook reduces revenues by amounts that grow to $43 billion in 2008. Slightly higher real GDP and a not-quite-as-sharp decline in corporate profits as a share of GDP boost projected revenues. However, lower projected inflation pushes down nominal GDP and incomes, resulting in a drop in revenues that more than offsets those upward effects after 2002. Because lower inflation also pushes down spending, that reduction in revenues does not have a major impact on the budget surplus.

Changes in Projected Outlays. CBO anticipates that 1998 outlays will be $18 billion lower than projected in March. About $5 billion of that reduction occurs in discretionary spending. A supplemental appropriation bill enacted in May boosted discretionary outlays by an estimated $1 billion, but that increase was more than offset by slower-than-anticipated spending for a number of programs. For instance, spending for highway construction and maintenance is likely to be some $1.5 billion less than was projected in March, largely because of delays in providing funding for the spending allowed by obligation limitations enacted for 1998. Spending for disaster relief is now expected to be $1 billion less than previously estimated, and reductions in projected spending for a variety of natural resources and environmental program total about $1 billion. Projected outlays for various other discretionary programs have been reduced by smaller amounts.

Lower projected mandatory spending in 1998 accounts for the remaining $12 billion in decreased outlays. More than $1 billion of that reflects economic effects—unemployment and interest rates that are lower than previously anticipated. Legislation enacted since March as had virtually no effect on net mandatory spending. Thus, the remaining $11 billion reduction in projected mandatory spending is attributable to other, techinal factors. More than $3 billion of the reduction is in Medicare, largely the result of a decision by the Health Care Financing Administration to slow the processing of payments to health care4 providers. Net outlays have also been reduced by $1.8 billion because it appears likely that proceeds from the sale of the United Stated Enrichment Corporation (USEC) will be received in 1998 instead of in 1999, as CBO previously projected. CBO had assumed that $1.5 billion would be paid in 1998 as part of the settlement stemming from the 1996 Supreme Court decision holding the federal government liable for losses resulting from statutory changes in the treatment of certain savings and loan assets. It now appears that almost none of the payments will occur this year. Projected net spending for credit programs of the Federal Housing Administration has been reduced by $1.5 billion. Spending for a variety of other mandatory programs has also been revised downward.

Lower outlays in 1998 have not led to a reduction in projected spending in 1999 through 2008. The 1998 reductions largely reflect one-time events that either have no impact on future spending or are likely to increase it. For example, the slowdown in the processing of Medicare payments will lower 1998 spending but will have little or no effect on spending in future years, since the amount saved in any year because of the delay will roughly equal the amount that is carried over to that year from the previous year. And collecting proceeds from the USEC sale in 1998 will clearly increase net outlays in 1999 above what they would have been if the proceeds had been collected in that year.

Legislation enacted since March has increased projected spending over the 1999–2008 period by a total of $23 billion. Most of that increase stems from the additional spending provided by the Transportation Equity Act for the 21st Century, enacted in June. That legislation boosted total discretionary spending allowed under the Deficit Control Act by creating separate statutory caps on outlays for highways and for mass transit while reducing the existing cap on nondefense spending by an amount smaller than that allowed under the new caps. That increase in discretionary spending was only partially offset by reductions in mandatory spending provided in the act (primarily from overturning a 1997 decision by the Department of Veterans Affairs that made it easier for veterans suffering from smoking-related diseases to qualify for compensation benefits).

Changes in CBO's economic projections have reduced projected spending by amounts that grow to $63 billion by 2008. A slight reduction in anticipated real long-term interest rates produces savings in interest on the national debt. Much more significant, however, are the reductions in spending that result from lower projected inflation. Lower inflation holds down the size of required cost-of-living adjustments for benefit programs such as Social Security, slows the growth of Medicare spending, and by lowering nominal interest rates, curbs spending for interest on the debt. Since CBO's projections assume that discretionary spending will grow at the rate of inflation after the statutory caps on such spending expire in 2002, the decline in projected inflation also reduces discretionary spending projected for 2003 through 2008. Lower inflation has a small effect on the surplus, however, because it reduces revenues by at least as much as outlays.

Current revenue projections for 1998 through 2008

CBO projects that revenues will grow about 3.5 percentage points faster than the economy in 1998, reaching 20.5 percent of GDP—a post-World War II high. In 1999, revenues are projected to grow only slightly faster than the economy and will equal 20.6 percent of GDP (see Table 3). After that, revenues are expected to decline gradually as a percentage of GDP through 2003 (when they will equal 19.8 percent) and then grow at the same rate as the economy through 2008. Despite the decline (as a percentage of GDP) from the 1999 high point, the 19.8 percent level projected for revenues in 2003 through 2008 is equal to the level attained in 1997. Thus, even with tax cuts in the Taxpayer Relief Act of 1997 that reduce revenues by an estimated 0.3 percent of GDP a year, revenues are projected to equal a larger share of GDP than in any postwar year before 1997.

TABLE 3.—CBO BASELINE BUDGET PROJECTIONS, ASSUMING COMPLIANCE WITH DISCRETIONARY SPENDING CAPS

[By fiscal year]

	Actual 1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	IN BILLIONS OF DOLLARS											
Revenues:												
Individual income	737	821	850	867	892	933	968	1,014	1,065	1,116	1,170	1,227
Corporate income	182	190	196	201	201	204	210	218	228	239	250	262
Social insurance	539	577	604	629	652	678	706	737	772	805	839	871
Other	120	129	150	152	157	163	169	174	178	182	187	193
Total	1,579	1,717	1,801	1,848	1,903	1,978	2,053	2,142	2,243	2,342	2,446	2,553
On-budget	1,187	1,296	1,359	1,388	1,425	1,481	1,534	1,601	1,675	1,750	1,829	1,911
Off-budget	392	421	442	460	478	497	519	541	568	592	618	643
Outlays:												
Discretionary spending	548	552	564	569	570	567	581	595	610	626	641	657
Mandatory spending	896	942	997	1,052	1,115	1,165	1,234	1,303	1,389	1,443	1,531	1,626
Offsetting receipts	−87	−84	−79	−84	−90	−101	−96	−99	−104	−109	−115	−121
Net interest	244	244	238	232	221	209	198	189	178	166	153	140

TABLE 3.—CBO BASELINE BUDGET PROJECTIONS, ASSUMING COMPLIANCE WITH DISCRETIONARY SPENDING CAPS—Continued

[By fiscal year]

	Actual 1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total	1,601	1,654	1,721	1,769	1,817	1,840	1,918	1,988	2,073	2,126	2,211	2,303
On-budget	1,291	1,337	1,396	1,434	1,470	1,480	1,545	1,601	1,670	1,706	1,774	1,846
Off-budget	311	317	325	335	347	359	373	387	402	419	437	456
Deficit (−) or Surplus	−22	63	80	79	86	139	136	154	170	217	236	251
On-budget deficit (−) or surplus	−103	−41	−37	−46	−45	1	−10	(1)	5	44	55	64
Off-budget surplus	81	104	117	125	131	138	146	154	165	173	181	186
Debt held by the Public	3,771	3,717	3,655	3,589	3,518	3,395	3,275	3,136	2,961	2,779	2,557	2,320
Memorandum:												
Gross Domestic Product	7,971	8,389	8,758	9,124	9,485	9,904	10,368	10,845	11,334	11,835	12,354	12,891
AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT												
Revenues:												
Individual income	9.3	9.8	9.7	9.5	9.4	9.4	9.3	9.3	9.4	9.4	9.5	9.5
Corporate income	2.3	2.3	2.2	2.2	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0
Social insurance	6.8	6.9	6.9	6.9	6.9	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Other	1.5	1.5	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.5	1.5	1.5
Total	19.8	20.5	20.6	20.3	20.1	20.0	19.8	19.8	19.8	19.8	19.8	19.8
On-budget	14.9	15.4	15.5	15.2	15.0	15.0	14.8	14.8	14.8	14.8	14.8	14.8
Off-budget	4.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Outlays:												
Discretionary Spending	6.9	6.6	6.4	6.2	6.0	5.7	5.6	5.5	5.4	5.3	5.2	5.1
Mandatory Spending	11.2	11.2	11.4	11.5	11.8	11.8	11.9	12.0	12.3	12.2	12.4	12.6
Offsetting Receipts	−1.1	−1.0	−0.9	−0.9	−0.9	−1.0	−0.9	−0.9	−0.9	−0.9	−0.9	−0.9
Net interest	3.1	2.9	2.7	2.5	2.3	2.1	1.9	1.7	1.6	1.4	1.2	1.1
Total	20.1	19.7	19.7	19.4	19.2	18.6	18.5	18.3	18.3	18.0	17.9	17.9
On-budget	16.2	15.9	15.9	15.7	15.5	14.9	14.9	14.8	14.7	14.4	14.4	14.3
Off-budget	3.9	3.8	3.7	3.7	3.7	3.6	3.6	3.6	3.6	3.5	3.5	3.5
Deficit (−) or Surplus	−0.3	0.8	0.9	0.9	0.9	1.4	1.3	1.4	1.5	1.8	1.9	1.9
On-budget deficit (−) or surplus	−1.3	−0.5	−0.4	−0.5	−0.5	(2)	−0.1	(2)	(2)	0.4	0.4	0.5
Off-budget surplus	1.0	1.2	1.3	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.4
Debt held by the Public	47.3	44.3	41.7	39.3	37.1	34.3	31.6	28.9	26.3	23.5	20.7	18.0

[1] Deficit of less than $500 million.
[2] Deficit or surplus of less than 0.05 percent of GDP.
Source: Congress Budget Office.

Although CBO assumes that the unexplained increase in 1998 revenues carries over into 1999—thus boosting revenues to an all-time high of 20.6 percent of GDP—the projected growth rate of revenues drops sharply, from 8.7 percent in 1998 to 4.9 percent in 1999. That drop is attributable in part to economic factors—the growth in taxable incomes is projected to slow to 4.1 percent in 1999, down from 5.8 percent in 1998. The rest comes from assuming that the unexplained revenue effect will not increase in 1999. If, instead, that effect increased substantially, revenues would rise at a much faster rate. However, if the unexplained revenues resulted largely from temporary factors in 1998, the rate of growth of revenues in 1999 would decline even more precipitously.

Even if revenues continue to grow rapidly in 1999, CBO believes the rate of growth will eventually slow. Because of the scheduled tax cuts provided by the Taxpayer Relief Act, and because corporate profits are expected to fall as a share of GDP, CBO projects that over the next 10 years, the average growth rate of revenues will be slightly lower than the growth rate of the economy. Revenues are projected to grow at the same rate as GDP from 2003 through 2008. During that period, individual income taxes will grow faster than GDP because individual income tax brackets are indexed for inflation but not for changes in real income, which boosts the effective tax rate as real income grows. But excise taxes grow more slowly than GDP because many rates are fixed in nominal terms.

Current outlay projections for 1997 through 2008

In dollar terms, total outlays are projected to grow from $1,654 billion in 1998 to $2,303 billion in 2008. But as a percentage of GDP, they are projected to decline throughout the period—from 19.7 percent of GDP in 1998 to 17.9 percent in 2008.

Net interest, which was the faster-growing category of spending in the 1980s, is now projected to decline from $244 billion (2.9 percent of GDP) in 1998 to $140 billion (1.1 percent of GDP) in 2008 as projected surpluses reduce the stock of debt held by the public by $1.4 trillion (see Table 4). Discretionary spending is projected to increase from $552 billion to $657 billion over that period but to shrink relative to the size of the economy—from 6.6 percent of GDP to 5.1 percent. By contrast, mandatory spending is expected to increase both in nominal terms (from $942 billion to $1.626 billion) and as a percentage of GDP (from 11.2 percent of 12.6 percent). That increase comes from both means-tested and non-means-tested programs, with Medicaid and Medicare leading the way (see Table 5).

Table 4.—CBO PROJECTIONS OF INTEREST COSTS AND FEDERAL DEBT

[By fiscal year]

	Actual 1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
NET INTEREST OUTLAYS (BILLIONS OF DOLLARS)												
Interest on Public Debt (Gross interest) [1]	356	363	363	365	363	360	357	357	357	356	354	352
Interest Received by Trust Fund:												
Social Security	−41	−46	−51	−57	−64	−70	−77	−84	−91	−99	−108	−117
Other trust fund [2]	−64	−67	−67	−70	−72	−73	−75	−77	−79	−81	−84	−86
Subtotal	−105	−113	−118	−128	−136	−143	−151	−161	−170	−180	−191	−202
Other Interest [3]	−7	−6	−7	−6	−7	−7	−8	−8	−9	−9	−10	−10
Total	244	244	238	232	221	209	198	189	178	166	153	140
FEDERAL DEBT AT THE END OF THE YEAR (BILLIONS OF DOLLARS)												
Gross Federal Debt	5,370	5,475	5,594	5,721	5,845	5,927	6,021	6,102	6,174	6,205	6,223	6,222
Debt Held by Government Accounts:												
Social Security	631	736	853	978	1,108	1,246	1,392	1,547	1,712	1,885	2,066	2,252
Other accounts [2]	968	1,022	1,087	1,154	1,219	1,286	1,354	1,419	1,481	1,541	1,600	1,650
Subtotal	1,599	1,757	1,939	2,132	2,327	2,532	2,746	2,966	3,193	3,426	3,665	3,902
Debt Held by the Public	3,771	3,717	3,655	3,589	3,518	3,395	3,275	3,136	2,981	2,779	2,557	2,320

Table 4.—CBO PROJECTIONS OF INTEREST COSTS AND FEDERAL DEBT—Continued

[By fiscal year]

	Actual 1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Subject to Limit [4]	5,328	5,437	5,557	5,685	5,810	5,893	5,988	6,072	6,145	6,178	6,196	6,196
FEDERAL DEBT AS A PERCENTAGE OF GDP												
Debt Held by the Public	47.3	44.3	41.7	39.3	37.1	34.3	31.6	28.9	26.3	23.5	20.7	18.0

SOURCE: Congressional Budget Office.

Note.—Projections of interest and debt assume that discretionary spending will equal the statutory caps that are in effect through 2002 and will grow at the rate of inflation in succeeding years.

[1] Excludes interest costs of debt issued by agencies other than the Treasury (primarily the Tennessee Valley Authority).
[2] Principally Civil Service Retirement, Military Retirement, Medicare, unemployment insurance, and the Highway and the Airport and Airway Trust Funds.
[3] Primarily interest on loans to the public.
[4] Differs from the gross federal debt primarily because most debt issued by agencies other than the Treasury is excluded from the debt limit.

TABLE 5.—CBO BASELINE PROJECTIONS FOR MANDATORY SPENDING, INCLUDING DEPOSIT INSURANCE

[By fiscal year, in billions of dollars]

	Actual 1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
MEANS-TESTED PROGRAMS												
Medicaid	96	101	109	115	123	131	141	152	165	179	194	210
State Children's Health Insurance Program	(1)	0	1	3	4	4	4	4	4	4	4	5
Food Stamps	23	21	22	23	25	26	27	28	29	30	30	31
Supplemental Security Income	27	27	28	29	31	33	35	37	42	41	39	45
Family Support [2]	17	18	21	22	23	23	24	24	25	25	25	26
Veterans' Pensions	3	3	3	3	3	3	4	4	4	4	4	4
Child Nutrition	8	9	9	10	10	11	11	12	12	13	13	14
Earned Income Tax Credit [3]	22	24	26	27	28	29	29	30	30	31	31	32
Student Loans	4	3	4	4	5	5	5	5	5	5	5	6
Other	4	4	5	5	6	6	6	7	7	8	8	9
Total	203	209	228	243	257	270	285	302	323	339	355	381
NON-MEANS-TESTED PROGRAMS												
Social Security	362	376	389	406	425	446	467	489	513	539	567	597
Medicare	208	214	230	243	266	275	302	325	359	368	406	435
Subtotal	570	590	620	649	691	720	768	814	873	907	973	1,033
Other Retirement and Disability:												
Federal civilian [4]	46	48	50	52	55	57	60	63	67	71	74	78
Military	30	31	32	33	34	35	36	37	38	39	40	41
Other	4	5	5	5	5	5	5	5	5	5	5	5
Subtotal	81	84	86	90	94	98	102	106	110	115	120	125
Unemployment Compensation	21	19	21	22	25	26	27	29	30	31	32	33
Deposit Insurance	−14	−4	−4	−3	−2	−2	−1	−1	−1	−1	−1	−1
Other Programs:												
Veterans' benefits [5]	19	21	21	22	22	23	23	24	26	25	23	25
Farm price and income supports	6	8	7	6	5	5	5	5	5	5	5	5
Social services	5	5	5	6	5	5	5	5	5	5	5	5
Credit reform liquidating accounts	−10	−7	(6)	−6	−6	−6	−6	−6	−6	−6	−6	−6
Other	17	17	14	24	25	26	26	26	24	24	25	26
Subtotal	37	44	47	52	51	52	53	53	54	52	51	55
Other	694	733	769	810	859	895	949	1,001	1,066	1,105	1,176	1,245
TOTAL												
All Mandatory Spending	896	942	997	1,052	1,115	1,165	1,234	1,303	1,389	1,443	1,531	1,626

[1] The State's Children's Health Insurance Program was created as part of the Balanced Budget Act of 1997.
[2] Includes Temporary Assistance for Needy Families, Famly Support, Aid to Families with Dependent Children, Job Opportunities and Basic Skills, Contingency Fund for State Welfare Programs, Child Care Entitlements to States, and Children's Research and Technical Assistance.
[3] Includes outlays from the child credit enacted in the Taxpayer Relief Act of 1997.
[4] Includes Civil Service, Foreign Service, Coast Guard, and other retirement programs, and annuitants' health benefits.
[5] Includes veterans' compensation, readjustment benefits, life insurance, and housing programs.
[6] Less than $500 million.

Note.—Spending for benefit programs shown above generally excludes administrative costs, which are discretionary. Spending for Medicare also excludes premiums, which are considered offsetting receipts.

Source: Congressional Budget Office.

CONCLUSION

An unexpected increase in revenues in 1998 has virtually ensured that the total federal budget will be balanced for the first time in almost 30 years, and nothing currently visible on the horizon seems to threaten a return to deficits in the near term if policies remain unchanged. However, if any of a number of assumptions that CBO has made turn out to be off the mark, budget outcomes could be quite different than projected even if there are no changes in policy. for instance, if CBO's economic projections prove to be just a little too optimistic, surpluses could be much lower than anticipated, while a recession similar to that of the early 1990s could even produce a deficit. Likewise, surpluses could be lower than projected if the factors that produced the unexpected revenues in 1998 fade away quickly. Of course, it is also possible that the economy will be more robust than expected or that the unexplained revenue effect will grow over time, in which case the budget outlook is much brighter than CBO currently projects. In the face of those uncertainties, the current budget projections represent CBO's estimate of the middle of the range of likely outcomes.

Mr. HOLLINGS. These are the updated figures:

In 1998, the trust fund surplus is $105 billion in Social Security; in 1999, $117 billion; in the year 2000, $126 billion; in the year 2001, $130 billion; in 2002, $138 billion; in the year 2003, $146 billion; in the year 2004, $154 billion; in 2005, $165 billion; in 2006, $173 billion; in 2007, $181 billion; and in 2008, $186 billion.

So what you see in the projection here with respect to so-called surpluses that are now being quoted by the President, distinguished Members of the House of Representatives, distinguished Members of this particular body, on page 11 of the Congressional Budget Office report, you will find that what we actually are spending over the 10 years in order to get down to a deficit in the year 2008—they finally reduce the deficit down according to these magnificent projections over a 10-year period—the deficit is down to $1 billion by using $1.621 trillion of Social Security trust funds.

Last evening—let me compliment the distinguished Senator from Minnesota—Mr. GRAMS talked at length about the various countries and how they approach the Social Security problem. He referred in several instances to the Social Security problem—this is just late last evening—to the "looming crisis," the "coming crisis," the "fiscal crisis." And most of what he says, by the way, I agree with, but there is no real crisis in Social Security if we only stop spending the money.

The problem is that the politicians, both Republican and Democrat, see the Social Security trust fund as a cookie jar they can stick their hands in to get their favorite programs. Look here, they think, I can get my children's program; oh, no, I get my marriage penalty tax reform; I get the corporate taxes here; I get the estate taxes over here; I get another capital gains tax there; oh, no, I want to spend it for Medicare. This is just the biggest scandal I have ever seen, because that crowd up there in the gallery—namely, the media—will not report the truth.

I hope they look right at the Congressional Budget Office report from the 15th of this month, just a week ago. These are the supposedly nonpartisan figures. On page 11 you will see that the deficit goes up, in 1998, to $105 billion; and then, in 1999, to $119 billion; in the year 2000, $127 billion; and the year 2001, $124 billion.

I remember back in 1993, when we on this side of the aisle passed the Budget Act, the Republicans claimed that if we passed that particular 1993 budget plan, the economy would go into a nose dive; there would be a depression. My friend on the Republican side of the aisle, the chairman of the Finance subcommittee, Senator Packwood of Oregon, said he would give us his house if this thing worked. Our distinguished friend in the House, the chairman of the Budget Committee, Congressman John Kasich, said he would change parties and become a Democrat if that thing worked.

It has worked. It has worked, Mr. President, until now. That is why I, the Senator from Wisconsin, and other Senators here wanted to be heard on this. Because what is really occurring is, everybody is dealing out the Social Security trust fund to various programs in an illegal fashion—certainly in an immoral fashion. They are running around telling everybody, you can count on Social Security, except for the baby boomers. It is not the baby boomers in the next generation, it is the Members of Congress on the Senate floor and on the floor of the House. We, willy-nilly, are savaging, ravaging, looting Social Security. And there is not any question that the law disallows this.

I appreciate my distinguished chairman from New Hampshire allowing me this moment. I ask unanimous consent the Greenspan Commission report of 1983, which I worked on, be printed in the RECORD.

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

SOCIAL SECURITY AND THE UNIFIED BUDGET

(21) A majority of the members of the National Commission recommends that the operations of the OASI, DI, HI, and SMI Trust Funds should be removed from the unified budget. Some of those who do not support this recommendation believe that the situation would be adequately handled if the operations of the Social Security program were displayed within the present unified Federal budget as a separate budget function, apart from other income security programs.

Mr. HOLLINGS. The majority of the members of this commission—I am just paraphrasing—stated that the Social Security trust funds should be removed from the unified budget. You will see that in report there.

When they submitted the Greenspan report, the Commission said to remove Social Security from the unified budget. I struggled, as a member of the Budget Committee, for almost 7 years to get it done. But I kept moving. I kept trying different ways. I tried on Gramm-Rudman-Hollings and that particular budget approach. But in the summer of 1990—that is why I can remember November 5—before the Budget Committee, by a vote of 20 to 1, we removed it from the unified budget. We got it on the floor of the Senate in October, and 98 Senators—if any Senator who was here in October is still here, any Senator who was here in October of 1990—they voted just that way, to remove it from the unified budget.

I will get, later, the vote record and we will put that in the RECORD. I am not trying to embarrass or account for any Senators, but I am trying to emphasize that this body has pledged time and time again to save Social Security first and to stop looting the fund.

So we had 98 Senators vote for that, and President George Bush signed it into law. Mr. President, I ask unanimous consent that we have printed in the RECORD just that 1-page law, right here, subtitle (c) of the Budget Act on Social Security, 13301. I ask unanimous consent to have it printed in the RECORD.

Subtitle C—Social Security

SEC. 13301. OFF-BUDGET STATUS OF OASDI TRUST FUNDS.

(a) EXCLUSION OF SOCIAL SECURITY FROM ALL BUDGETS.—Notwithstanding any other provision of law, the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

(1) the budget of the United States Government as submitted by the President,

(2) the congressional budget, or

(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EXCLUSION OF SOCIAL SECURITY FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following: "The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.".

Mr. HOLLINGS. Mr. President, "Exclusion of Social Security from all budgets"—this is the formative statutory law. We have been talking about criminals, while many members of this body commit a crime every time they discuss budget surpluses. They are not obeying their own—

Notwithstanding any other provision of law, the receipts and disbursements of the Federal Old Age Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts or deficit or surplus for the purposes of—

(1) the budget of the U.S. Government as submitted by the President,

(2) the Congressional budget,

(3) or the Balanced Budget and Emergency Deficit Control Act of 1985.

That was Gramm-Rudman-Hollings. We have been struggling a long time, but we cannot get the truth out. We cannot get the truth out.

One of the deterrents to the truth is the common belief that every President since Lyndon Johnson has used Social Security trust funds for the general budget. This is not true, Mr. President. It was not so. No, sir. President Lyndon Johnson did not use Social Security in order to balance the budget in 1968-69. I was there. In fact, over on the House side we had the conference. George Mahon was the chairman of the Appropriations Committee. We called over and asked Marvin Watson and said, "Ask the President if we can cut another $5 billion." President Johnson said, "Cut it," and we balanced the budget. President Lyndon Baines Johnson was very conscientious about guns and butter. He was leaving office, and he did not want to leave a heritage of busted budgets and the charge that he had the Great Society and the war in Vietnam and he could not afford them.

Mr. President, do you know what the budget was then? It was $178 billion for all purposes of Government, defense and domestic. Do you know what the interest cost on the national debt is? The interest cost on the national debt now is going to be $363 billion, according to this recent report here—a billion dollars a day.

Do you know what the interest cost on the national debt was when President Johnson balanced the budget back then? The interest cost was $16 billion. That was interest costs for 200 years of history and the cost of all the wars, up from the Revolution right on through World War I, World War II, Korea, and

Vietnam. And it was only a debt that required taxes, interest costs, to be paid of $16 billion.

Now we are up there to almost $5.7 trillion without the cost of a war. It has gone right on through the ceiling, a billion a day, $363 billion in interest costs. That is $350 billion more than what we had. And we are spending the money. This is pure waste.

Many say government is too big. I agree, it is too big. But the biggest thing in the budget is the interest costs on the national debt. It is bigger than Social Security, bigger than defense, bigger than the domestic budget. We keep spending for nothing. If we had the extra $350 billion since President Johnson's balanced budget—the defense budget is only $250 billion—we could double the defense budget: Instead of 13 aircraft carriers, we will give you 26 aircraft carriers; instead of 16 divisions, we will give you 32 divisions. Double it, and still have $100 billion for research for cancer, NIH, for education, for the environment, for anything—for cleanups, for agriculture. We have the money, because we are spending it on interest payments.

Why? Because Congress is not minding the store. It has a wonderful cookie jar it takes from by the billions every year. And over the next 10 years, Congress will continue to steal from it. Over the 5-year period, we are going to have deficits of $557 billion—$557 billion, and we are talking about balancing the budget.

Each year, every year, instead of a surplus, there is going to be a balance, and we keep going, going to it. In order to verify this, I ask unanimous consent that this chart of the budget realities be printed in the RECORD.

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

HOLLINGS' BUDGET REALITIES

President (year)	U.S. budget (outlays in billions)	Borrowed trust funds (billions)	Unified deficit with trust funds (billions)	Actual deficit without trust funds (billions)	National debt (billions)	Annual increases in spending for interest (billions)
Truman:						
1945	92.7		−47.6		260.1	
1946	55.2	5.4	−15.9	−10.9	271.0	
1947	34.5	−5.0	4.0	+13.9	257.1	
1948	29.8	−9.9	11.8	+5.1	252.0	
1949	38.8	6.7	0.6	−0.6	252.6	
1950	42.6	1.2	−3.1	−4.3	256.9	
1951	45.5	1.2	6.1	+1.6	255.3	
1952	67.7	4.5	−1.5	−3.8	259.1	
1953	76.1	2.3	−6.5	−6.9	266.0	
Eisenhower:						
1954	70.9	0.4	−1.2	−4.8	270.8	
1955	68.4	3.6	−3.0	−3.6	274.4	
1956	70.6	0.6	3.9	+1.7	272.7	
1957	76.6	2.2	3.4	+0.4	272.3	
1958	82.4	3.0	−2.8	−7.4	279.7	
1959	92.1	4.6	−12.8	−7.8	287.5	
1960	92.2	−5.0	0.3	−3.0	290.5	
1961	97.7	3.3	−3.3	−2.1	292.6	
Kennedy:						
1962	106.8	−1.2	−7.1	−10.3	302.9	9.1
1963	111.3	3.2	−4.8	−7.4	310.3	9.9
Johnson:						
1964	118.5	2.6	−5.9	−5.8	316.1	10.7
1965	118.2	−0.1	−1.4	−6.2	322.3	11.3
1966	134.5	4.8	−3.7	−6.2	328.5	12.0
1967	157.5	2.5	−8.6	−11.9	340.4	13.4
1968	178.1	3.3	−25.2	−28.3	368.7	14.6
1969	183.6	3.1	3.2	+2.9	365.8	16.6
Nixon:						
1970	195.6	0.3	−2.8	−15.1	380.9	19.3
1971	210.2	12.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	4.3	−14.9	−30.4	466.3	24.2
1974	269.4	15.5	−6.1	−17.6	483.9	29.3
Ford:						
1975	332.3	11.5	−53.2	−58.0	541.9	32.7
1976	371.8	4.8	−73.7	−87.1	629.0	37.1
Carter:						
1977	409.2	13.4	−53.7	−77.4	706.4	41.9
1978	458.7	23.7	−59.2	−70.2	776.6	48.7
1979	503.5	11.0	−40.7	−52.9	829.5	59.9
1980	590.9	12.2	−73.8	−79.6	909.1	74.8
Reagan:						
1981	678.2	5.8	−79.0	−85.7	994.8	95.5
1982	745.8	6.7	−128.0	−142.5	1,137.3	117.2
1983	808.4	14.5	−207.8	−234.4	1,371.7	128.7
1984	851.8	26.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	7.6	−212.3	−252.8	1,817.5	178.9
1986	990.3	40.5	−221.2	−303.1	2,120.6	190.3
1987	1,003.9	81.9	−149.8	−225.5	2,346.1	195.3
1988	1,064.1	75.7	−155.2	−255.2	2,601.3	214.1
Bush:						
1989	1,143.2	100.0	−152.5	−266.7	2,868.3	240.9
1990	1,252.7	114.2	−221.2	−338.6	3,206.6	264.7
1991	1,323.8	117.4	−269.4	−391.9	3,598.5	285.5
1992	1,380.9	122.5	−290.4	−403.6	4,002.1	292.3
Clinton:						
1993	1,408.2	113.2	−255.0	−349.3	4,351.4	292.5
1994	1,460.6	94.3	−203.1	−292.3	4,643.7	296.3
1995	1,514.6	89.2	−163.9	−277.3	4,921.0	332.4
1996	1,560.3	113.4	−107.3	−260.9	5,181.9	344.0
1997	1,601.3	153.6	−22.3	−187.8	5,369.7	355.8
1998	1,654.0	168.3	63.0	−105.3	5,475.0	363.0
1999	1,721.0	199.0	80.0	−119.0	5,594.0	363.0

Note: Historical Tables, Budget of the US Government FY 1998; Beginning in 1962 CBO's 1998 Economic and Budget Outlook.

Mr. HOLLINGS. I thank the distinguished Chair.

This takes us from President Truman, in 1945, down to President Clinton's 1999 budget and the one we passed in the U.S. Senate.

You will see when President Bush left town that the actual deficit was $403.6 billion. That was how much we were spending. In 1993, we passed the budget act I mentioned earlier, and we brought the actual deficit down to $349.3 billion. Then, in 1994, to $292.3 billion. In 1995, to $277.3 billion. In 1996,

we reduced the deficit down to $260.9 billion. In 1997, to $187.8 billion. In 1998, it is down to $105.3 billion. You can see in 6 years, we have gone down, down, down, down.

The Congress and the President should be credited. We have a wonderful economy, the lowest interest rates, lowest unemployment rate, the highest business investment, more home ownership in America, consumer confidence at its highest, stock market going through the roof. We acknowledge that and take credit for it. We participated in it.

Just when we ought to stay the course and continue to reduce the actual deficit, we have an election coming up in November. Oh, boy, they see that cookie jar, and they are breaking ranks now. They voted for this particular amendment unanimously in the Budget Committee. They might want a second-degree amendment. I just want to get an actual vote, because colleagues on this side want an actual vote so we find out where they all stand.

I think they can outmaneuver us, there is no question about that, if they don't want to vote. But they can't change this record. We have a situation where instead of reducing the deficit, they want to go back and start to increase deficits, as I related, again and again for each year for 5 years running.

They are all talking about surpluses as far as the eye can see. Mr. President, the surpluses as far as the eye can see are the Social Security surpluses. These are the moneys that belong, under the law—Greenspan said put it off budget. We put it off budget. We continue to spend the money. I keep raising the points of order, and they just ignore it and go on.

Right now the word is, "Wait a minute. If we vote for this, you can't get your tax cuts." Well, come, you can't get your tax cuts, because the only way you can get your tax cuts is to loot the moneys out of Social Security. That is how you get tax cuts. That is how you get all of these programs that increase spending.

In order to do it, they want to use $105 billion of Social Security in 1998. In order to get the tax cuts, how do they justify that list the distinguished speaker put out? He had capital gains, he had estate tax elimination, he had the marriage penalty, he had tuition tax credits for private education—he just got it all in and said, "Just watch them vote against that, and we'll go after them and say, 'Tax-and-spend, tax-and-spend, tax-and-spend.'" The truth of the matter is, he is the one increasing taxes, because as you do this, as you loot the Social Security fund, the debt increases, as we see by the CBO record; and as the debt increases, spending for interest goes up. It cannot be avoided. It is going to be spent. That is exactly what is going on. It is fiscal cancer.

Let me say a word about that. I was on the Grace Commission, Mr. President, and worked with Peter Grace. We were against waste, fraud and abuse. At the very time we put out this magnificent volume, which was 2 inches thick, of our wonderful work of eliminating waste, fraud and abuse, we were creating the biggest waste in the history of Government; namely, deficits and the national debt. We cut revenues, we increased spending, we didn't pay for it, and the debt went up, up, and away. Whereby it was a little less than a trillion dollars when we first started with President Reagan—it was $903 billion at that particular time—it has gone up now with 12 years of Reagan-Bush to over $5 trillion. Of course, it has gradually gone up even though we have been reducing the deficit each year. At this minute, we will spend, if we approve the budget that has been approved in the Senate and what they confirmed over on the House side, over $100 billion more than we take in.

On April 15, we are supposed to complete the budget work. I have been on the Budget Committee since we instituted it. Modestly, I say I used to be the chairman, and we did reduce spending at one time. Now it is July, and we haven't even had a conference. They appointed everybody in the conference committee from both budget groups, but they can't confirm because they can't face up to each other and say, "Wait a minute. Somebody is going to tell the secret that the only way there are any surpluses around here is the budget trust fund surplus that we have to loot in order to get all of these tax cuts, children's programs, Medicare costs," and everything else of that kind. The media doesn't even report it. It is a scandal.

There it is. We started the biggest waste at that particular time. You have to understand why this is given sanction even in the business community. I have argued with Alan Greenspan about this one. He loves the unified budget. That business crowd doesn't want the sharp elbows of Government crowding in to the bond market running up interest costs, running up inflation. They don't serve in public office. They don't have to face the statutes, laws and policies that we enact as Members of the Congress. They say, "Oh, it will be taken care sooner or later." They go ahead with the unified budget pointing, if you please, Mr. President, to the difference between the corporate economy and the country's economy.

The corporate economy, of course, is higher profits. The country's economy is for the good of society. And they don't necessarily meld. Or it is good for the corporate economy for NAFTA to go like gangbusters down in Mexico. That is where General Motors is headed with that strike. Actually, Honda exports more cars than General Motors this minute in the United States of America. We are going out of business.

I have lost 24,000 textile and apparel jobs since NAFTA. Those are good jobs. It is an industry that under President Kennedy we found out is necessary to the national security. After steel, it was the second most important. It was a finding in the sense you couldn't send the soldiers to war in a Japanese uniform. You had to have clothing.

Seventy-five percent of the clothing within the view of us in the U.S. Senate is imported. We are at the water's edge of whether or not we are going to have that industry.

The other industry is going down, because in the corporate culture, if you can save—it is shown that you can save a good 20 percent of your labor costs, 20 percent of volume, by moving to a low-wage, offshore country.

So if you have $500 million in sales, you can move offshore. Just keep your corporate office, your sales folks, but move your manufacturing offshore and you make $100 million. Or you can continue to stay here and work your own employees—they call them associates now—and go broke because your competition is gone. The multinationals could care less. They are in the business of making money. We are in the business of making a good and strong economy.

And America's strength is like a three-legged stool. You have on the one leg your values. That is strong. We sacrificed to go to Somalia. We are now out in Bosnia. No one questions the values of the United States of America. We have the second leg, of course, which is the military. That is strong. But the third leg, the economic leg, is fractured, and intentionally.

That is the corporate culture, corporate economy—move on down to Mexico. And they promised at the time, of course, that we were going to increase the balance of trade that we had of $5 billion. Now it is $15 billion negative. They said we are going to create 200,000 jobs. We lost 400,000. They said it was going to solve the immigration problem. It has gotten worse. They said it was going to solve the drug problem. It has gotten worse. The actual Mexican worker is taking home 20 percent less pay. So they have suffered.

The $12 billion that we paid in there to keep it from going totally under has gone back to Wall Street. It should have gone into a common market approach where we could have developed in Mexico—and I would vote for it this afternoon—the institutions of a free economy, a revered judiciary, the right of labor to strike, the corporate interests of owning property, the right of appeal, and those kinds of things.

Over in Europe, the European countries in the common market approach taxed themselves for 4 years, $5 billion before they allowed Greece and Portugal.

So what happens? We use the free market approach, which is good for the corporate economy, but not the country's economy. And therein is where we are really headed with the fiscal cancer that is eating us alive here, because you have $1 billion a day. We are going to meet tomorrow, and we are going to spend another $1 billion for nothing. We are going to meet on Friday, and we are going to spend another billion in this Nation's Capital for nothing. We can meet on Saturday, and we are going to spend another $1 billion for nothing. We can meet on Sunday, and we are going to spend, like it or not, another $1 billion for nothing—total waste.

Here we were trying to stop waste, fraud, and abuse, yet under the Grace Commission we instituted the biggest waste. I thought finally—finally—we had gotten on it. We not only were bringing down the deficit, but in his message to the Congress, the President of the United States said, "Save Social Security first." And every Congressman and every Senator said, "Amen, brother. That's what we want to do." Everybody went off the floor and had their little interviews. "We've got to save Social Security."

So we go into the Budget Committee, and we get a vote and unanimously vote for it. But now conferences are ongoing with respect to the parliamentary maneuvers to make sure that you do not vote. They can have a second-degree amendment. We will come back later on with other bills. We will have our chance. Oh, we will just nag them and never get to a vote, but we will point it out from now until October: "Save Social Security first."

There is no surplus. This country has fiscal cancer. If you keep spending up, up and away, interest costs on the national debt will mount, with the debt increasing each year for 10 years running. These are not surpluses as far as the eye can see, but rather deficits as far as the eye can see.

And this particular report of the Congressional Budget Office—if that is the case, Mr. President, you can see at a glance that Congresses that are going to be meeting in the next century—for the millennium and for the next century—we will meet, we will put a little bit in Social Security, we will put a little bit in defense, and a big bit in interest costs on the national debt, and we will not have any Government.

Now, judging by their Contract with America, that is what they want: to abolish the Department of Education, the Department of Commerce, the Department of Energy, the Department of Housing, the Corporation for Public Broadcasting. Just get rid of highways—they do not even want the highway system. They objected around here and said it busted the budget when we used highway moneys for highways. Very interesting.

We passed a highway bill, and all we used was the gas taxes for highways. But, oh, no, they wanted to rob the highway fund for foreign aid or any other particular project that they had in mind.

Because of the distinguished Senator from Rhode Island, Senator CHAFEE, we changed that. I commend him for doing it. We finally agreed that after this year we are going to spend highway gas taxes, highway money on highways. Boy, I am telling you, just to get something normal, decent and understandable here in the U.S. Congress is next to impossible.

But there it is. We have a resolution that says, "Save Social Security first." Now, they can get into parliamentary maneuvers. I guess one thing is: Move to commit the bill, like they did earlier. They can do another one to commit the bill with instructions and hide behind it.

But I can tell you, whatever the maneuver is, the issue is clear; it is almost undebatable. I want them to say, "I am wrong on the figures I have given." I want them to say the CBO is wrong on the figures or whatever. I want them to get up here and debate it and say, "No. It is necessary to spend the Social Security trust fund." That is all I want to hear them say. But I do not believe you are going to hear a Senator in the Senate say that. They all are going to hide behind the maneuvering here and second degrees and third degrees, and move to recommit, and everything else possible; and we will get a rollcall on that. And that will be the call on whether or not you want to continue to loot Social Security.

I know my distinguished friend from New Hampshire does not want to do it. There is Senator FEINGOLD there. Under the unanimous consent, of course, we agreed that the distinguished leader of this particular bill, our chairman, is to regain the floor, but I hope the other Senators here who, of course, are cosponsoring—and I put this up so we can actually get a vote on a sense of the Senate.

And don't tell me that this is not relevant to State-Justice-Commerce. It is relevant to the fiscal state of the United States. I can tell you that now. We do have fiscal cancer. The media is not paying any attention to it. They are all hiding under the unified, unified, unified. It is against the law. I have given you the law. It is against policies. It is against the vote of the Budget Committee.

But there is a quiet discussion. I listened on the weekend shows, and again and again they were talking about surpluses here, surpluses there, including, of course, the Administrator here of the Congressional Budget Office. If we have that report—I would like to refer just one second to that particular report so you can see even she disobeys the law. You cannot get even the Congressional Budget Office—the conclusion, on page 13:

> An unexpected increase in revenues in 1998 has virtually ensured the total Federal budget will be balanced for the first time in almost 30 years.

False, according to her own records, her own figures.

The previous pages showed that is not the case. On page 11, all she has to do is read her own document.

> An unexpected increase in revenues in 1998 has virtually ensured that the total Federal budget will be balanced for the first time in almost 30 years and nothing currently visible on the horizon seems to threaten a return to deficits in the near term if policies remain unchanged.

I know I wouldn't use her to do my income tax return. I would be in jail, I would be gone, with that kind of doubletalk.

There is no surplus. But when the Director of the Congressional Budget Office, Madam June O'Neill, comes and says there is nothing on the horizon, when she shows that in order to say that you have to spend $1.621 trillion of the Social Security trust fund, Social Security by the year 2008, supposedly, if this weren't occurring, would have a surplus of $2.252 trillion.

Look at that, on page 11 of this particular report—$2.252 trillion. Yet everybody is going around with solutions to Social Security. The only solution, and the first solution, is to quit looting the fund. There won't be any $2.252 trillion. That is why you have all of the bills in to solve the Social Security crisis, the Social Security shortfall, the baby boomer problem. All nonsense, all out of the whole cloth.

She is talking again and again, "However, if any other number of assumptions that CBO has made turn out to be off the mark, budget outcomes could be quite different than projected, even if there are no changes in policy. For instance, if CBO's economic projections prove to be just a little too optimistic, surpluses could be much lower than anticipated."

Surpluses—there isn't any surplus in the report. There is a surplus, supposedly, in Social Security. That is where the surplus is. Section 13301 of the Budget Act says don't spend Social Security surpluses, don't count on them in reporting a budget; don't count on them, Congressional Budget Office, when you analyze a budget. But she willy-nilly talks about surpluses. It is just amazing to me, until you see her projections, of course, of the interest costs.

Again, on page 11, she finds that interest costs on the national debt are just going down, down, down. It has been increasing each year anywhere from $10 to $20 billion. The debt has been going up. The interest costs—even with that increased debt, even though interest rates are down, the interest costs have been going up.

If you want to see the pressure brought by the Speaker on the Director of the Congressional Budget Office, look at that series of figures straight across the board. She finds that from 1958 to the year 2008 the actual interest costs decrease $11 billion.

Totally out of the whole cloth, this is made. They kept nagging her and they held up the Budget Committees. The Budget Committees don't meet; they don't sit down and confer over the budget. They go on the weekend talk shows and put out all the documents about tax cuts, spending programs, and put in here these optimistic figures.

The Director of the Congressional Budget Office has responded to the pressure of the Speaker of the House; there isn't any question in this Senator's mind. We know what is going on.

I wish the media—whether print media, TV media, or any other media—would please, please, please, report truth in budgeting. That is what we had when we had Gramm-Rudman-Hollings—truth in budgeting. We sold it over on this side of the aisle, 14 votes up and down. Our Democratic colleagues, majority, voted to cut spending over the objection, at that time, of the leader, over the objection of the chairman of the Budget Committee. But there was a conscience back in 1985.

Now, in 1998, it has become the game of the day: Just look over and find whatever you want in the $100-some billion Social Security surplus, and it grows each year. It is only $105 billion this year; 10 years out, it is $186 billion. So we have plenty of money to spend for plenty of programs until we run right up against the wall, run right up against the wall, and the interest costs eat us alive. We have fiscal cancer. We won't acknowledge it.

I am glad and proud, on behalf of my colleagues on this side of the aisle, to bring up this sense of the Senate. It is more important than the entire State-Justice-Commerce bill or any appropriations bill. Unless we get ahold of our senses and vote a sense of the Senate that we save Social Security first, we are gone.

Mr. DORGAN. Will the Senator yield?

Mr. HOLLINGS. I am delighted to yield.

Mr. DORGAN. I have listened to the Senator from South Carolina.

Mr. GREGG. Mr. President, regular order.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator has a right to yield for a question.

Mr. HOLLINGS. I have to yield back to our chair.

Mr. DORGAN. Parliamentary inquiry. I believe regular order is for the Senator from South Carolina to be allowed to yield for a question; is that correct?

The PRESIDING OFFICER. The Senator has the right to yield for a question.

Mr. HOLLINGS. Mr. President, I understand what the distinguished chairman is saying, and I agree with him. But I want to answer that question and then do as we agreed, because I only have the floor under the courtesy of Chairman GREGG.

Mr. DORGAN. Mr. President, I understand Senator GREGG has the right to the floor when the Senator from South Carolina completes his statement.

I have been listening to the Senator from South Carolina, who has offered an amendment that we have discussed before on the Senate floor. We are reacting to recent press reports that cite one prominent member of the majority party as saying that Congress should enact $1 trillion in tax cuts over 10 years.

Isn't the Senator's point that those who propose massive tax cuts would be taking the money, in effect, from the Social Security trust funds in order to fund a tax cut; would that not be the case?

Mr. HOLLINGS. It is absolutely the case. The only place you can find this kind of money for tax cuts is here in the Social Security trust fund, which is a violation in and of itself of section 13301 of the statutory laws of the Budget Act of the United States of America. President Bush signed it, 98 Senators over here voted for it, almost unanimous over in the House of Representatives. We voted for it. But it is not hit-and-run driving. Let's stop right there.

Let me emphasize, in 1994 we were really distraught with respect to the takeover artists. Individuals were coming in, the corporations, and literally taking the pension funds, paying off the corporate debt, and taking the remaining money and running. The employees were left high and dry. So we passed the Pension Reform Act of 1994.

Now, our good friend, the former pitcher up there from Detroit, Denny McLain, became the head of a corporation. As the head of the corporation, last year he had paid off the company debt with the pension fund. That was made a felony. He got an 8-year jail term. If you can find what jail he is in, tell him, next time, instead of running a corporation, run for the U.S. Senate; instead of a jail term, you get the good government award up here for looting the pension funds to pay your debt.

That is exactly what we are doing. We go against the formal law that we passed ourselves. We go again the policy set for corporate America. But when it comes to us, we have to get reelected. The worst campaign finance violation and abuse is using Social Security trust funds to reelect ourselves, telling them we are trying to protect Social Security.

Mr. DORGAN. If the Senator will yield for one additional question, and then I shall not inquire further. Will the Senator yield for that purpose?

Mr. HOLLINGS. Yes.

Mr. DORGAN. Mr. President, this ought not to be a controversial amendment.

The question is, simply, Is there an opportunity for someone to say, either in the Senate or the House of Representatives, that they are going to provide hundreds of billions of dollars, or a trillion dollars, of tax cuts under the current fiscal policy? Is there an opportunity to do that without using the Social Security trust funds? I can't see that that opportunity exists. While I would like to see some additional tax cuts, I happen to think that saving Social Security first and reducing the Federal debt would be much more meritorious for the future of this country.

In any event, we ought not to be talking about tax cuts before there is money to give them. That money available for tax cuts does not include—I ask the Senator—and that money should never include, the Social Security trust fund money; am I correct?

Mr. HOLLINGS. The Senator from North Dakota is correct. Denny McLain, who was an all-star pitcher for the Detroit Tigers, got sentenced to 8 years for using the pension fund to pay off the company debt, in violation of our law, the Pension Reform Act of 1994. Yet, we do it here in violation of our own law and policy of 1994 for corporate America. Fine and dandy. I would tell him to, next time, run for the Senate, and instead of a jail term he will get the good government award.

Mr. GREGG. Mr. President, for the purpose of debate only, I ask unanimous consent that the Senator from Wisconsin be recognized. How much time does he need?

Mr. FEINGOLD. I need 12 minutes, Mr. President.

Mr. GREGG. I ask unanimous consent that the Senator from Wisconsin be recognized for up to 15 minutes and that the floor then be returned to me, unless the Senator from Maryland also wishes to speak. How much time does she wish?

Ms. MIKULSKI. I want to speak on the bill itself regarding cyberporn and cybercrime.

Mr. GREGG. How much time does the Senator need?

Ms. MIKULSKI. Five minutes or less.

Mr. GREGG. For the purpose of debate only, I yield 15 minutes to the Senator from Wisconsin and 5 minutes to the Senator from Maryland. I ask unanimous consent that I retain the floor upon the conclusion of their statements.

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

The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I thank the Senator for his courtesy.

Mr. President, I am very pleased to join my good friend, the Senator from South Carolina, in offering this amendment to express the sense of the Senate

regarding the Social Security trust fund balances.

I could not agree more with the Senator from South Carolina and also the Senator from North Dakota that there really isn't anything more important than stopping this practice of using Social Security dollars for things they are not supposed to be used for, including premature tax cuts. That is the central budgeting issue in this country. The Senator from South Carolina has been the leader for years and years in making that point. I have greatly enjoyed working with him on this. We are going to continue to work on this until this practice is stopped, until this theft of Social Security funds is prevented.

Mr. President, there is a fundamental difference between the way many in Congress approach the budget and the way the Senator from South Carolina and I approach it. That difference is Social Security.

For 30 years, Presidents of both parties, and Congresses controlled by both parties, have included the Social Security trust fund balances in their budget calculations. As I had a chance to mention during the debate over the budget resolution itself, the result is a false picture of our country's fiscal health. And just like a false medical report that covers up a serious illness, it can lead to major problems in the future.

This false budget picture has been used so often that, in effect, it has almost become a "budget convention." It has so impressed itself into the vocabulary of the budget that we now hear this word "surplus" over and over again when there is no surplus. We hear people talking about a budget "surplus" in Congress, we see it in the newspapers, and we are even seeing it in letters from constituents who are, in effect, being misinformed into thinking that there is somehow a surplus at this time.

Mr. President, the recent CBO estimates of our budget picture have made this matter all the more urgent. Using this budget sleight-of-hand known as the "unified budget," some are pointing to significant surpluses as a justification for their own budget agenda, as the Senator from South Carolina has very eloquently outlined in his remarks.

Mr. President, we have not achieved a budget surplus, and despite the greatly improved budget picture, CBO still estimates that we will not achieve anything indicating a true surplus until at least the year 2006. There is a deficit that is still being hidden, and Social Security is the curtain that is being used to hide it.

For the current fiscal year, CBO expects the deficit to be roughly $41 billion. That is a great improvement over the $340 billion deficit we experienced in 1992. I am proud to have been a part of bringing that deficit down, but that is still a significant deficit.

While the deficit picture improves slightly in the next few years, we still face a real problem on the budget deficit. It is true that if all of CBO's assumptions are borne out, we will barely achieve a balanced budget in 2002 and then again in the year 2005—just in those 2 years. And, of course, this is encouraging news. But it is hardly the kind of significant surplus on which to establish any major new initiatives, whether they be in the spending area or in the tax area.

It is obvious that the economy may not perform as well as CBO expects, and the slightest change in the underlying assumptions could mean something very different from surpluses. It could mean deficits that are billions of dollars greater than are currently estimated. CBO itself makes this point in its current estimates.

The report states, "* * * if any of a number of assumptions that CBO has made turn out to be off the mark, budget outcomes could be quite different than projected, even if there are no changes in policy."

Mr. President, the CBO projections also assume that Congress will be making the spending cuts necessary to comply with last year's balanced budget agreement. Mr. President, as is sometimes said in court, when it comes to assuming that Congress will do everything it should do with regard to making those spending cuts, CBO could be "assuming facts that are not in evidence."

Congress has not yet made those spending cuts, and the attitude that is being exhibited by some Members of Congress is not reassuring. We are already seeing a bidding war develop over how to spend the so-called surplus. It is a surplus that isn't even projected to really exist for another 8 years, Mr. President, but they are falling all over each other to figure out how to spend it before we finish the job.

With so many focused on how to dispense this phantom surplus, there is an increasing risk that we will not actually finish the important work of truly balancing the budget. Mr. President, just a little over a year ago, a lot of our colleagues were saying it was the most important matter before us and urging us to amend the Constitution itself to ensure that outlays did not exceed receipts in any given year. Now, here we are, just a few months later, and many who supported this drastic step—and, as it turned out, unnecessary step—to amend our Constitution are now very ready to spend a surplus that we don't have. It could not be more inconsistent with what was at least said to be the spirit and the purpose of the balanced budget amendment.

Mr. President, it has taken us several years and many tough votes to get where we are today, to get within reach, within vision of truly balancing the budget. It will take more tough votes to finish the job. Unfortunately, the notion of a so-called unified budget, which just began as a political convenience to mask the deficit almost 30 years ago, has now become budget reality for many, many people. This has to stop.

"Surplus" is supposed to mean something extra like a bonus. What it is supposed to mean is that all the bills are paid and there is really money left over. But, Mr. President, as I noted during the budget resolution debate, one dictionary defines "surplus" as "something more than or in excess of what is needed or required." But the so-called unified budget, the surplus is not "more than or in excess of what is needed or required."

Those funds are needed; they are needed to pay future Social Security benefits. They were raised by the Social Security system, specifically in anticipation of commitments to future Social Security beneficiaries.

There is, however, one simple, straightforward step that this body can take to help Social Security and to protect the trust fund. It is very simple. Just do not spend it. Don't spend it. We have no right to spend it.

I urge my colleagues to join the Senator from South Carolina and the other cosponsors of this amendment in passing this amendment and expressing the sense of the Senate that we understand this essential fact: That when Congress makes budget obligations today based on the Social Security funds, whether in the form of tax cuts or spending increases, we are committing to a fiscal path that jeopardizes future Social Security benefits.

Mr. President, let me once again sincerely thank my friend from South Carolina for his tremendous leadership on this issue. It has been a pleasure to serve with him on the Budget Committee, and I deeply respect his work to promote not only deficit reduction, but honest budgeting as well.

Mr. President, I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Thank you very much, Mr. President.

Mr. President, I will not be speaking on the pending amendment. I will be speaking on the overall nature of the State-Justice-Commerce appropriations.

I commend Senator GREGG and Senator HOLLINGS for the outstanding job that they have done in bringing an excellent bill to the floor.

Yesterday we talked about some of the things we thought were missing from the bill, and particularly what would affect the safety and well-being of children.

We talked about gun locks. Mr. President, I am a supporter of gun locks. If we put locks on our cars to

protect our automobiles, locks on our doors to protect our property, I think we should have locks on guns to protect our children. We worked our will yesterday. That didn't pass.

But I will tell you, the Gregg-Hollings bill brings before us a real Justice Department commitment to protect our children. I would like to thank them for that. I would like to thank them for their efforts in fighting juvenile crime. I would like to thank them for bringing us legislation to prevent violence in our schools. But most of all, I am really grateful that they have put money in this budget to fight child pornography on the Internet. We need cops on the beat, and we need cops on the computers to be able to protect our communities and our children.

Let me share with you a story.

There was a little boy in Prince Georges County whose parents had bought him a computer where they thought it would be an opportunity for him to learn about the world and be ready for school each and every day. However, there was a sexual predator who treated that computer as if it were a virtual playground. And they stalked that little boy, and it ended in his death.

But thanks to the response of the U.S. Congress—and I would like to particularly thank Senator GREGG for his cooperation and leadership on this—we have actually put money into the Federal budget for the FBI to establish a special headquarters in Maryland to fight cyber-kiddieporn on the Internet, with $10 million bringing 60 FBI folks into this, and 25 special agents. I have been there, and I have seen what they are doing to protect our children. You would love to see these FBI agents who are making use of the newest and latest technology to be able to intervene, intercept, and detect those people who sit in chat rooms coming after our children.

I sat with those agents. I watched the pictures on the screen. I was repulsed. I was horrified not only at what I saw, but what others could be subjected to.

Because of our prompt response, the program is actually already working. In the short time that this committee has put money in the Federal checkbook to fight cyberporn against children, there have been 400 search warrants executed, over 200 arrests, and we are well on our way to over an 85-percent conviction rate.

In my home State of Maryland there have been 15 arrests, 15 indictments, and 12 convictions.

That means that we will be able to protect our children. The average child molester has more than 70 victims throughout his lifetime.

Because of the work we have done here to put cops on the beat through our community policing in concert with the computer, both in our streets and our neighborhoods to protect our children, children's lives have been saved.

In Maryland alone 15 child molesters have been taken off the streets. That means that 1,000 Maryland children have been saved and rescued.

This is just part of what we are doing to protect our children.

I know through the work of this subcommittee, of which I am proud to be a Member, $210 million has been put into the Federal checkbook for a new safe schools initiative.

We need to hire more security guards, improve coordination with local police, get the violent kids out of our schools, and while we are doing that, in addition to the policing that we are doing, I know that this committee has put in substantial money for prevention—not the type of prevention where we don't know what is going to be shown for it.

This committee is a tough committee. We are going to go after the crooks and the criminals and the stalkers. But we know that, if we are going to have policing and punishment, we are going to do prevention, and we are going to do it by creative activity to fight and prevent gang violence—to be able to do structured, afterschool activity; working with faith-based organizations.

Because of the work of this subcommittee, our streets and our schools will be safer because we put cops on the beat and cops on the computers.

I thank the chairman for allowing me to speak. But most of all, I would like to thank the ranking member for this outstanding bill.

Mr. GREGG. Mr. President, I thank the Senator from Maryland for those words—those type of words. She could speak all day. We appreciate that, to say the least. I want to especially thank her for her extremely supportive and aggressive assistance in the "Innocent Images" effort, which she has pointed to and explained to us that arose out of a situation in Maryland. The central nervous system for the FBI initiative is now in Baltimore. What they are doing, I think, is very appropriate. They are developing protocol so they can spread this knowledge of how to fight cybercrime against kids across the country to other levels of law enforcement, and they are using the protocols developed at Baltimore to do that. It has really been a tremendous success story for the agency.

It is in large part because of the support this committee has given to the FBI that they have been successful in this. Although they were the ones who initiated it and they should get the credit for it, that support has come as a result of the strong and firm commitment of the Senator from Maryland, and her understanding of the threat. The threat is very significant.

As she knows, because she has gone to the actual site of the activity where the FBI is pursuing these sort of sting operations—I have seen it done at remote sites—the amount of attempts by people who are clearly not pursuing a positive use of cyberspace for our children, the amount of hits in a chat room, which appear to have very significant negative potential for our kids, is overwhelming. You can turn on a chat room, introduce yourself as a 12-year-old girl, and within a very brief period of time—30 seconds—have five or six hits in that chat room, which will ask for illicit or lead to illicit activity in an attempt to get pornographic material, or in an attempt to expose that child to pornographic material.

Regrettably, they create travel cases where they try to get the child to go and meet with the pedophile. In fact, we had a situation in New Hampshire where somebody actually traveled all the way from Norway to Keene, NH, because that individual thought they were going to be able to have some sort of sexual activity with a child. Luckily, in this instance at least, it was a police officer who was using the Internet following the protocols that the FBI set out of "Innocent Images" that was able to stop and apprehend that individual.

But it is a very serious issue because the Internet is a great and expansive source for our kids and something that our kids should have access to with the opportunity to learn, the opportunity to communicate with people across the world. It is just a unique and special opportunity or activity that our generation did not have and the next generation does have. Making it safer for our kids is critical. So I thank very much the Senator from Maryland. I am in support of her FBI initiatives in this area and certainly appreciate her kind comments.

AMENDMENT NO. 3255 TO AMENDMENT NO. 3254

At this time, I send to the desk a second-degree amendment to the pending Hollings 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 New Hampshire [Mr. GREGG], for himself, Mr. LOTT, Mr. DOMENICI, Mr. MACK, and Mr. GRAMM, proposes an amendment numbered 3255.

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

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

The amendment is as follows:

In the pending amendment, strike all after the word "Sec." and insert the following:

SENSE OF THE SENATE ON THE BUDGET AND SOCIAL SECURITY.

(a) FINDINGS.—The Senate finds that—

(1) the Social Security system provides benefits to 44 million Americans, including 27.3 million retirees, over 4.5 million people with disabilities, 3.8 million surviving children and 8.4 million surviving adults, and is essential to the dignity and security of the nation's elderly and disabled;

(2) the Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds have reported to the Congress that the "total income" of the Social Security system "is estimated to fall short of expenditures beginning in 2021 and in each year thereafter . . . until the assets of the combined trust funds are exhausted in 2032";

(3) intergenerational fairness, honest accounting principles, prudent budgeting, and sound economic policy all require saving Social Security first, in order that the Nation may better afford the retirement of the baby boom generation, beginning in 2010;

(4) in reforming Social Security in 1983, the Congress intended that near-term Social Security trust fund surpluses be used to prefund the retirement of the baby boom generation;

(5) in his State of the Union message to the joint session of Congress on January 27, 1998, President Clinton called on the Congress to "save Social Security first" and to "reserve one hundred percent of the surplus, that is any penny of any surplus, until we have taken all the necessary measures to strengthen the Social Security system for the twenty-first century";

(6) saving Social Security first would work to expand national savings, reduce interest rates, enhance private investment, increase labor productivity, and boost economic growth;

(7) section 13301 of the Budget Enforcement Act of 1990 expressly forbids counting Social Security trust fund surpluses as revenue available to balance the budget; and

(8) the CBO has estimated that the unified budget surplus will reach nearly $1.5 trillion over the next ten years.

(b) SENSE OF THE SENATE—It is the sense of the Senate that Congress and the President should—

(1) continue to rid our country of debt and work to balance the budget without counting Social Security trust fund surpluses;

(2) work in a bipartisan way on specific legislation to reform the Social Security system, to ensure that it is financially sound over the long term and will be available for all future generations;

(3) save Social Security first; and

(4) return all remaining surpluses to American taxpayers.

Mr. GREGG. I offer this amendment on behalf of Senator LOTT, Senator DOMENICI, Senator MACK, Senator GRAMM, and myself.

I will now propound a consent allowing for two votes, hopefully shortly, on this Social Security issue, the first vote being a vote in relation to the majority version of the amendment, to be followed by a vote in relationship to the Hollings amendment. If an objection is heard, I will have no choice but to fill up the amendment tree so that our vote is guaranteed to be the first vote.

I would note that the amendment we have sent to the desk seeks the same goal in that what we seek is to preserve the surplus for the Social Security system so that Social Security can be saved first. That should be the first and primary purpose of the use of the surplus.

However, we make the point in our amendment that after Social Security has been saved, after we have reached an agreement for how to save Social Security—and I happen to have a bill which accomplishes that. It would save it for the next 100 years. It happens to be a bipartisan bill of Senator BREAUX and myself. There are other proposals floating around. The Senator in the Chair is a strong supporter of a number of initiatives to save Social Security. But after an agreement has been reached by the Congress and we have put in place a system for saving Social Security, our sense-of-the-Senate says then let's send the money back to the taxpayers. That seems to be a reasonable approach to me.

So we do not disagree with the desire to save Social Security first. We only want to make sure that after Social Security has been saved, additional surpluses go back to the taxpayers.

So with that being said, I now ask unanimous consent that there be a total of 60 minutes, and I would be willing to adjust that if there is a desire to adjust it, but we have been on this for almost 2 hours now, 60 minutes for total debate, to be equally divided between the majority leader or his designee and Senator HOLLINGS, and following the conclusion or yielding back of time, the Senate proceed to a vote on or in relationship to the Lott amendment, to be followed by a vote on or in relationship to the Hollings amendment.

Mr. HOLLINGS. I am trying to clear that now and find out—that is agreeable, except for the fact that we have how many Senators seeking time? Four Senators. We have 50 minutes. I will be the fifth one.

Mr. GREGG. An hour-and-a-half equally divided?

Mr. HOLLINGS. Yes, an hour-and-a-half equally divided.

Mr. GREGG. I amend that request: Instead of 60 minutes, there be 90 minutes equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HOLLINGS. I ask for the yeas and nays on both amendments.

The PRESIDING OFFICER. Without objection, it is in order to order the yeas and nays.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. GREGG. Mr. President, let me begin this discussion, although the discussion has already proceeded. Much of what the Senator from South Carolina and the Senator from Wisconsin talked about, I agree with in the area of Social Security reform. There is absolutely no question but that the single, biggest fiscal policy issue facing this country today is the question of how we make the Social Security system a strong and vibrant system for generations to come and how we avoid what will be a fiscal disaster for our Nation if we do not address this issue in the near term.

This problem is generated by the fact that we have a baby boom generation headed towards retirement. It is now turning age 50. In 15 years, it will be fully retired. In 12 years, we will begin to retire a baby boom generation that is the largest generation in the history of this country. And as that generation has moved through the system, it has affected this Nation in every decade throughout its life experience. In the 1950s, the baby boom generation created a huge need for elementary schools and baby carriages. In the 1960s, it created a tremendous restructuring of our social fabric with occurrences involving civil rights, involving rights of women, involving Vietnam. In the 1970s, we saw further impact, and in the 1980s we have seen the huge economic impact, and as we move into the 1990s, we are also seeing the impact of that generation as it begins to save for retirement and that is one of our primary reasons of this economic boom.

But the biggest impact this generation is going to have is when it retires, and it begins to retire in the year 2008, and not unusually, or not to be unexpected, in the year 2008 the Social Security system begins to lose money. In fact, that is the year when we start paying out more in Social Security benefits than we are taking in. By the year 2015, the Social Security system is paying out so much more than it is taking in it basically cannot right itself. By the year 2029 or 2030, essentially the country has such a large debt and obligation under the Social Security system that it will be unable, in my opinion, to afford to maintain that system and we will face a fiscal meltdown of sorts.

The way I describe it, it is as if we could pick a date when we know as a nation we were going to have a major earthquake, a major flood, a major hurricane come ashore, and we know that date exists and we know it is going to occur. Obviously, it would be irresponsible for us as a Congress not to react to that, not to take preventive action, not to get our people prepared for that. But we know the date when we are going to hit a fiscal crisis of inordinate proportions because the people are already born who are going to create such a huge demand on the system. That date is approximately the year 2015.

So what should we do? We should address it today. Why should we address it today? Because, basically the sooner we address this, the sooner we can solve it in a constructive and effective way and in a positive way where everybody will end up being more of a winner than end up being a loser. It is a lot like that old oil filter ad, "You can pay me now or pay me later." If we begin to address this problem today, we can significantly improve the system in the long run for everyone. If we wait even 2 years, certainly if we wait 4 or 5

years, the capacity to address it becomes much more acute and we go off a cliff.

So how should we address it? The proposal we put forward in our sense-of-the-Senate is that we should address it by using the surplus first to address it, and that is absolutely right. That is what should be done.

I would note this was not the President's position. The President said we should reserve the surplus, reserve the surplus until we have solved the Social Security problem. That is what he said in his State of the Union Address. Our position as Republicans is we should use the surplus to protect the Social Security system. And one way to do that, one way that has been proposed by myself and a number of other Members in this body, including the person sitting in the Chair, is to give people who are presently working and paying taxes into the system and who, unfortunately, are looking at a very low rate of return for all of the taxes they are paying into the system—in fact, if you just happened to go to work, say, you were 20 years old and you went to work today, the likelihood that you would get very much back from what you paid into the system in Social Security taxes is extremely low. If you happen to be an African American, actually it is a negative number. You get less back than you will pay in.

So the system has some very serious problems in the way that it returns benefits to people who are younger today. What we have suggested is to give people today who are earning money, paying into the system, let's give them some ownership. Let's give them the ability to have an asset which they physically own as part of their Social Security retirement structure. And these are called personal accounts.

Under the present system, what happens is, you pay in taxes all your life. And, unfortunately, let's say you died when you were 58. If you did not have a wife and you did not have children, you have nothing for all those taxes you paid in—absolutely nothing. You have absolutely no vested interest which pays your estate anything. If you had a wife or children, they might get a little bit, but not a whole lot compared to what you paid in.

We are suggesting that some portion of the taxes that you pay into the Social Security system today you should have ownership of; you should actually, physically, have the right to claim, upon your retirement, as yours. Every year you should get a statement. You should have a little savings book, basically—I didn't bring mine with me today as an example; the Senator in the chair may have his—but you should have a savings book which says how much you have in your account at the Social Security Administration, which is yours, physically yours. No matter what happens, it cannot be taken away from you. Those are called personal accounts. Thus, if you were, unfortunately, to die before you reached the age of retirement, your estate would actually get an asset. It would get that money that was built up in that account. That is one plus of this.

A second plus of this is that under the proposal we have, you would, essentially, get the benefit structure which Social Security gives today, but on top of that benefit structure you would be able to get the benefit of the investment of that personal account. What would that investment be in? Under the proposal we put forward, it would be in one of a variety of what amounts to mutual funds, three or four different mutual funds, which you would choose, which would be under the control and operation of the Social Security Administration, so there wouldn't be any outrageously risky investments taken. But you would have a choice. You could choose a conservative investment, you could choose a moderate investment—you could choose a moderate investment in equities.

Why is that important? Today, the entire Social Security fund is invested in Government bonds. And what do they yield? They yield about 2.5 percent interest. Over no 20-year period in history has the equity market yielded less than 5.5 percent. So you can see the rate of return people are getting—because the average working life is 40 years—the rate of return people are getting on the amount which they are paying in Social Security taxes really is pretty weak, 2.5 percent. As I mentioned earlier, if you are an African American who happens to go into the workforce today and you are in your early twenties, your rate of return is zero—it is actually a negative number.

But the fact is, you would have a personal account, which you would have some control over, which is invested by the Social Security Administration in probably three or four different mutual funds which you have the right to choose from but which are set up under the Social Security auspices, much like we have, in the Federal Government, the Thrift Savings Plan. If you are a Federal employee today, there is something called a Thrift Savings Plan, and the Thrift Savings Plan trustees, who work for the Federal retirement plan, set up three different options: You can choose a high-growth fund, a moderate-growth fund, or a low-growth fund—or a low-risk fund. You can put your money, your savings and your retirement, into whichever one you want. This would be the same idea under Social Security. You would get to choose which one of those funds you want to put your money in —a low-risk fund, a moderate-risk fund, a higher-risk fund.

When you retired, you would then own that asset. The appreciation on that asset would be significantly better, we are absolutely sure, than the 2.5 percent that you are presently getting under the Social Security Administration. So that is an effective way to begin the process of making the Social Security system solvent. That would be a type of plan that would work.

The problem, of course, is, to make this work effectively, you have to act sooner rather than later. You cannot wait for 3 or 4 years in order to put this in place, because people need time to build up the accounts. The accounts we are suggesting do not represent your entire Social Security tax. What we are suggesting is, you use 2 percent of your Social Security tax. We would basically give you a tax cut for that 2 percent. You would then be able to invest that in this retirement fund or be required to invest it in a savings fund which would be managed by the Social Security trustees and would give you a much better rate of return.

There are a lot of other ideas out there. The point is, we need to get on to this issue, we need to get on to the specifics of how you are going to make the Social Security system solvent.

The President has been traveling around the country. He has been talking about this. Many of us on the Republican side of the Senate have been traveling around, also talking about this. We had a bipartisan group which involved myself and Senator BREAUX on the Senate side, and Congressman STENHOLM and Congressman KOLBE on the House side, and a whole group of people who are expert in this area. We met for 18 months, and we put together an excellent plan, part of which I have outlined, which would make the system solvent for the next 100 years. But it is a plan; it is not specific legislation. So, what we need is specific legislation.

This sense of the Senate comes forward, which essentially restates what everybody wants to do, which is make Social Security solvent. But it does not move along the plan. It doesn't move along how you get to actual legislation. If we really want to be constructive as a Senate, what we should do is probably have a sense of the Senate which calls on the President to come forward with a specific plan, and have it to us at the end of this year, so the beginning of next year we could actually begin to legislate on the Social Security system and Social Security reform, because our window of opportunity here is really quite small. If we don't put in place Social Security reform legislation by June of 1999, I am not sure we are even going to be able to put it into place, because then we are going to do a Presidential election. If it gets slid past the Presidential election, we have basically missed the window of opportunity to begin to build up equity in some kind of personal account or any sort of equity activity which involves investing in the market; we

have given away 2 years of opportunity for that type of investment activity.

So, what we really need is specific action. Another sense of the Senate is nice. It is very appropriate, I suppose, to keep making this point over and over again, so it does not end up being overly politicized. But the fact is, what we need to do is go from the sense of the Senate situation to specifics.

What is the difference between the two sense of the Senate amendments here? I am not sure the differences are all that substantive, to be very honest with you. Where the difference is, essentially, is in the third point: "save Social Security first by reserving any surpluses in fiscal year 1999 budget legislation." Our sense of the Senate adds a fourth item: Third, "save Social Security first," which we all agree on, and, fourth, "return all remaining surpluses to the American taxpayers."

So we take it a step further. We basically add another point to the sense of the Senate by saying, once you have saved Social Security, let's take the other part, the surplus that is left over—there may not be any, but hopefully there will be—and return it to the American taxpayer.

I would say this language, "save Social Security first by reserving any surplus in the fiscal year 1999 budget legislation," is a little confusing, because fiscal year 1999 budget legislation could either mean the year 1999 or it could mean the 5-year period that budget legislation covers. So it is not really clear to me exactly what surplus they are talking about here. Is it a 1-year surplus or is it a 5-year surplus?

In any event, what we are saying is, independent of that issue, let's save Social Security first. But if there is a surplus above saving Social Security, let's do the right thing with it; let's return it to the taxpayer.

Who can disagree with that? We don't want to spend it, that is for sure. We might want to use it to reduce debt, but of course the best way to reduce debt is to save Social Security. Once you have saved Social Security, you have significantly reduced debt, dramatically reduced debt, because the biggest debt the Federal Government owes is to the Social Security system. So let's take that extra money, if there is any, and return it to the American taxpayer.

I think our sense of the Senate maybe takes the Hollings sense of the Senate, which was a good attempt, good statement on its face, in many ways, and makes it a lot stronger, because it makes it absolutely clear that not only do we want to save Social Security but we also want to return any extra surplus, after we have saved Social Security, to the American taxpayer.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, briefly I want to yield to the distinguished Senator from New Jersey. I ask unanimous consent I add to our particular amendment Senator REID, Senator FORD, and Senator JOHNSON.

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

Mr. HOLLINGS. And that we have no points of order? If somebody wants to raise one—and it is agreed we waive any points of order.

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

Mr. HOLLINGS. I yield to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for——

Mr. HOLLINGS. I yield 10 minutes.

Mr. LAUTENBERG. Mr. President, I note with interest that all Members on the floor now are members of the Budget Committee, which I think is particularly significant, because we are here talking about not only Social Security and our obligation to make the system solvent—to create a degree of confidence that, looking out into the future, we are going to be able to say to people, some who have already worked a dozen years: Worry not, we are here going to solve the problem of the question of solvency on the Social Security fund and it will be there for you —but we are also, at the same point, talking about the work done to get ourselves to a balanced budget point and, beyond that, to develop the surplus stream that we now see flowing very mightily.

The fact is, I think the Senator from South Carolina has worked so hard for so many years on the independence and on the solvency of the Social Security trust fund that he is almost "Mr. Social Security." No questions are raised about Social Security when the distinguished Senator from South Carolina, Senator HOLLINGS, isn't there defending the system and defending the right of those who expect to have the benefits to have them there at the time they need them.

We shouldn't start spending those projected surpluses that look like they are going to be in abundance until we confront our biggest long-term challenge, and that is to make sure that we have done the things necessary to solve the questions about the Social Security trust fund.

We need to ensure that younger Americans can benefit from the system, just as their parents and their grandparents are benefiting today. Once we fix that Social Security system and we have really done the job, we can consider using any remaining surpluses to provide real tax relief to ordinary Americans, to put more money in the pockets of struggling middle-class families.

Yes, they are enjoying this prosperity that we have, but I don't know many of them who feel like their heads are that well above water that they can provide the education their children will need to help ensure that they, too, will have a decent quality of life, one that is better than those who are working now. They need some help, and we want to do it.

We have a commitment that, first, we are going to start putting that money into the Social Security system, so that in the later years they have the reliability of the pension fund, of the Social Security fund. When we have done that, then we can, again, help the middle-class families afford education, health care, and take care of our infrastructure.

The point of this amendment is to say, before we start raiding projected surpluses, that we have some hard work to do. We ought to make the decisions that say to our young people, "Your retirement is going to be there," to do exactly what it is that the President pledged when we saw the surplus coming, and that is, save Social Security first.

Social Security isn't just another Government program, it is the most important social insurance program in our Nation. It has dramatically reduced poverty among older Americans, and it provides a critical safety net for those who suffer from disabilities or the death of a family member.

Keep in mind that a majority of American workers have no pension coverage other than Social Security; that is it. Nearly a third of all seniors get 90 percent or more of their income from the program. Without Social Security, more than half of the elderly would live in poverty.

It is absolutely critical that we maintain this safety net for future generations. Yet, Social Security's long-term viability is now threatened by the impending retirement of the baby boomers. Unless we act, the trust fund will become insolvent in the year 2032. Do we want to say to people who have already worked a dozen years of their life, on average, that you can start to envision life in your later years without the help that comes from Social Security? We can't let that happen.

Given the importance of solving the Social Security problem, Members of Congress on both sides of the aisle have supported the concept of "saving Social Security first." In fact, I remind my colleagues that the Senate already has approved a budget resolution that proposes to save all future budget surpluses.

I didn't support that resolution because, like some other Democrats, I felt it shortchanged important priorities like education and child care and created procedural obstacles to comprehensive tobacco legislation. But I did support the resolution's fundamental approach on the use of surpluses. The budget resolution said that all new spending and all new tax

breaks will be fully offset, and it was the right thing to do.

My friends on the Republican side of the aisle, especially the distinguished chairman of the Budget Committee who sits here now, Senator DOMENICI, deserve credit for a job well done. He worked hard, as we all did, to get this budget into balance and to make sure that we start on the road to developing some surpluses and protecting Social Security.

Unfortunately, some Members are now suggesting that, "OK, we have some money in the bank; it looks like it is going to be there; let's start spending the projected surpluses." Frankly, I think it is a peculiar irony that we see some of those who are most concerned about fiscal discipline, sound fiscal policy, are now saying, "Hey, this is the time to start getting rid of these surpluses." I don't understand that when we are so deep in the hole. No one would advise a family or a business owner to do the same thing. When you have debt on your hands—and we have plenty of it, and it was noted by the distinguished Senator from New Hampshire that most of that debt belongs to the Social Security trust fund—I don't understand what it is that suddenly has impelled these folks to want to now spend the money.

The weakening of the budget discipline seems to be based in part on new budget projections released only last week by CBO. They are now estimating surpluses in future years will be larger than originally anticipated. It is great news. According to the CBO, the unified surplus this year will be $63 billion, and by 2008 that figure will grow for that year to $251 billion.

These figures are cause for celebration and they are cause for pride. They show that the disciplined policies we have adopted since President Clinton took office, including last year's bipartisan budget agreement, are working. Members on both sides of the aisle deserve credit for that. But CBO's new projections should not be used as an excuse to throw fiscal discipline out the window. They don't change the fact that Social Security still faces real, long-term problems. The trust fund, I repeat, will become insolvent, based on current projections, in 2032. We have to do something about that before we squander any of the projected budget surpluses.

I fully support providing tax relief to ordinary working Americans. I want to strengthen at the same time our Nation's commitment to education and health care. But there isn't any reason why we can't provide tax relief or invest more in education, and we can do it today if we pay for it. What we ought not to do is start treating future surpluses as a giant piggy bank for an excuse to abandon the fiscal discipline that got us to the good condition we are in today.

I also note that if Congress goes on a wild spending spree, the costs will not be limited to the long term. We could also trifle with investor confidence, and that then could create an upset in the market, about which everyone is concerned. People will be watching and saying, "When is the downturn going to come?" It could threaten our economy.

Importantly, raiding the surplus could undermine, once again, this great opportunity that we have to secure Social Security for those in the long-, long-term future. It would be unfair to those baby boomers and other young Americans.

I urge my colleagues on both sides of the aisle to support this amendment. Let's maintain our commitment to fiscal discipline. Let's continue the long-term thinking that got us to the good position we are in today.

The PRESIDING OFFICER (Ms. COLLINS). The Senator's time has expired.

Mr. LAUTENBERG. Let us fulfill the commitment that was made not implicitly but specifically to protect the retirement benefits of today's younger Americans. Let us do the right thing. SOS: Save Social Security first.

Thank you.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I yield 10 minutes to the chairman of the Budget Committee.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 10 minutes.

Mr. DOMENICI. Thank you very much, Madam President. And I thank Senator GREGG.

First, I am pleased to be on the floor to hear the discussions that have taken place and pleased to hear Senator LAUTENBERG comment about our taxpayers and the need to return to the taxpayers—he described it his own way—but to return to them some of their hard-earned money.

Actually, the difference between the two resolutions is very clear now. First of all, on Social Security it could not be more clear. The Republicans do not talk about 1999 and Social Security; they say: "Save Social Security first"— unqualified.

The difference between the two resolutions is very, very simple, but I think rather profound. First of all, both resolutions purport to say, and try to say, that we want to save Social Security first. We just say that, and we do not qualify it with reference to years or which budgets. We just say, "save Social Security first." That is No. (3) in our conclusionary resolves.

And then we add a fourth one. And I will just read it, because you cannot do any better than just reading the language. "Return all remaining surpluses to American taxpayers."

Now, that is very simple. That establishes that this resolution, which is sponsored by the chairman of the committee, Senator GREGG, Senator LOTT, and myself, with some additional cosponsors—what we are saying is, take care of Social Security, no ifs, no ands, no buts. Any additional surpluses should be given back to the American taxpayers.

Frankly, there is a great debate occurring now on what we should do with the surpluses because, believe it or not, I recall that many Senators said, "We will never see the day that we have real surpluses." What was being said was, "Social Security moneys are being used to pay for our bills. We will never reach the day when we have surpluses without using Social Security at all that are real." And for this discussion, I will call them "operating surpluses." "Never will we see the day."

Well, if CBO is right, Madam President, we have seen the day, as a matter of fact, in the sixth year of this 10-year projection. And it is not a terribly optimistic set of economics; it does not take into account a real big recession, but actually in its overall calculations it assumes a rather moderate and then even a slight downturn in this economy, and it still has, in the sixth, seventh, eighth, and ninth years, a $40-billion-a-year operating surplus, not using a penny of Social Security during those years.

I can recall my good friend, Senator HOLLINGS, who is the chief sponsor of the resolution, which I commend him for, saying we would never get to that day. And I did not think we would either, I say to Senator HOLLINGS. I never thought we would. But we are there. Frankly, we may be—we may be—in a position, believe it or not, when those surpluses occur much sooner than that. And it may be that we can fix Social Security permanently into the next century and have some very big surpluses left over, for we might not need all of the Social Security money that is in this budget to fix Social Security. We may fix it differently and make it very solvent and truly credible for the next 100 years.

What we are saying—and we want this loud and clear to the American people—the American fiscal policy is such that you are paying more taxes than we need to run our Government. And we are saying, when that day arrives that we have fixed Social Security and we still have more of your taxes than we need to run this Government, we are saying we will give it back to you. I repeat—return all remaining surpluses to the American taxpayer.

I would hope that rather than the two sides have an argument over that, I would hope the Democrats would support ours.

Let me tell you, the only thing I can see that would not have them joining us is if they perceive that Government isn't big enough now and that what we

must do in the future, Madam President, if we have the surpluses that we have both been talking about, is we have to save some of that to add more expenditures to Government.

Maybe it is wishing too much that both sides of the aisle would agree on that, but I submit that we on this side of the aisle would have been badly mistaken had we voted for a resolution that did not say to the American people we have a big enough Government—we have a big enough Government. The question now is, take care of Social Security, and then do not use the excess revenues which we took from the public for more Government; give it back to the people by way of tax relief.

That is a simple, as I indicated, but profound difference between the two resolutions. And I hope—I hope—that we leave here at 4:15 having turned a rather inconsequential vote into a very significant vote, because on the one hand it could be a vote that said we are going to save Social Security. But we have already agreed to that. The President has agreed to that. We put it in our budget resolution.

The difference now is that in addition to that, which we are reiterating, we added a second part that says: If we get there, and we have these surpluses that it looks like we are going to have, then we do not want to have any ifs, ands, or buts about that, we want to give it back to the taxpayer in tax relief.

I hope that the second-degree amendment sponsored by Senator GREGG, the chairman of this subcommittee, Senator LOTT, and myself, will be adopted.

If I have any time remaining, I yield it back and yield the floor.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

AMENDMENT NO. 3255, AS MODIFIED

Mr. GREGG. I ask unanimous consent that the Gregg amendment be modified to reflect the first degree status which is at the desk.

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

The amendment, as modified, is as follows:

At the appropriate place, insert:

SENSE OF THE SENATE ON THE BUDGET AND SOCIAL SECURITY.

(a) FINDINGS.—The Senate finds that—

(1) the Social Security system provides benefits to 44 million Americans, including 27.3 million retirees, over 4.5 million people with disabilities, 3.8 million surviving children and 8.4 million surviving adults, and is essential to the dignity and security of the nation's elderly and disabled;

(2) the Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Fund have reported to the Congress that the "total income" of the Social Security system "is essentially to fall short of expenditures beginning in 2021 and in each year thereafter . . . until the assets of the combined trust funds are exhausted in 2032";

(3) intergenerational fairness, honest accounting principles, prudent budgeting, and sound economic policy all require saving Social Security first, in order that the Nation may better afford the retirement of the baby boom generation, beginning in 2010;

(4) in reforming Social Security in 1983, the Congress intended that near-term Social Security trust fund surpluses be used to prefund the retirement of the baby boom generation;

(5) in his State of the Union message to the joint session of Congress on January 27, 1998, President Clinton called on the Congress to "save Social Security first" and to "reserve one hundred percent of the surplus, that is any penny of any surplus, until we have taken all the necessary measures to strengthen the Social Security system for the twenty-first century";

(6) saving Social Security first would work to expand national savings, reduce interest rates, enhance private investment, increase labor productivity, and boost economic growth;

(7) section 13301 of the Budget Enforcement Act of 1990 expressly forbids counting Social Security trust fund surpluses as revenue available to balance the budget; and

(8) the CBO has estimated that the unified budget surplus will reach nearly $1.5 trillion over the next ten years.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress and the President should—

(1) continue to rid our country of debt and work to balance the budget without counting Social Security trust fund surpluses;

(2) work in a bipartisan way on specific legislation to reform the Social Security system, to ensure that it is financially sound over the long term and will be available for all future generations.

(3) save Social Security first; and

(4) return all remaining surpluses to American taxpayers.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. I say to the distinguished Senator from New Mexico, I hope I can get to Heaven. But if I ever get to Heaven and have to make an accounting to the Lord of all my sins, I hope I have you as my lawyer, because you are really very persuasive.

Mr. DOMENICI. Actually, I say to the Senator, in——

Mr. HOLLINGS. Let me tell you why you miss the point and how you danced around it. Now, here is the difference. It says, "The CBO has estimated"—this is the Domenici-Lott resolution; sense of the Senate—"The CBO has estimated that the unified budget surplus will reach nearly $1.5 trillion over the next 10 years." Absolutely false and in violation of section 13301, Madam President.

Without reading the whole thing—"Exclusion of Social Security from all budgets."

Now, how do you get $1.5 trillion without using $1.621 trillion, $1.621 trillion of Social Security money? That is the first mislead here. They first say that they are not going to use Social Security, but then they talk about a budget surplus. And the only way they can really mislead and continue the fraud and continue the campaign finance fund for all of us politicians to get reelected is to talk about tax cuts and surpluses when there are not any. There are not any, Madam President—absolutely none. But they use $1.621 trillion in order to get to the $1.5 trillion.

Now, Madam President, there is a further point to be made. Here is the entire—I ask unanimous consent the trust fund surpluses from Social Security alone for the next 10 years—rather than a $1.5 trillion surplus, there is a $1.621 trillion deficit—I ask unanimous consent that it be printed in the RECORD.

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

SOCIAL SECURITY TRUST FUND SURPLUSES: CBO SUMMER 1998 BASELINE

[By fiscal year, in billions of dollars]

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Trust fund surplus	105	117	126	130	138	146	154	165	173	181	186
Interest received by fund	−46	−51	−57	−64	−70	−77	−84	−91	−99	−108	−117
Non-interest surplus	58	66	68	66	68	69	71	74	74	73	70
Trust fund balance, end of fiscal year	736	853	978	1,108	1,246	1,392	1,547	1,712	1,885	2,066	2,252

Source: Congressional Budget Office.

Mr. HOLLINGS. Then I go to the real point with respect to surpluses, as if there were plenty of them around. There are not.

I ask unanimous consent to have printed in the RECORD the trust funds looted to balance the budget.

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

TRUST FUNDS LOOTED TO BALANCE BUDGET

[By fiscal year, in billions of dollars]

	1997	1998	2002
Social Security	631	732	1,236
Medicare:			
HI	117	113	109
SMI	34	34	51
Military Retirement	126	133	163

TRUST FUNDS LOOTED TO BALANCE BUDGET—Continued

[By fiscal year, in billions of dollars]

	1997	1998	2002
Civilian Retirement	431	460	584
Unemployment	62	72	98
Highway	22	23	56
Airport	7	10	30
Railroad Retirement	19	20	23
Other	53	55	68
Total	1,502	1,652	2,418

Mr. HOLLINGS. Now, we find out with this, Social Security is only one-half of the problem. The truth of the matter is that this year we will owe—these are CBO figures—$732 billion. We will owe Medicare, $113 billion; and the hospital and SMI, $34 billion; military retirement, $133 billion; a deficit in civilian retirement of $460 billion; a deficit in the unemployment compensation of $72 billion; a deficit in the highway trust fund of $23 billion; a deficit in the airport trust fund of $10 billion; a deficit in the railroad retirement trust fund of $20 billion; and others, like Federal Financing Bank of $55 billion.

I only limited it to 1 year, trying to get their attention to what is going on this particular year. We can extend it out. There is no difference there. But don't go along with this continued fraud. Don't go along with this continued trickery. There is $1.652 trillion overall. Social Security is less than half; almost $1 trillion from the military retirement and civilian retirees and unemployment fund.

So the Government, us politicians, have been running around and gabbing about everyone. I thought I could get the seniors to pay attention to Social Security, but they are only paying attention to Medicare and Medicaid. I have been trying my best to get them in that particular movement. The military retirees don't understand it, and civilian retirees don't understand it at all.

So what is really wrong is not only that CBO has estimated the unified budget surplus will reach nearly $1.5 trillion when there is no surplus, they act like they are trying to give dignity and credibility to unified budgets. There is no surplus. Look on page 11 of the CBO report, and for the next 10 years there is listed a deficit, gross deficit. It is listed there in the column like I emphasized—otherwise, returning all remaining surpluses.

At this point, tell me, where is a surplus in the Government accounts? None—N-O-N-E. In fact, deficits—they mislead and say once we make a plan for Social Security, we can continue to spend the Medicare trust funds, the military retirement, the civilian retirement, the unemployment, the railroad retirement, the highway trust fund, the Federal Financing Bank. All of these are deficits—not surpluses.

So they say I hope we can get together and fuzz it all up, and there is really no difference here. This is a cancer, I emphasize again, a fiscal cancer because unless and until it shows instead of surpluses over the next 5 years—and that is what we are talking about, this year's deficit, $557 billion spent more than we take in. Deficits, deficits, deficits—not surpluses. And we add that to the national debt, the interest costs go up. According to June O'Neill, it doesn't, but I can tell you right now it will go up.

You can see Mr. Greenspan hedging his bet right now. When we do that, we will go back to the interest rates we had 10 years ago, and we are going to be eaten alive. So we have fiscal cancer. Nobody wants to talk about it, and we want to come up on the floor of the U.S. Senate with this nebulous language "return all remaining surpluses to the American taxpayer." If you have them, Brother HOLLINGS would be for that. But I don't want to mislead the American public. I haven't been nearly 50 years in public office to come here with this kind of fraud and doubletalk to the American people. There are no surpluses. I challenge them to point out the surplus in the highway fund, point out the surplus in Medicare, point out the surplus in military retirement, point out the surplus in civilian retirees, in unemployment, railroad retirement, Federal Financing Bank, all of the rest of them.

All of them are in deficit. That is why the debt has gone through the ceiling, and that is why we are increasing spending faster than we can cut it. It is $1 billion a day we are increasing spending on the interest costs on the national debt. Who in his right mind is going to cut spending $365 billion? That is our problem. The best way to ignore it is to put it under the rug, come in here and "return all remaining surpluses." They still want to use that language to give in to Speaker GINGRICH over on the House side; that is what they are trying to do.

That is why we are raising this all-important point right now. If I can get their attention, just this 1 year we will have accomplished our intent here. I retain the balance of our time.

Mr. DORGAN. Will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. DORGAN. Mr. President, I have been interested in seeing the responses of some who come to the floor and say we support this "save Social Security first" notion, and we want to add to it and make it better.

I bet when this vote is over, within 24 hours we will have them or their cousins or their kin or their friends talking about how big the surplus is and how much of a tax cut they want to give.

The question is, Where do you think they can provide the money to fund a tax cut if they are not to dip into the Social Security trust funds, and to go back on exactly what they are now proposing in the Gregg amendment, which is to save Social Security first?

Mr. HOLLINGS. Exactly. That is what they intend to do. But they think the politician makes his own little laws and sits attentive to his own applause—Plato's famous words.

The language, the image—it is a scandal. It really is a scandal. We are going broke, and we are talking about surpluses when we have nothing but deficit all around us.

Mr. DORGAN. Might it be the case that those who say, "Yes, let's save Social Security first," don't really mean that? They want to protect the trust funds because the same people who are talking about additional tax cuts right now can only get it by taking the Social Security trust funds. Could it be they don't understand the language of saving Social Security first, which means protecting the Social Security trust funds?

Mr. HOLLINGS. My dear colleague, they understand the language. They know exactly what they are doing. I can tell you here and now as a Governor who went before Standard & Poor's, went before Moody and got a triple A credit rating, we wouldn't have any rating at all, the U.S. Government on its bonds, this very minute with these kinds of deficits. You couldn't doubletalk Wall Street about surpluses. Wall Street goes along with the unified because it is business for them. That is why I pointed out the difference between corporate and the country's economy.

Mr. DORGAN. I understand it would be in my interest to provide tax cuts all the time, I suppose, if we could afford to do that.

Mr. HOLLINGS. That would be lovely. Reelect me, I am for all the tax cuts. Whoopee.

Mr. DORGAN. If the Senator will continue to yield, if we are collecting more money than is necessary for the Government, it ought to go back to the folks who send it in, no question about that.

But the question is, we have a debt of nearly $6 trillion and we have a problem in Social Security, as the Senator from South Carolina has pointed out. Just after World War II there were a lot of warm feelings around this country and we had the biggest baby crop ever produced in American history. People liked each other a lot and we had a lot of babies. Those babies are fixing to retire soon, and when they hit the retirement rolls it will be a maximum strain on the Social Security system. We have accrued surpluses year after year to meet that test for the baby boomers' retirement and those surpluses are invested in government bonds.

When the folks over here say well, gee, now we have the Congressional Budget Office that tells us there is a surplus, they are taking one page of the CBO report. They are forgetting the other page. The other page says if

you include the Social Security fund in your budget totals, there is a surplus. But if you don't count the Social Security fund—which you shouldn't be able to do, because that money is paid into a trust fund for only one purpose—if you don't count the Social Security trust fund, there is no surplus.

Those folks are going to the second page, taking the number they want, and saying not only is there a surplus—which there isn't—but with the surplus we want to provide a big tax cut.

When? The month before the election. Gee, that is Politics 101, I suppose, but it is not good government. That is the purpose of the amendment that is offered by the Senator from South Carolina. It says, let us do with the Social Security trust funds what we promised the American people we would do—that is, save them for Social Security needs when the baby boomers retire.

Mr. HOLLINGS. They are telling the baby boomers they are the problem when we are charging them. They are not the problem; it is us adults on the floor of the Congress. The baby boomers are not the problem. We provided in the Greenspan Commission and in the law passed and signed by President George Bush on November 5, 1990, to take care of the baby boomers. Instead of taking care of them, we are continuing to charge them and, at the same time, telling them there is going to be a problem in the next generation when we are causing the problem.

I yield to the Senator from New Jersey.

Mr. LAUTENBERG. Thank you. Madam President, I will just take a few minutes out of the distinguished Senator's time to illustrate what is being discussed here in as direct and simple terms as possible. This chart really does it.

For years now, the Senator from South Carolina has been sounding the alarm. He has been the Paul Revere of Social Security for years now. He is always calling our attention to the fact that, yes, we now have enough to fund the needs of the Social Security payout program, the beneficiaries. But look out for the future, watch out, there is a train wreck coming. And he works at it all the time to make it abundantly clear. I hope the message gets through. He endorses, as we do, and as our friends on the other side of the aisle said today—and I will use the word perhaps "admitted" today—the best idea is to save Social Security first.

Well, frankly, I was a little astounded at what I heard here. In the same breath, they said we are taking in more than we need to spend for Government, so essentially let's get rid of that which is left over. I wonder if the same proponents of that type of a policy would say to their kids, "Listen, kids, if you have more money than you need today, spend it." I doubt it. Would you, if you were running a business, decide that if you had more than you needed for today's expenses, you would go ahead and spend it?

I ran a big corporation before I came here. One of the things that we always tried to do was to make sure that we were putting away the funds necessary for long-term investment, for new programs, for new marketing, for new production, to make sure that we would be ready for the future to stay competitive. That is what we are saying now. We are saying, yes, yes, to tax relief for hard-working Americans. But the first thing that we committed to do is to make sure that we save Social Security. I use the term "SOS," which is the international call for help—save our security, save our Social Security—SOS.

The Senator from South Carolina has been the one who stood here in the face of all kinds of opposition and worked hard to make sure that the message got through. Finally, it is getting through. And now, as it gets through, we want to spend it.

Here is the picture in very simple terms. In the 5 years, including 1999 to 2003, we will have a surplus that includes Social Security—includes Social Security. I repeat, we take in on Social Security more than we spend; thus, we are able to portray a surplus—$520 billion in 5 years. Now, if we take out the Social Security surplus—that means the funds that the people pay in through their payroll taxes—we wind up with a $137 billion deficit. So we ought not to continue this sleight of hand, as I call it, which is what is helping us to create these surpluses.

From 1999 to 2008, the surplus is Social Security; $1.540 trillion is created because we include the Social Security balance in there. And if we follow the policy that we have developed now, we will use those funds to project the life of Social Security off into the future—into the foreseeable future, beyond 2070. If we don't use the Social Security surplus, we wind up, in this same period of time, with $31 billion compared to $1.5 trillion.

So when I hear that, yes, we want to save Social Security, oh, absolutely; we want to send the message out to those who will come of retirement age in the years ahead that it will be there for you. But it can't be there for you if we spend it now, if we go ahead and do as we have heard said and subscribe to the Republican policy of huge tax cuts, as it comes over from the House. Get rid of this surplus; get rid of it now; let everybody feel good; let everybody believe this is good business practice—while we go broke in the process and create debts that we will never be able to meet.

So I hope that we will take the amendment by the Senator from South Carolina and get it passed. I like the amendment that we hear about from the Senator from New Hampshire because in it they say very clearly, save Social Security first. The language is precise: "and return all remaining surpluses to the American taxpayer." So there is first and there is second. The second part of this is returning the surpluses to the American taxpayer. Everybody wants to see tax relief available to those who are working and trying to take care of their families' needs and provide education and job opportunities. But we can't do it with this kind of hocus-pocus that we are seeing here.

Nobody here who understands financial balance sheets would permit this kind of thinking to overtake their judgment if they were running a business. I would not, and I know the Senator from South Carolina would not, and our colleagues on the other side would not do it, either. But when you sprinkle it with a little bit of politics in there, the tune changes, and the tune is: Spend it while you got it, baby. That is what is being said here on the floor of the Senate. I think, frankly, it is the kind of a message that the American people will see through.

With that, I yield the floor.

Mr. GREGG. Madam President, I yield the Senator from Texas 8 minutes.

The PRESIDING OFFICER. The Senator from Texas is recognized for 8 minutes.

Mr. GRAMM. Madam President, I thank the chairman of the Commerce, State, Justice Committee for yielding. Every once in awhile, we have a debate on something that really defines the choice that the American people face every 2 years when they go to the polls and decide whether they want a Republican majority in Congress or a Democrat majority in Congress. Many of the things we vote on, we agree on. Often, the distinctions are not so clear. And often the issues where they are clear, don't appear to be big at the time. But why I think the vote we are about to have at 4:15 is a very important vote and why I think the issue is significant—or at least it should be—to Americans who sit down every night around their kitchen table and get out a pencil and have the back of an envelope, and at the first of the month they take the amount of the paycheck and write it at the top of the envelope and they start subtracting bills they have to pay and try to figure out if they are going to make ends meet and whether they are coming out ahead that month—why this issue is a defining issue between the two parties is that there is one small, but significant, difference between the two resolutions that are before us. First of all, there are two very fine resolutions. They both talk about the fact that we are blessed by having a very strong and vibrant economy.

We are blessed by having a lot of Americans who are working, and that

we have joined together, at least to this point, in a bipartisan commitment to try to save Social Security, which implies two things—No. 1, we admit, on a bipartisan basis, that it needs saving; No. 2, we are willing to do the heavy lifting to get the job done.

I know Senator GREGG has a plan and has been willing to take a courageous stand in showing us how we can save Social Security. Senator DOMENICI and I are working on a program to try to save Social Security and protect its benefits. So the difference here is not about Social Security, the difference is, What do you do if you save Social Security and there is still some money left? Our resolution says that, A, we want to save Social Security first, but we want to return all remaining surpluses to the American taxpayer.

That is the difference between these two resolutions.

Why is that important? Why that is important is that if you take Federal, State, and local taxes, the tax burden on American families today is at the highest level in American history. Never in the history of this country—at the peak of the war effort in World War II, at the peak of the war effort in the Civil War—have we ever had working Americans face and bear a higher tax burden than they have today.

What Republicans are saying is, first of all, we want to live up to our obligations; we want to save Social Security not with a slogan but with a real program, to begin to shift from a Social Security based on the debt of the Federal Government to a Social Security based on investment and wealth. That is the way we believe we can save Social Security. Obviously, we are going to have a debate on that.

But the resolutions before us—both fine resolutions, but the difference is, our resolution has a part 4; and the part 4 is: Return all remaining surplus after we save Social Security to the American taxpayer. We believe the tax burden is too high. So we want to save Social Security first. But if money remains after we do that job, we want to give it back to taxpayers.

Let me tell you why we are concerned, why we think Congress needs to go on record.

The President proposed a budget this year. At the same moment he was saying save Social Security first, he proposed a budget that had $56 billion worth of new discretionary spending programs busting the spending caps that we agreed to only last year.

What we are saying in our resolution is, we do not intend to see those spending caps breached, we do not intend to increase Government spending; we intend to hold the line on spending, tax the surplus, save Social Security with a real investment-based system that belongs to the individual worker, and then to the extent that there is any money left—and if we hold the line on spending, there will be money left, tens, hundreds, of billions of dollars left ultimately—we want that to go back to American families.

What would we like it to go back in the form of? We would like to repeal the marriage penalty. We have voted on an amendment that I offered this year to repeal the marriage penalty so that we don't have this absurd situation where people fall in love and get married and they end up giving the Government $1,400 additional income for the right to live in holy matrimony. Unfortunately, that was a bill that didn't become law.

One of the things we want to do with the money that is left when we save Social Security, if there is money, is we want to repeal the marriage penalty. We happen to believe that families are important. I believe, and believe very strongly, that we are overfeeding government. We are starving the one institution in America that really works. That institution is the family.

I would like to stretch out the income tax brackets. The average family in America is a two-wage-earner family. It earns $49,000 a year. It is in the 28-percent marginal tax bracket. I would like to link them to a 15-percent bracket so that more struggling American families who are trying to own their own home, trying to send their children to college, can continue to stay in that lower tax bracket longer.

Finally, I would like to junk the current unfair, complicated—and unfathomable to most Americans, including me—Tax Code we have now and go to a simple system that has flatter rates and that is comprehensible to the taxpayer, so that people can fill their tax return out in some semblance of some form they understand.

This is a big issue on a relatively minor resolution. What is the sense of the Senate? Some would say that it is sort of an oxymoron to be talking about it. But to the extent there is, are we simply trying to save Social Security, or do we want to go a step further and say that, if we save Social Security, if any money is left, we want it to go back to the taxpayer instead of being spent? That is what we say.

I hope people will vote for our resolution.

I thank the Chair.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Madam President, let me go right to the point made by the distinguished Senator from Texas. He said, "We believe the tax burden is too high." We all agree on that. But what is increasing that tax burden rather than decreasing it is this profligate spending, increasing the deficit, and increasing the debt.

If you look on page 11 of the Congressional Budget Office report, you find out that we increase spending over what we bring in for the next 10 years, and there is nothing but deficits. There are not any surpluses. There are not any surpluses.

Go right to the point of, yes, the President did submit a budget, and he increased spending $70 billion. You look on page 10 where the total went up to $1.721 trillion. The budget that passed the Senate with the vote of the distinguished Senator from Texas increased spending $70 billion. The President is guilty. The Congress is guilty.

This Senator tried a budget freeze. We had a vote on it last year, tried it again in the Budget Committee, and couldn't get any support. They call it the "Fritz freeze."

But the whole point is, return all moneys or surpluses to the taxpayers. Common sense would indicate that there must be some surpluses after Social Security.

I ask unanimous consent to have this chart printed in the RECORD.

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

TABLE 4.—CBO PROJECTIONS OF INTEREST COSTS AND FEDERAL DEBT

[By fiscal year]

	Actual 1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
NET INTEREST OUTLAYS (BILLIONS OF DOLLARS)												
Interest on Public Debt (Gross interest) [a]	356	363	363	365	363	360	357	357	357	356	354	352
Interest Received by Trust Funds:												
Social Security	−41	−46	−51	−57	−64	−70	−77	−84	−91	−99	−108	−117
Other trust funds [b]	−64	−67	−67	−70	−72	−73	−75	−77	−79	−81	−84	−86
Subtotal	−105	−113	−118	−128	−136	−143	−151	−161	−170	−180	−191	−202
Other Interest [c]	−7	−6	−7	−6	−7	−7	−8	−8	−9	−9	−10	−10
Total	244	244	238	232	221	209	198	189	178	166	153	140
FEDERAL DEBT AT THE END OF THE YEAR (BILLIONS OF DOLLARS)												
Gross Federal Debt	5,370	5,475	5,594	5,721	5,845	5,927	6,021	6,102	6,174	6,205	6,223	6,222

TABLE 4.—CBO PROJECTIONS OF INTEREST COSTS AND FEDERAL DEBT—Continued

[By fiscal year]

	Actual 1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Held by Government Accounts:												
Social Security	631	736	853	978	1,108	1,246	1,392	1,547	1,712	1,885	2,066	2,252
Other accounts [b]	968	1,022	1,087	1,154	1,219	1,286	1,354	1,419	1,481	1,541	1,600	1,650
Subtotal	1,599	1,757	1,939	2,132	2,327	2,532	2,746	2,966	3,193	3,426	3,665	3,902
Debt Held by the Public	3,771	3,717	3,655	3,589	3,518	3,395	3,275	3,136	2,981	2,779	2,557	2,320
Debt Subject to Limit [d]	5,328	5,437	5,557	5,685	5,810	5,893	5,988	6,072	6,145	6,178	6,196	6,196
FEDERAL DEBT AS A PERCENTAGE OF GDP												
Debt Held by the Public	47.3	44.3	41.7	39.3	37.1	34.3	31.6	28.9	26.3	23.5	20.7	18.0

Source: Congressional Budget Office.

Note.—Projections of interest and debt assume that discretionary spending will equal the statutory caps that are in effect through 2002 and will grow at the rate of inflation in succeeding years.

a. Excludes interest costs of debt issued by agencies other than the Treasury (primarily the Tennessee Valley Authority).
b. Principally Civil Service Retirement, Military Retirement, Medicare, unemployment insurance, and the Highway and the Airport and Airway Trust Funds.
c. Primarily interest on loans to the public.
d. Differs from the gross federal debt primarily because most debt issued by agencies other than the Treasury is excluded from the debt limit.

Mr. HOLLINGS. Madam President, these are all deficits. I have asked the other side that sponsors this resolution to, for heaven's sake, show that dumb Senator from South Carolina where the surplus is. Show me the surplus, and I will hush and vote for your resolution. But you can't show me a surplus.

There is nothing but deficits in these reports. And mislead the public so that we can use Social Security as a slush fund to reelect ourselves—that is what we are doing. It is the greatest campaign finance abuse that I know of to continually have the word "surplus" come out of the mouth of that side of the aisle. There ought to be ashes in their mouths. They oppose—in fact, still are.

Down in South Carolina, I have a young Republican colleague running around hollering "the biggest tax increase in history." Of course, we know it was under President Reagan and Senator Dole. That has been analyzed in every newspaper. But I plead guilty, I voted for that tax increase. It is not the biggest.

What happened was, we cut spending $250 billion. Yes, we increased taxes $250 billion. We downsized the Government by over 300,000 Federal employees. That is what has the economy good—lowest unemployment, lowest inflation rate, biggest business investment, stock market through the ceiling, more home ownership, more young children getting help in receiving health care. We are in good shape.

If we can't talk the truth to each other now about where we stand fiscally, we never will. This is one grand fraud. That is what has occurred.

For those who fought us on down the line, instead of $250 billion—yes, the revenues went up.

Where is the amendment that says do away with the Social Security increase that we put in that they are now blaming me for? Where is the amendment that says we reduce the gas tax increase that they are blaming me for? I go home and they are blaming me. Yet, they want to come up here and holler, "Oh, the economy is so good; man, we got surpluses everywhere; now what is in order is, let's all now have a bunch of tax cuts."

I want to expose that fraud. Don't go along with this Republic resolution to fuzz it, using the word "surpluses." As my sister used to say, "Saying it so doesn't make it so."

There is no surplus. If they can find one in the Federal Government, God bless them. I will join me. But these are all deficits.

I ask unanimous consent, once again, to have this chart of the budget realities printed in the RECORD.

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

HOLLINGS' BUDGET REALITIES

President (year)	U.S. budget (outlays in billions)	Borrowed trust funds (billions)	Unified deficit with trust funds (billions)	Actual deficit without trust funds (billions)	National debt (billions)	Annual increases in spending for interest (billions)
Truman:						
1945	92.7		−47.6		260.1	
1946	55.2	5.4	−15.9	−10.9	271.0	
1947	34.5	−5.0	4.0	+13.9	257.1	
1948	29.8	−9.9	11.8	+5.1	252.0	
1949	38.8	6.7	0.6	−0.6	252.6	
1950	42.6	1.2	−3.1	−4.3	256.9	
1951	45.5	1.2	6.1	+1.6	255.3	
1952	67.7	4.5	−1.5	−3.8	259.1	
1953	76.1	2.3	−6.5	−6.9	266.0	
Eisenhower:						
1954	70.9	0.4	−1.2	−4.8	270.8	
1955	68.4	3.6	−3.0	−3.6	274.4	
1956	70.6	0.6	3.9	+1.7	272.7	
1957	76.6	2.2	3.4	+0.4	272.3	
1958	82.4	3.0	−2.8	−7.4	279.7	
1959	92.1	4.6	−12.8	−7.8	287.5	
1960	92.2	−5.0	0.3	−3.0	290.5	
1961	97.7	3.3	−3.3	−2.1	292.6	
Kennedy:						
1962	106.8	−1.2	−7.1	−10.3	302.9	9.1
1963	111.3	3.2	−4.8	−7.4	310.3	9.9
Johnson:						
1964	118.5	2.6	−5.9	−5.8	316.1	10.7
1965	118.2	−0.1	−1.4	−6.2	322.3	11.3
1966	134.5	4.8	−3.7	−6.2	328.5	12.0
1967	157.5	2.5	−8.6	−11.9	340.4	13.4
1968	178.1	3.3	−25.2	−28.3	368.7	14.6
1969	183.6	3.1	3.2	+2.9	365.8	16.6
Nixon:						
1970	195.6	0.3	−2.8	−15.1	380.9	19.3
1971	210.2	12.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	4.3	−14.9	−30.4	466.3	24.2
1974	269.4	15.5	−6.1	−17.6	483.9	29.3
Ford:						
1975	332.3	11.5	−53.2	−58.0	541.9	32.7
1976	371.8	4.8	−73.7	−87.1	629.0	37.1

HOLLINGS' BUDGET REALITIES—Continued

President (year)	U.S. budget (outlays in billions)	Borrowed trust funds (billions)	Unified deficit with trust funds (billions)	Actual deficit without trust funds (billions)	National debt (billions)	Annual increases in spending for interest (billions)
Carter:						
1977	409.2	13.4	−53.7	−77.4	706.4	41.9
1978	458.7	23.7	−59.2	−70.2	776.6	48.7
1979	503.5	11.0	−40.7	−52.9	829.5	59.9
1980	590.9	12.2	−73.8	−79.6	909.1	74.8
Reagan:						
1981	678.2	5.8	−79.0	−85.7	994.8	95.5
1982	745.8	6.7	−128.0	−142.5	1,137.3	117.2
1983	808.4	14.5	−207.8	−234.4	1,371.7	128.7
1984	851.8	26.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	7.6	−212.3	−252.8	1,817.5	178.9
1986	990.3	40.5	−221.2	−303.1	2,120.6	190.3
1987	1,003.9	81.9	−149.8	−225.5	2,346.1	195.3
1988	1,064.1	75.7	−155.2	−255.2	2,601.3	214.1
Bush:						
1989	1,143.2	100.0	−152.5	−266.7	2,868.3	240.9
1990	1,252.7	114.2	−221.2	−338.6	3,206.6	264.7
1991	1,323.8	117.4	−269.4	−391.9	3,598.5	285.5
1992	1,380.9	122.5	−290.4	−403.6	4,002.1	292.3
Clinton:						
1993	1,408.2	113.2	−255.0	−349.3	4,351.4	292.5
1994	1,460.6	94.3	−203.1	−292.3	4,643.7	296.3
1995	1,514.6	89.2	−163.9	−277.3	4,921.0	332.4
1996	1,560.3	113.4	−107.3	−260.9	5,181.9	344.0
1997	1,601.3	153.6	−22.3	−187.8	5,369.7	355.8
1998	1,654.0	168.3	63.0	−105.3	5,475.0	363.0
1999	1,721.0	199.0	80.0	−119.0	5,594.0	363.0

Note: Historical Tables, Budget of the U.S. Government FY 1998; Beginning in 1962 CBO's 1998 Economic and Budget Outlook.

Mr. HOLLINGS. I will give it to my colleague from New Hampshire, and he can get everything, the Congressional Budget Office figures. And the main point to be made, Madam President, is just that. Where you see an actual surplus down here in 1998 that they project of $63 billion, in order to do that they had to use trust funds of $168.3 billion. They used not only Social Security but all the rest. And then where they project for next year an $80 billion surplus, they had to use $199 billion in trust funds from Social Security and the retirement funds. That is how they talk that language. And I am trying to stop the doubletalk and talk sense to the American people.

I retain the remainder of my time.

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

Mr. GREGG. Madam President, I just wanted to return to the specifics of the resolution, because I do think it is important to note that the resolution put forward by the Democratic membership is a resolution which tracks the statements made by the President in his State of the Union Address, which were that we should save Social Security first, we should reserve the surplus until we have saved Social Security first.

That is a paraphrase, but I think it is an accurate paraphrase. In other words, the President did not say, "We shall use the surplus to save Social Security." No, he chose his words very precisely. He said, "We would reserve the surplus until Social Security is saved." If you look at this proposal brought forward by the Democratic leadership, it says, "Save Social Security first by reserving any surplus." It doesn't say the surplus is going to be used. It says they are going to reserve it, again.

What is the difference here? We are saying use the surplus to save Social Security. They are saying reserve the surplus until Social Security has been saved. So all of the arguments they have made relative to the surplus and how it ties into the need to have the surplus for the purposes of benefiting the Social Security system really are not supported by the terms and specifics of their language because they are not even saying they intend to use the surplus to save Social Security. They are saying they are going to reserve the surplus until Social Security is saved, which leads one to the conclusion that maybe what they are planning is some change, some horrific change to the Social Security system where they are going to cut benefits and slash here and slash there so that they can pump up the surplus and have saved the Social Security system and still have a surplus to spend.

You can read their language to say that. You can't read our language to say that. Our language says, "Use the surplus to save Social Security." So the histrionics around here are a bit much, and I don't know what they mean. I don't know what they mean when they say "reserve." I don't know what they mean when they say, "The surpluses in the year 1999 budget legislation" because that doesn't necessarily mean the year 1999. That could mean the next 5 years, for all I know, that the budget legislation expires.

So this is a resolution that is, to be kind, imprecisely drafted, or maybe it isn't imprecisely drafted. Maybe they intended to obfuscate the issue by using the term "reserve," obfuscate the issue by using the term "1999 budget legislation." We do not obfuscate the issue. We say, "Save Social Security first," period. None of this qualifying language about reserving anything. And then we say, and we don't obfuscate this either, to the extent that there remains a surplus, "Give it back to the American taxpayers." Give them a tax cut. Across this country in State legislatures where the surpluses are being added up—along with our Federal surplus, most States are running surpluses —we are seeing tax cut after tax cut because the States understand that they are taking in more than the government needs. You shouldn't spend it. You shouldn't create new programs. You should return it to the taxpayers.

Now, the Senator from South Carolina has spent a considerable amount of time—in fact, he was kind enough to give me his numbers, and they are very nice numbers, presented very nicely, well formatted—on how there is no surplus out there besides the Social Security surplus. Well, I know the Senator from South Carolina is a student of the budget. In fact, he is one of the most knowledgeable people around here. I would simply refer him to the CBO numbers which say in the outyears there is a surplus independent of the Social Security system, independent of the Social Security system. In other words, there is a surplus beginning in the year 2005, which is a surplus that is not generated in any relationship to the surplus in the Social Security trust fund, and in 2006, in 2007, and in 2008, and beyond that maybe—we hope. But in any event, over that 4-year period, and that adds up to almost, by my calculations, $150 billion of surplus, which is an onbudget surplus generated not by the Social Security surplus but generated after you have taken into account Social Security payments.

So the CBO is telling us there is a distinct potential for there to be a surplus which has nothing to do with the Social Security trust funds. Not only is there a potential; they say there is going to be one, specifically saying. So

I believe the Senator from South Carolina has misspoken on that point, or I disagree with his position on that point. He may not have misspoken. I am disagreeing with his position, because I am looking at the CBO July update which says there is a surplus.

Should we use that surplus for something other than Social Security? My own personal opinion is no. No. The onbudget surplus, that I just talked about, should probably be also used for the purposes of addressing the Social Security issue. That happens to be my personal position. The way it should be done is by cutting taxes, which is what we happen to mention here in our amendment. We should cut taxes.

What tax should we cut? We should cut the Social Security tax. Why? Because it is the most regressive tax which we have. It is assessed across the board. Every wage earner pays it, and it is extraordinarily high. In fact, for most wage earners in America today, the Social Security tax is higher than their income tax. And it has no relationship to your total income; it simply is applied to your wage base. So it should be cut.

That is our proposal. It happens to be a bipartisan proposal. In fact, I think it now has something like seven or eight sponsors almost evenly divided between the Democrat and Republican side of the aisle here. And what we propose is to cut the Social Security tax by 2 percent, allow people to take that money, invest it in a savings vehicle managed by the Social Security Administration, which will give them a better return and give them physical ownership of that asset as we have discussed earlier.

So substantively I believe the proposal that I have brought forward here that is cosponsored by Senator LOTT, Senator DOMENICI, Senator GRAMM, and Senator MACK is a better idea. It says, "Save Social Security," period. That has to be done. It has to be done first. And then if there is a surplus, let's return it to the American taxpayer. It doesn't say there will definitely be a surplus, but if we look at the CBO numbers, we know there is a distinct possibility that there will be a surplus because they are scoring one for us. It does not obfuscate the issue with words like "reserve" and words like "fiscal year 1999 budget legislation." Pretty blunt.

So I think if the membership wants to choose a clear, concise, specific statement that says Social Security will be saved and will be saved first, and that then we will look at cutting taxes for the American taxpayer, they will want to choose the amendment offered by myself. If they wish to choose an amendment which is a little more opaque in its presentation and does not address the issue of cutting taxes, then they will choose one presented by the Democratic leadership.

Mr. HOLLINGS. Will the distinguished Senator yield for a question?

Mr. GREGG. Certainly.

Mr. HOLLINGS. I think we can bring this right into focus for everyone. The Senator was reading from page 10 about surplus, and I have already been critical, of course, of the Director of the Congressional Budget Office, because that is using surplus funds, that is using trust funds and moving them. The question would be—just turn the page—on page 11 you have the Federal debt, 2002, $5.927 trillion, and then why, if you have surpluses those years that you are talking about, and return those surpluses to the taxpayers—why is it, in 2003 it increases, in 2004, in 2005, in 2006, in 2007, 2008—why does the debt go up, if you have surpluses?

Mr. GREGG. As the Senator knows, there are a lot of other functions. But I am looking at the surplus, at the deficit surplus function, on budget, July: $37 million, $46 million, $45 million, $1 million, $11 million, zero; then we go into surplus, $5 million, $44 million, $55 million, $65 million.

We can spend the entire day here debating what the CBO means when it puts a surplus number out which says an on-budget surplus number. But the numbers are there. The Senator said find me a place where we can show a surplus. I found him a place. He wants to try to talk now about gross debt—

Mr. HOLLINGS. That is exactly right, because that is not a surplus. They are using trust funds. That is exactly my point. That is what the whole debate is about: Save Social Security.

Mr. GREGG. Didn't the Senator ask me to answer his question? I believe I answered his question by pointing out to where it has shown a surplus. So, obviously, there is an opportunity here to show a surplus independent of the Social Security investments.

Mr. HOLLINGS. What fund shows a surplus? Because the Federal debt goes up each year. So you show me—that is what I am saying: Name the surplus. I agree she used the word "surplus."

Mr. GREGG. That is $169 billion, according to the CBO numbers, between the period 2004 and 2008.

Mr. HOLLINGS. That is by using, of course, all these Social Security moneys.

Mr. GREGG. No; that is independent of Social Security.

Mr. HOLLINGS. Madam President, 2004–2008, you use the year 2004, $154 billion of Social Security moneys to make it a slush fund; 2005, $166 billion; 2006, $173 billion; 2007, $181 billion; 2008, $187 billion.

That is how you use the word "surplus."

Mr. GREGG. No, that is not the same at all.

Mr. HOLLINGS. What fund here is in surplus?

Mr. GREGG. Let's go back to the unified budget surplus.

Mr. HOLLINGS. Unified.

Mr. GREGG. If you use the Social Security trust funds, the surpluses in 2004 would be $154 billion. If we don't use the unified, you get a zero number.

Mr. HOLLINGS. If you use Social Security.

Mr. GREGG. If you use the unified, you get $171 billion. If you don't use—those are surpluses that are independent of the Social Security system.

Mr. HOLLINGS. The Senator and I agree that we are using Social Security and not saving Social Security. That is what the whole debate is about.

Mr. GREGG. No, we are not using Social Security. If I may restate the point, CBO numbers, which came out on July 15, showed fairly definitively that there is a surplus, independent of the Social Security trust fund, of approximately $169 billion.

The Senator may not accept those numbers. He may not like those numbers. He may feel those numbers are inaccurately, inappropriately arrived at. But those are the numbers which we have been given. Which leads to the secondary point, because the numbers are really almost irrelevant to the debate. It leads to the secondary point here, which is the key point, which is that there is a potential to give the American taxpayers a tax cut. Let's give it to them. Let's lock in the statement, "We want to give a tax cut, if there is a surplus in excess of what we need to benefit the Social Security system and make it solvent."

Why would we walk away from the opportunity to say to the American taxpayer, "If we can make the Social Security system solvent, after we have done that, if we have extra money, we are going to give you a tax cut?" Why would we ever want to walk away from such a statement? I think it is a fairly reasonable statement, a clear statement, concise statement, unlike the statement from the Democratic leadership which is totally—which is very hard to understand because it uses terms like "reserve," uses terms like "fiscal year 1999 budget legislation," both of which are terms of art and which are very hard to understand, would be very hard to even get a legal definition of, much less a commonsense definition of.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Madam President, assuming the Senator was correct, the reason you don't walk away, if you can possibly ever quit using Social Security as a slush fund, is the almost $1 trillion—that is why I put this chart in—from Medicare. We are still using Medicare. There is a surplus in Medicare right now. We have debated that. But we are using that to balance the budget. Military retirement, civilian retirement, unemployment, highway, airport moneys, railroad retirement,

the other funds there, Federal Financing Bank and others—it is $1 trillion worth of other moneys.

If we could ever stop using those, which are deficits, and make them balance, just in the black instead of in the red, then I would go along with all the tax cuts. I want to go along with the tax cuts anyway. I voted to save the tax increase on guns just yesterday. I voted to cut the other so-called penalty, marriage penalty, on another item. I don't mind cutting taxes. But, overall, let's not act like we have money to spend when we are going broke, and that causes the debt to increase, which causes the interest costs to increase, which causes the waste to increase.

They act like, "We can play the game and we will get to it later." That is what is really hurting us, the $1-billion-a-day interest costs on the national debt for absolutely nothing.

I reserve the remainder of our time.

Ms. MIKULSKI. Madam President, I rise to support Senator HOLLINGS' amendment. This amendment puts the Senate on record in support of Saving Social Security first. It says before we do anything with the budget surplus, whether that is cutting taxes or funding worthwhile programs, we must ensure the solvency of Social Security. This is a very important vote. It expresses our commitment to the Social Security system for the millions of Americans who currently rely on Social Security. It also sends a powerful message to the millions of Americans who have come to doubt that Social Security will be there for them when they retire.

I support this amendment because I believe that promises made must be promises kept. We must be thoughtful and cautious when addressing the needs of a system that so many Americans count on, especially elderly women and disabled children. We need to ensure that we have the resources necessary to put Social Security on a sound footing, for both the short-term and the long-term.

Now we are in the midst of a historic event: the first federal budget surplus in decades. We've gone from a record deficit of $290 billion in the last year of the Bush Administration to a projected surplus of $80 billion for fiscal year 1998. There is no end to the proposals on how to use this "extra" money. I believe that we should follow President Clinton's lead and not commit the surplus to any program until we first resolve the long-term solvency of the Social Security system.

When you remove the Social Security Trust Fund from the budget calculation, there is no surplus and the budget isn't balanced. The Social Security Trust Fund is an important part of our current fiscal good fortune. We must continue to work to bring the budget into true balance without counting Social Security Trust Fund balances. In the past, I have voted to remove the Social Security Trust Fund from the federal budget calculation and I will continue to do so in the future. While Social Security is still in the overall budget calculation, any budget surplus should not be used to justify new spending initiatives. Our seniors, disabled, and survivors deserve better.

We are in the early stages of a deliberative process to determine the best way to assure the solvency of Social Security. I am pleased that President Clinton started this initiative by putting Social Security solvency front and center in his State of the Union Address. Since then, various groups, both public and private, have brought forth a vast range of proposals. I am taking part in that debate and want to be an advocate for the original intention of the Social Security program: a safety net for our seniors and for the disabled.

Let me say again that I believe that promises made must be promises kept. I want that to be a guiding principle for any plan to modify the Social Security program. I am pleased to support this amendment that reaffirms our commitment to Saving Social Security First.

Mr. GREGG. Madam President, I ask that Senator MURKOWSKI be added as a cosponsor of my amendment.

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

Mr. GREGG. I reserve the remainder of my time.

The PRESIDING OFFICER. The Chair recognizes the minority leader.

Mr. DASCHLE. Madam President, as I understand it, there are a few minutes left. I wanted to come to the floor to commend the distinguished Senator from South Carolina on his amendment. I believe this is really one of the most critical economic and fiscal decisions we will make this year. It will probably affect, more dramatically than anything else we do, the budget, the deficit, and, most certainly, Social Security. There are four numbers that I think everybody needs to understand. I know a lot of this has been discussed before.

The first number is $520 billion; $520 billion is the projected surplus including Social Security trust funds that we anticipate between now and the year 2003. If you take out the Social Security trust funds, you get to the second number—$137 billion. If we remove the Social Security trust funds, we actually have a deficit over the next 5 years of $137 billion.

Let us not kid anybody here. When we talk about a surplus—and I wish we could talk more forcefully and more convincingly that, indeed, we have a surplus—the reality is that we have a surplus only if we include the Social Security trust funds.

Let's move to the second set of numbers. The first is $1.548 trillion. All of these figures, by the way, Mr. President, are CBO numbers. That figure is the budget surplus including the Social Security trust funds that CBO anticipates for the next 10 years.

The fourth and final number is $31 billion; $31 billion is all that CBO anticipates that we will have over the next 10 years in surplus if we do not include the Social Security trust funds.

There should not be any question about our circumstances. Do we have a surplus? Yes. But it is yes with an asterisk, and that is what the distinguished Senator from South Carolina says so forcefully and so convincingly. We have a surplus only if we are prepared to drawn down those Social Security trust funds that we know we are going to need in the outyears.

When we talk about how do we use the surplus, it is pretty simple. The question we should be asking is, How do we use the Social Security trust funds? Of the roughly $650 billion over five years and $1.5 trillion over the next 10 years in Social Security trust funds, how do we use them?

Most of us believe very strongly that we ought to use those funds for one purpose and one purpose only: to pay out the commitment that we have made to Social Security recipients in this generation and the next and the next.

That is the question. That is why this resolution is so important, and that is why I hope everybody will support the distinguished Senator from South Carolina.

I yield the floor.

Mr. GREGG. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Senator from New Hampshire has 3 minutes 3 seconds.

Mr. GREGG. How much time does the Democratic side have?

The PRESIDING OFFICER. One minute on the other side.

Mr. GREGG. I suggest we yield back all time and go to a vote.

Mr. HOLLINGS. I yield back the remainder of our time.

The PRESIDING OFFICER. All time has been yielded back.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 3255 offered by the Senator from New Hampshire. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 221 Leg.]

YEAS—55

Abraham	Brownback	Cochran
Allard	Burns	Collins
Ashcroft	Campbell	Coverdell
Bennett	Chafee	Craig
Bond	Coats	D'Amato

DeWine	Hutchison	Santorum
Domenici	Inhofe	Sessions
Enzi	Jeffords	Shelby
Faircloth	Kempthorne	Smith (NH)
Frist	Kyl	Smith (OR)
Gorton	Lott	Snowe
Gramm	Lugar	Specter
Grams	Mack	Stevens
Grassley	McCain	Thomas
Gregg	McConnell	Thompson
Hagel	Murkowski	Thurmond
Hatch	Nickles	Warner
Helms	Roberts	
Hutchinson	Roth	

NAYS—45

Akaka	Feingold	Leahy
Baucus	Feinstein	Levin
Biden	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Breaux	Harkin	Moynihan
Bryan	Hollings	Murray
Bumpers	Inouye	Reed
Byrd	Johnson	Reid
Cleland	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Torricelli
Dorgan	Landrieu	Wellstone
Durbin	Lautenberg	Wyden

The amendment (No. 3255) as modified, was agreed to.

VOTE ON AMENDMENT NO. 3254

The PRESIDING OFFICER. The question is on agreeing to the amendment numbered 3254 offered by the distinguished Senator from South Carolina.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 47, nays 53, as follows:

[Rollcall Vote No. 222 Leg.]

YEAS—47

Akaka	Feinstein	Lieberman
Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Harkin	Murray
Breaux	Hollings	Reed
Bryan	Inouye	Reid
Bumpers	Johnson	Robb
Byrd	Kennedy	Rockefeller
Cleland	Kerrey	Sarbanes
Conrad	Kerry	Snowe
Daschle	Kohl	Specter
Dodd	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden
Feingold	Levin	

NAYS—53

Abraham	Faircloth	Mack
Allard	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Brownback	Grassley	Roberts
Burns	Gregg	Roth
Campbell	Hagel	Santorum
Chafee	Hatch	Sessions
Coats	Helms	Shelby
Cochran	Hutchinson	Smith (NH)
Collins	Hutchison	Smith (OR)
Coverdell	Inhofe	Stevens
Craig	Jeffords	Thomas
D'Amato	Kempthorne	Thompson
DeWine	Kyl	Thurmond
Domenici	Lott	Warner
Enzi	Lugar	

The amendment (No. 3254) was rejected.

Mr. GREGG. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from New Hampshire.

Mr. GREGG. Mr. President, I ask unanimous consent that the following amendments be the only remaining first-degree amendments in order and subject to relevant second-degrees; that following the disposition of the below listed amendments the bill be advanced to third reading, and a vote occur on passage of the bill as amended.

I further ask that following the vote on the Senate bill, the bill remain at the desk awaiting receipt of the House companion bill, all after the enacting clause be stricken and the text of S. 2260 be inserted, the bill be advanced to third reading and passed, and the motion to reconsider be laid upon the table.

I further ask that the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint the following conferees on the part of the Senate: GREGG, STEVENS, DOMENICI, MCCONNELL, HUTCHISON of Texas, CAMPBELL, COCHRAN, HOLLINGS, INOUYE, BUMPERS, LOTT, MIKULSKI, and BYRD. Finally, I ask unanimous consent that the Senate bill be indefinitely postponed.

I submit the list of amendments.

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

The list of amendments is as follows:

AMENDMENTS TO CJS

Gregg—Relevant.
Lott—Relevant.
Lott—Relevant.
Stevens—Relevant.
Managers—Relevant.
Kyl—Border crossing cards.
Kyl—Internet gambling.
Kyl—Special masters.
Specter—Schuykill Courthouse.
McCain—P.O.W./M.I.A.
McCain—Patent and trademark office.
Sessions—Relevant.
Sessions—Relevant.
Brownback—Modifies membership of Fed./State joint board on universal service.
Grams—International criminal court.
Grams—Extradition of U.S. Nationals.
Grams—Provides standard notification of UN no growth budget certification.
Faircloth—Admin. subpoena authority for FBI on child exploitation.
Inhofe/Brownback—Patent and Trademark office building.
Nickles—Defense attorneys.
Smith, Wyden, and Craig—H2-A.
Hatch—Relevant.
Hatch—Relevant.
Thompson—Federalism.
Allard—Satellite mapping.
Akaka—Relevant.
Baucus—Havre Montana training site.
Biden—Sec. 403, UN arrearages.
Biden—Violence against women.
Biden—Relevant.
Biden—Relevant.
Biden—Relevant.
Bingaman—Trademark.
Bingaman—Relevant.
Bingaman—Relevant.
Bryan—Children's online privacy.
Bumpers—Immigrant investors program.
Bumpers—Telephone privacy.
Byrd—Relevant.
Byrd—Relevant.
Dodd—Blocking software.
Dorgan—USTR.
Durbin—Child access protection.
Durbin—Nursing relief for disadvantaged areas.
Durbin—Voluntary criminal background check for senior housing volunteers.
Durbin—Law enforcement training elderly abuse.
Feingold—Cable rates.
Feingold—Juvenile detention.
Feingold—Relevant.
Feinstein—Gangs.
Feinstein—Killer clips.
Ford—Relevant.
Graham—H2A workers.
Graham—Tourist visas.
Graham—Relevant.
Harkin—Communications.
Hollings—Manager's amendment.
Hollings—Relevant.
Hollings—Relevant.
Johnson—National Weather Service.
Johnson—Sentencing commission.
Kerrey—Copper.
Kerrey—Money to TIIAP.
Kerry—Relevant.
Kohl—Background check.
Landrieu—Adoption of immigrant children.
Lautenberg—Funding for prosecutions.
Lautenberg—Funding for certain police activities.
Leahy—Kurds.
Lieberman—Asian financial crisis.
Moseley-Braun—Embargo prohibition.
Moseley-Braun—Internet predators.
Moynihan—Relevant.
Reed (RI)—TPS to Liberians.
Torricelli—Bounty hunters.
Torricelli—Gun safe.
Torricelli—New Jersey radio use.
Torricelli—Nonsource point pollution.
Wellstone—Battered immigrant spouses.
Wellstone—Mental health.
Wellstone—Sexual assault of prisoners.
Wyden—72 hour holding period.

Mr. GREGG. Under the agreement which we have been talking about, we will now turn to the Senator from Arizona for an amendment.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

AMENDMENT NO. 3257

(Purpose: To prevent any consolidation of the Patent and Trademark Office until the Administrator of General Services conducts a cost-benefit analysis that is not limited to a specific geographical region and makes a recommendation on the basis of that analysis)

Mr. MCCAIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment. The bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 3257.

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

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

The amendment is as follows:

On page 62, strike "*Provided further,*" on line 3 and all that follows through line 16 and

insert the following: "*Provided further*, That none of the funds appropriated or otherwise made available under this Act or under any other provision of law may be obligated or expended by the Secretary of Commerce, through the Patent and Trademark Office, to plan for the design, construction, or lease of any new facility for that office until the date that is 90 days after the date of submission to Congress by the Administrator of General Services of a report on the results of a cost-benefit analysis that analyzes the costs versus the benefits of relocating the Patent and Trademark Office to a new facility, and that includes an analysis of the cost associated with leasing, in comparison with the cost of any lease-purchase, Federal construction, or other alternative for new space for the Patent and Trademark Office and a recommendation on the most cost-effective option for consolidating the Patent and Trademark Office: *Provided further*, That the report submitted by the Administrator of General Services shall consider any appropriate location or facility for the Patent and Trademark Office, and shall not be limited to any geographic region: *Provided further*, That the Administrator of General Services shall submit the report to Congress not later than May 1, 1999.".

Mr. McCAIN. I understand we have a time agreement on this amendment?

Mr. GREGG. There is no time agreement yet, but I would ask unanimous consent there be half an hour.

Mr. McCAIN. This is the Patent Trademark Office relocation. I just say to my colleagues I intend to be brief. I would be glad to have any time agreement that is reasonable. So I would be glad to enter into any time agreement.

Mr. HATCH. Reserving the right to object, Mr. President.

Mr. McCAIN. I have not asked for a unanimous consent agreement.

The PRESIDING OFFICER (Mr. ABRAHAM). There is no unanimous consent request pending.

Mr. HATCH. Will the Senator yield?

Mr. McCAIN. I would not ask for a unanimous consent, but I would ask unanimous consent for the Senator from Utah to be recognized without losing my right to the floor.

Mr. HATCH. Mr. President, all I ask is that the Senator from Utah be permitted the opportunity to speak following the remarks of the distinguished Senator from Arizona.

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

The Senator from Arizona.

Mr. McCAIN. Mr. President, again, I say to those who are interested, I will be glad to enter into a very short time agreement. I know the Senator from New Hampshire wants to finish up the bill, and so I will be glad to enter into a very short time agreement.

Mr. President, this amendment is very simple. It prohibits the Patent and Trademark Office from spending any funds to plan for or proceed with the consolidation and relocation of its facilities until 90 days after the General Services Administration submits a new report to the Congress on the costs versus benefits of relocating all Patent and Trademark Office facilities to a new facility or location, and the costs associated with leasing versus lease-purchase, Federal construction, or other alternatives for new space, and finally, a recommendation of the lowest cost alternative for the project.

Most importantly, the amendment requires a GSA report to be prepared without regard to a specific geographic location. I want to repeat, Mr. President, so all my colleagues know, the amendment requires the GSA report to be prepared without regard to a specific geographic location.

The proposal to consolidate and relocate the various offices of the Patent and Trademark Office is an enormous project, the largest real estate venture the Federal Government is expected to enter into in the next decade. The current proposal raises serious questions.

First, the project is estimated to cost the taxpayers approximately $1.6 billion. About $1.3 billion of this amount is to pay for a 20-year lease of a new 2-million-square-foot facility somewhere in Northern Virginia. The additional $250 million is what the Patent and Trademark Office proposes to spend to "improve" the building, to bring it up to PTO standards, which appears to me extravagant and luxurious amenities that most of America's businesses do not provide to even their senior executives.

Most alarming, the language contained in the committee bill imposes no enforceable ceiling on the potential costs of this huge project.

Both the Citizens Against Government Waste and the National Taxpayers Union have raised serious concerns about the enormous cost of this project.

How can we claim to wisely spend Americans' hard-earned tax dollars when we are essentially giving the Patent and Trademark Office a blank check for this project? I have no desire to prohibit the Patent and Trademark Office from streamlining and improving its operations. It may be that the PTO does need to consolidate and relocate. However, we have a responsibility to ensure that this consolidation takes place in a fiscally responsible manner.

The proposed Patent and Trademark Office building complex is shamefully expensive and extravagant. In addition, in putting the proposal together, the Congress limited the Patent and Trademark Office to considering only sites in Northern Virginia, which is certainly not an inexpensive area for construction and leasing of office space.

To make matters worse, the bill before the Senate does not effectively limit PTO's budget for this project. The amendment I propose would require GSA to reevaluate the site selection process and look at more cost-effective alternatives which are not tied to one specific locality.

Mr. President, this $1.6 billion project is entirely too expensive. Under the current proposal, PTO plans to lease a 2-million-square-foot building "shell," which is essentially a structure with walls, ceilings, floors, and windows, but without electrical wiring, computer and telecommunication lines, carpeting, furniture, and all the other necessary interior fixtures.

The Patent and Trademark Office will not have to pay the costs of constructing the building "shell." However, the Patent and Trademark Office plans to spend an outrageous amount of taxpayers' dollars to bring the building up to its "standards."

First, the PTO is authorized to spend up to $88 million to "build out" the shell. This includes such necessary items as carpeting, electric, plumbing fixtures, and necessary environmental control upgrades to support the computer-intensive work of the office.

Unfortunately, compared to the Government's "standard" rate for this type of expenditure, building out the PTO building will cost 20 percent more than most Government buildings.

For example, the PTO building costs are $44 per square foot. NASA's new building was $37 a square foot. FERC's building cost $36 per square foot. And the Government standard is $36.69 per square foot.

On top of that $88 million, the PTO also plans to spend another $29 million for extravagant amenities, including extra elevators, granite and marble decor, jogging and walking trails, sculpture gardens, and outdoor amphitheaters.

That is a total of $117 million to finish the interior of the building and to add millions of dollars of extravagant amenities. On a per-square-foot basis, that is $58 per square foot of occupiable space, or 58 percent over the Government standard. But that is not all. The PTO also plans to spend another $135 million to move into the building, install the telecommunications equipment and buy furniture. Almost half of this money, $65 million, is for the purchase of new furniture and furnishings, including $250 shower curtains—$250 shower curtains—$1,200 chairs, $1,000 coat racks and $562 mailroom stools.

Mr. President, in case my colleagues missed that, I will repeat, $250 shower curtains—I would like to view that shower curtain—$1,200 chairs, $1,000 coat racks, and $560 mailroom stools.

Altogether, then, the PTO will pay $250 million to bring the building up to its standards, standards which far exceed the Government's norms, and which can only be called luxurious by any standard.

After spending $252 million to spruce up the premises, the PTO is prepared to pay $50 million per year for a 20-year lease, over and above the cost of its improvements listed above. That is approximately $1.3 billion in lease payments alone over the next 20 years.

Altogether, now, the PTO project is expected to cost the taxpayers almost $1.6 billion, and we will not even own the building at the end of 20 years. Let me repeat, we will not even own the building at the end of 20 years.

Remember how the cost of the Ronald Reagan building skyrocketed? The Ronald Reagan building, which is 3 million square feet, began at $362 million and ended up costing $800 million. That is a huge cost increase. This deal will be worse than the Ronald Reagan deal. The PTO project involves a 2.3 million square foot facility that will cost $1.6 billion when finally completed.

The new PTO building will be smaller than the Reagan building, 700,000 square feet smaller, and it is much more expensive. We spent $800 million on the Reagan Center, but at least we own a building that is designed to last at least 200 years and includes rentable space to offset its costs. The PTO deal is insane. The taxpayers pay to finish the interior building, add a myriad of extravagancies, and then pay to lease it for a total of $1.6 billion over 20 years, and at the end of 20 years, we give the building back to the owner. What kind of a deal is that? I think it is remarkable, remarkable.

The project was destined to become a fiscal nightmare. Our first mistake was we didn't allow ourselves to look at all possible locations to determine the most cost-effective facility to house the PTO complex. Instead, we only looked at sites in Northern Virginia. The sheer excesses in the PTO's proposals for the building's amenities are unbelievable: $250 shower curtains, $1,000 coatracks, and miles of walking and jogging paths. The tax dollars should be spent on processing patent applications. We should not be spending America's hard-earned tax dollars on extravagant perks. We should be spending tax dollars on processing patent applications, and we should make sure we spend them in the most cost-effective manner possible, by looking at all possible locations for this Government facility, not just one region.

Mr. President, I am not trying to kill this project. Maybe the PTO does need to consolidate. However, I think we, as a body, have a responsibility to act to ensure that the cost of this project is justified and kept in check. The amendment will require the GSA to take another look at this project before we spend $1.6 billion on it.

I would like to quote from a letter from the Citizens Against Government Waste:

At a starting price tag of $1.3 billion, the PTO facility will dwarf the final cost of the $800 million Ronald Reagan International Trade Building, which has 700,000 more square feet. Adding insult to injury, at the end of the 20-year lease period, the government would not even own the PTO building.

The PTO says it needs 2.3 million square feet. However, the Department of Commerce Inspector General has issued a report, Insufficient Planning is Jeopardizing PTO's Space Consolidation Project, which casts serious doubt on the appropriateness and cost-effectiveness of the venture.

In the letter they mention not only $250 shower curtains and $1,000 coatracks but $700 baby cribs.

On behalf of the 600,000 members of [Citizens Against Government Waste], we are pleased to endorse your amendment. . . .

I have a letter from the National Taxpayers Union.

. . . the Reagan Building is built to last 200 years, at about half the cost of the proposed 20-year PTO lease.

That is just the start of this giant boondoggle.

PTO's costs just for moving into the new headquarters could run more than $130 million. That ought to buy a new building, not just pay for relocation.

As part of the move, PTO plans to purchase $65 million in brand new furniture, including $250 shower curtains, $750 cribs, $309 ash cans. . . .

On that list are $309 ash cans.

The environmental clean-up costs of possible PTO relocation sites could be as high as $194 million—some may contain carcinogens or even unexploded ordnance.

. . . the PTO plan is "flawed because the lease development project lacks a defined cost ceiling." By a 3 to 1 margin, PTO employees represented by the Patent Office Professional Association oppose the move to a new complex.

I am surprised at that. Maybe they don't like $250 shower curtains.

It would appear that PTO Commissioner Bruce Lehman is seeking a grand monument to his tenure, to be leased at government expense. If your amendment fails, the PTO lease will stand as the largest monument ever erected to government excess.

For these reasons we endorse your PTO Amendment and urge your Senate colleagues to support it. The vote will be . . . weighted [et cetera].

I have a letter here from the American Intellectual Property Owners association.

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

Mr. McCAIN. I am almost finished. I will be glad to yield.

Mr. WARNER. The Senator has made frequent use of "taxpayers dollars," but I think in a sense of fairness, and I will eventually speak in greater detail, primarily the funding for this important function is entirely derived from the fees paid by the users of the services. It is not involved, these egregious sums of taxpayer dollars. I thought the Senator might want to comment on that, because I certainly will bring that out.

Mr. McCAIN. My only comment is when somebody pays a fee to the Government for a service, I don't know how you differentiate between that and money being taken out of someone's paycheck—because they are paying. They are not receiving this Government service for free. So you can call it a user fee, but that is the same thing as when you and I buy an airline ticket and 10 percent of that goes to the FAA to keep the FAA in operation, the air traffic control system, et cetera. Most people still view that as a tax.

Mr. WARNER. I say to my distinguished friend, when we go to the Department of Transportation to consult and get their advice on an issue, issues which are very much foremost in my distinguished colleague's mind now on aviation, we don't pay any fees. When we go to the Department of Defense or the Department of Justice to work with other Government agencies and Departments, fees are not paid. This thing was devised by Congress, this institution, to operate on a rotating basis of fees paid, which fees are passed on down the line to the consumers. I just wanted to bring that out.

Last, you mentioned the IPO. They just sent in a letter today endorsing it. I know the Senator is trying as hard as he can to list as many persons with an objection, but at the appropriate time I will put this letter in the RECORD. In the meantime, I will get a copy for the Senator. I thank the Chair and thank the Senator.

Mr. McCAIN. I thank my friend from Virginia. When he does talk, I would be interested in hearing him discuss the $250 shower curtains, $750 cribs, $309 ash cans, and $1,000 coatracks. I would be very interested in hearing—perhaps he has had an opportunity to view those. I would like to see them myself. In fact, perhaps we could have a hearing and view some of that, because it must be exciting stuff there, and all of the miles of trails.

Also, I would have to ask about the logic of my friend from Virginia. We pay $1.3 billion over 20 years, we take a shell and we put in all the furnishings, all the wiring, all the plumbing and everything into it, and then after 20 years it is not even ours, after a payment of $1.3 billion. I don't understand it.

By the way, let me mention two things to my friend from Virginia real quick. No. 1, I know this amendment will not be agreed to. That is why I am willing to have a relatively short time agreement. I have no illusions about that. But I think it is important to put all of this on the record here.

I also am aware both Senators from Virginia are very committed to this project. I understand and admire their commitment.

I also want to mention one thing about the chairman, the distinguished chairman of the Judiciary Committee. He is going to say, and I will respectfully agree with him, he has wrestled with this issue for years. He has done everything he can to try to resolve this issue. He has my utmost respect and appreciation for his efforts. I just happen to think this is the wrong answer. I think it is wrong to pay $250 for a shower curtain. I think it is wrong, after 20 years, to have to give back a

building that you basically built, except for the shell. Frankly, I think it is wrong, in all due respect to my two friends from Virginia, that we should earmark any Government facility in a geographic-specific location. I think there should have been competition for this from all over the Washington, DC, area, if not from all over the United States of America.

Mr. President, I will yield the floor. Again, I will be glad, for the sake of the managers, to enter into a time agreement with my colleagues who want to speak on this issue so we can move on to the next amendment. I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Utah is to be recognized at this time.

Mr. HATCH. I will be happy to yield to the distinguished chairman while reserving my rights to the floor.

Mr. GREGG. I would like to reach a time agreement, if possible. I understand the Senator from Utah wishes to speak for about 10 minutes?

Mr. HATCH. Probably less, but if the Senator will list 10 minutes, that is fine.

Mr. GREGG. And the Senator from Virginia.

Mr. WARNER. Both Senators, Mr. President, would like, say, 15 minutes equally divided between my distinguished colleague and myself.

Mr. GREGG. I suggest all debate on this amendment be concluded within 25 minutes.

Mr. McCAIN. Reserving the right to object.

Mr. GREGG. The allocation will be 10 minutes—sorry, 30 minutes—10 minutes to the Senator from Utah, 15 minutes to the Senator from Virginia, and 5 minutes to the Senator from Arizona.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GREGG. Mr. President, I ask unanimous consent that the following amendments be the next amendments in order, subject to relevant second degrees, and that following debate, each amendment be laid aside to reoccur at 9:30 this evening in a stacked sequence in the order in which they were debated.

I further ask unanimous consent that there be 2 minutes prior to each vote for closing remarks.

The amendments are:

The pending McCain amendment, a Durbin amendment on guns, a Thompson amendment on federalism, a Bumpers amendment on telephone privacy, a Nickles amendment on defenders, a Feingold amendment on child exploitation, and a Kyl-Craig amendment on gaming.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Under the previous order, the Senator from Utah is recognized.

Mr. GREGG. Mr. President, I simply state that the next series of amendments with rollcalls will be at 9:30 this evening.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I ask unanimous consent that if my remarks are less than 10 minutes, that it be cut off the time that the Senator asked for.

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

Mr. HATCH. Mr. President, I rise in opposition to the amendment proposed by the Senator from Arizona. If adopted, the McCain amendment would result in needless, costly delays in the user process to obtain better facilities for the Patent and Trademark Office.

Look, we studied this thing to death. We know doggone well if this is delayed again, you are only going to have one bidder instead of three, and there is the question of whether that one bidder will do anything to save any money.

In fact, the amendment of the distinguished Senator from Arizona would cost a lot more money. Let me make my case.

The PTO procurement process has been studied to death. We don't need another study. Let me catalog for you the attention that has been paid to this procurement process. The PTO procurement process has been the subject of two comprehensive studies: one by the Inspector General of the Department of Commerce and another by an independent consultant who reported to the Secretary of Commerce. The independent consultant was Jefferson Solutions, which is headed by the former director of OMB's Office of Procurement Policy in the Reagan and Carter administrations. Both studies agreed that the competitive lease procurement should proceed so that the PTO can obtain the benefits of competition. Let me emphasize that, from the start, the PTO procurement process followed all the rules and complied with all the safeguards in the Standard Federal Government Procurement Procedures.

These studies are in addition to the normal Government procedures. Of course, they do provide for competitive bidding. Mr. President, Senator McCAIN's amendment calls for a study of the benefits of leasing versus purchase, Federal construction, and other housing alternatives, such as lease purchase. This has already been done.

The GSA, the Department of Commerce, and the OMB thoroughly evaluated the options before submitting the lease prospectus for congressional approval. Both the Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure concurred, when the prospectus was authorized in the fall of 1995, and in light of the limited funds available for capital investment and operating lease of the PTO, that is in the best interest of the PTO's fee-paying customers, which the distinguished Senator from Virginia has raised.

Furthermore, in a colloquy between Senators GREGG and WARNER conducted on the Senate floor during the vote on H.R. 3579, Senator GREGG agreed that no funds would be available in the foreseeable future to purchase or construct a facility to house the PTO.

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order. The Presiding Officer cannot hear the Senator from Utah.

Mr. HATCH. I thank the Chair.

H.R. 3579, which became law, required the Secretary of Commerce to review the project and submit a report to Congress by March of 1998. This is the Jefferson Solutions report that I referred to earlier.

The cost-benefit analysis that accompanied it, called the Deva report, showed the PTO will save $72 million over the 20-year life of the lease by consolidating.

I don't know about the shower curtains, but that is a lot of money to be saving compared to what we would lose if we went ahead with the amendment of the Senator from Arizona. I know he is trying to save money, and I have no problem with that.

The Jefferson Solutions report found that the consolidation of PTO space through a competitive lease would improve workflow efficiencies and improve the environment for employee retention, as well as reduce costs.

In addition to these studies and reviews, the procurement process has been tested judicially. A 1997 protest by the existing landlord alleging improprieties in the terms and conditions of the procurement was dismissed. Similarly, an unfair labor practice complaint filed by one of the PTO's unions was dismissed earlier this year.

Given these numerous studies, reviews, and court tests, why is it that we are here debating this issue yet once again? There appears to be a campaign to delay the procurement process, and I have to ask who is behind it. I don't think it is a matter of $250 shower curtains.

I know that Senator McCAIN is not motivated by a desire to merely delay. I am sure he has real concerns based on facts as he views them. But the fact of the matter is, he is talking about peanuts compared to the millions and millions of dollars that will be lost if we do another study rather than go ahead after all of this work has been done, all the studies have been done. It is crazy. Nevertheless, there has been an ongoing campaign to delay this.

Who is behind it? Is it the parties who use the PTO services? No. The parties who use the PTO are the patent applicants, patentees, and trademark registrants. They oppose this amendment, and they want the procurement process to go ahead.

But, Mr. President, the current landlord of the PTO makes over $40 million a year from renting space to the PTO. Would 1 year's additional rent be worth mounting a campaign of delay? That is $40 million plus the $72 million we are talking about we lose by another study. I think you can buy a lot of shower curtains for that.

It would be to the landlord's benefit to delay it. That is why he has hired a major lobbying firm to kill this process. It is not the public demanding a delay, it is the PTO's current landlord. I can hardly blame him, because he will make $40 million more. But I would blame us if we permitted that to go on just because of some shower curtains and a few other things that the distinguished Senator from Arizona has mentioned.

I conclude, Mr. President, with an assurance that I am as concerned as anyone with cost overruns and lavish spending in the procurement process. I am disturbed by allegations of amphitheaters, exercise tracks, and high-priced furniture. I pledge to work with anyone who has a concern about specific excesses in the procurement prospectus. In fact, I intend to support the Inhofe-Brownback amendment that cuts back on build-out appropriations and the ability of the PTO to get more money for moving expenses. Congress should investigate these particular allegations and take a surgical approach. Another comprehensive study, however, is not the answer.

Let me just say for the benefit of the distinguished Senator from Arizona, he may have some points here, but they are very, very minor in comparison to the moneys that will be saved by moving ahead rather than having another delay by losing $72 million on one side and $40 million on the other over a few shower curtains. It just seems penny-wise and pound-foolish. I am against this amendment. I hope we defeat it.

The PRESIDING OFFICER. Who yields time?

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Thank you, Mr. President.

Mr. President, I will be very brief. I concur with the assessment just rendered by the distinguished Senator from Utah. My distinguished senior Senator, Senator WARNER, and I are both very much opposed to this amendment. It is a delaying tactic that simply benefits the status quo and costs money.

For the benefit of Senators, I will quote from a couple of the reports that were referenced indirectly by the Senator from Utah, if I may. The Appropriations Committee, July 2, committee report:

> The committee has reviewed the reports submitted by the Secretary, and does not object to the Secretary's direction that the competitive procurement process should continue.

An independent report dated May 15, 1998, by Jefferson Solutions, Inc., BTG, Inc., Economics Research Associates:

> The PTO has used a sound methodology and valid reasoning in defining its need for new space, in researching its current and future functional needs, and in managing its consolidation and space acquisition process.

With respect to this, the Department of Commerce inspector general report in March 1998 in terms of its fiscal prudence:

> Long-term cost savings should be realized because the current leased PTO space is more expensive than the $24 per square foot authorized by the Congress.

An independent report, May, 22, 1998, by Deva & Associates:

> The conclusion of this business case analysis . . . is that the PTO should proceed . . . because the agency will incur, over the 20-year lease period, $72,395,278 less in costs.

A Department of Commerce inspector general report with respect to necessity, dated March, 1998:

> Most of PTO's current leased facilities . . . are in need of alterations to comply with fire, safety, and handicapped accessibility laws.
>
> PTO has a growing workload and is currently occupying noncontiguous space that is operationally inefficient.
>
> The new facility should promote the collocation of various working groups, thereby improving efficiency and productivity.

From an independent report by Jefferson Solutions and others, dated May 15, 1998:

> The proposed PTO amenity package is not "gold plated," and is consistent with other recent federal and private sector office projects.

A point that was made earlier by my distinguished senior colleague, it is the customers who pay the fees. And here is what they have to say, the executive director of the Intellectual Property Owners:

> We are at a loss for why anyone would want to keep the PTO in outdated facilities at higher cost . . .

The executive director of the American Intellectual Property Law Association:

> Further delaying the procurement would likely result in an additional loss of interest. The result would be to award, by default, a sole source lease extension to the existing landlord. Moreover, a new competitive process would almost certainly have to open up the area of consideration to a larger geographic territory, with additional costs and dislocations for [current] PTO employees and [their] users.

The bottom line, Mr. President, is that to the extent that there are any excess costs—first of all, I believe that is a worst case scenario.

Second, it can be addressed by the amendment that is going to be offered by Senators from Idaho and Kansas. And I will support that amendment, as the Senator from Idaho has indicated he will support it.

But the bottom line is, this is designed to save $72-plus million. Delay will simply continue the inefficiency and cost more money. If there is a concern—and I would share the concern that the Senator from Arizona expressed about any unnecessary costs—we can address that, but do not stop the process that has been ongoing for years, which simply will increase the costs in a very significant way.

With that, Mr. President, I yield the floor to my distinguished senior Senator. And I thank the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I thank my distinguished colleague for his very clear remarks on this. I worked until late last night with Senators BROWNBACK and INHOFE to devise an amendment to which I have now added my name. And I send this amendment to the desk just for the purpose of filing it. And the managers have indicated—both the majority and minority—that it will be eventually accepted as part of the managers' package.

The PRESIDING OFFICER. The amendment will be printed in the RECORD.

(The text of the Amendment (No. 3259) is printed in today's RECORD under "Amendments submitted")

Mr. WARNER. But this amendment achieves many of the goals recited by Senator MCCAIN, to crunch this down to a realistic purchase of equipment and not have the items which clearly were excessive in cost, as recited by our distinguished colleague from Arizona.

I credit the distinguished Senator from Arizona. He is a constant watchdog on these various issues. And I responded to one of his points here. This is not taxpayers' dollars. Secondly, the reason we are pursuing this type of an arrangement is simply because there are insufficient taxpayers' dollars in the Treasury for the Government to build the building. And therefore, we have to work on this building lease type of financing to lower the burden of cost, indeed, to the taxpayers for the construction of a building which is absolutely essential.

This vital function of Government, patent and trademark, is now being performed by very loyal, highly skilled Government workers. And they are disbursed in a number of buildings—a number of buildings. And anyone who understands the simple basis of management and trying to do a job knows that if you have your employees, first, in 16 different buildings—I want to repeat that; 16 different buildings—this concept is to bring it into a central concept financed under a lease arrangement, not by taxpayers' dollars, but by the payment of fees.

So I say to my colleagues, this is a matter which both sides of the aisle have addressed in terms of cost containment. Both sides of the aisle have addressed in terms of its need and the

propriety of a process that started in 1995 in the Senate Environment Committee which has overall oversight of this type of work.

I have today a letter addressed to me from the General Services Administration which, once again, reiterates in absolute clarity the fact that they have reviewed this process, they have reviewed the proposals, and it is their conclusion that it is in the public interest.

This is the Government agency in which we have reposed the trust and the confidence to make the vast number of technical decisions which are required for a very expensive contract, or in this instance a lease arrangement build.

Mr. President, I ask unanimous consent to have the General Services Administration letter and a letter from the IPO printed in the RECORD.

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

GENERAL SERVICES ADMINISTRATION,
Washington, DC, July 22, 1998.

Hon. JOHN W. WARNER,
U.S. Senate,
Washington, DC.

DEAR SENATOR WARNER: The purpose of this letter is to express my strong support for continuing the ongoing procurement of leased space for the Patent and Trademark Office (PTO) in Northern Virginia. After studying the various alternatives for providing this space; new federal construction, leasing, lease purchase and other alternatives, we concluded that leasing was the most advantageous given the resources available for such activities.

Since 1993 the PTO and the General Services Administration (GSA) have worked together to meet the requirements stipulated in the authorization provided by the Congress. As a result of this joint effort, we have initiated a procurement which has been both fair to the competitors and efficient in the way it has been accomplished.

This action has been reviewed by the Inspector General of the Department of Commerce, an independent set of procurement experts hired by the Secretary of Commerce and other independent experts. In each case it has been determined that the proposed action is cost effective and in the best long term interest of the PTO. These studies have shown that a $72,000,000 savings will occur over the term of this action when compared to the current situation.

Furthermore, this action has the full support of the intellectual property community that the PTO serves.

Sincerely,

DAVID J. BARRAM,
Administrator.

INTELLECTUAL PROPERTY OWNERS,
Washington, DC, July 22, 1998.

Re IPO's opposition to your proposed amendment to the Commerce, Justice, State appropriations bill (S. 2260) that would delay the competitive procurement of new office space by the PTO.

Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCAIN: We are writing to urge you not to offer your proposed amendment to the appropriations bill that would have the effect of stopping or delaying the procurement of office space for the U.S. Patent and Trademark Office (PTO).

Intellectual Property Owners (IPO) is an association that represents companies and individuals who own patents, trademarks, copyrights, and trade secrets. Our members obtain about 30 percent of the U.S. patents that are granted to U.S. residents and pay more than $100 million a year in user fees to the PTO.

We have followed the plan for procurement of office space by the PTO for the past year, received several briefings, and examined several documents and reports. We are confident that the current procurement of new office space for the PTO on a competitive basis is in the best interest of IPO members. The latest information available to us indicates that the PTO will save $72.4 million over the 20-year term of the projected lease under the competitive procurement, compared with the cost of remaining in existing space. The study on which this conclusion is based prepared by the consulting firm of Deva and Associates, P.C. We understand it has been reviewed by numerous authorities, including a consulting firm hired by Commerce Secretary Daley, the Commerce Inspector General, the PTO, the GSA, and the OMB. Allegations that the PTO is proposing extravagant above-standard fit-out costs, or that the competitive bidding procedure has been mismanaged, are unsupported by any facts, as far as we can determine.

We have been briefed on the very high costs listed in the Deva report for certain furnishing. We are satisfied that these number do not yet reflect savings that the PTO will realize through mass purchases, standardization, and competition. We hope Congress will not delay the procurement simply because of these cost estimates for furnishing. Congress, with the benefit of advice from PTO users, will have the opportunity to control the costs of PTO furnishing when it approves annual appropriations requests.

Sincerely,

HERBERT C. WAMSLEY,
Executive Director.

Mr. WARNER. Mr. President, to reiterate, I rise today in opposition to the McCain amendment which seeks to delay the procurement of space for the U.S. Patent & Trademark Office pending an evaluation by the U.S. General Services Administration (GSA). It should be noted that I have agreed to accept an amendment offered by my colleagues Senator BROWNBACK and Senator INHOFE regarding cost containment measures for the PTO consolidation in the Commerce-State-Justice appropriations bill.

The Government's prospectus process provided thorough answers to all questions raised by the McCain amendment. Through the prospectus process, authorized by the Public Buildings Act, as amended, the Government submitted to the Congress detailed justification for procuring a new consolidated space for PTO.

The Senate Environment and Public Works Committee Subcommittee on Transportation and Infrastructure, which I chair, in addition to the House Transportation and Infrastructure Committee held extensive hearings on this prospectus and approved the prospectus in the Fall of 1995. Both committees concurred that in light of the limited funds available for capital investment, an operating lease for the PTO is in the best interest of the PTO fee paying customers.

Mr. President, during these hearings, the government testified and the House and Senate committees of jurisdiction agreed, that procuring consolidated space for the PTO would achieve greater efficiency as well as cost-savings to the taxpayer while providing a more effective work environment for the PTO to perform its mission.

Pursuant to the language in the supplemental appropriations bill, the Department of Commerce performed a review of these same issues and found conclusively that the PTO consolidation is in the best interest of the United States and the procurement should proceed.

This project has been studied and studied and studied. These studies include: the Department of Commerce's Inspector General; an independent consultant to the Secretary of Commerce (Jefferson Solutions; headed by the ex Directors of OMB's Office of Procurement Policy in the Reagan & Carter administrations), both of which agree that the competitive lease procurement should proceed, so that the PTO can obtain the benefits of competition.

Mr. President, it should further be noted that GSA, the Department of Commerce and OMB thoroughly evaluated the benefits of leasing versus purchase, Federal construction and other housing alternatives, such as lease purchase, before submitting the lease prospectus for congressional approval in the first place.

The PTO procurement does not involve expenditure of taxpayer money. PTO and all its operations and procurement are supported entirely by fees paid by its customers. The PTO does not, and will not, receive any taxpayer money.

In a colloquy between myself and the distinguished floor manager of this bill, Senator GREGG during the Senate debate on the supplemental appropriations bill H.R. 3579, P.L. 105–174, Senator GREGG agreed that no funds will be available in the foreseeable future to purchase or construct a facility to house the PTO.

P.L. 105–174 already required the Secretary of Commerce to review the project and submit a report to Congress by March 1998. That report, conducted by Jefferson Solutions, and the cost benefit analysis report, referred to as the DEVA Report that accompanied it, show that the PTO will save $72 million over the 20-year life of the lease by consolidating.

Mr. President, this $72 million is a conservative estimate of the savings that will be achieved. For example, if the PTO were to purchase less expensive furnishings than are reflected in

the DEVA Report, the cost savings would be greater.

While Senator MCCAIN and others may charge that the furniture estimate used in the DEVA Report is high, I would indicate that the DEVA Report shows the "worst case" costs. These costs are used to calculate the potential savings of consolidation, and are certainly not the actual costs that the PTO will spend on furniture.

The actual furniture costs will be lower, because they will include economies that will be achieved through competition, mass purchase and standardization. Therefore, the savings from consolidation will likely be higher than $72 million.

The PTO intends to conduct a furniture inventory and will use existing furniture where practicable.

In conclusion Mr. President, PTO is not contracting for a new $1.3 billion building. It is contracting for a new competitive 20-year lease. It would cost at least $1.3 billion for the PTO to remain where it is for the same 20-year period. The offerors in the prospectus have the option of building, renovating or consolidating to meet the PTO's space needs.

The Senate Committee on Environment and Public Works carefully considered the need for the facility, various alternatives, and the costs of each approach before authorizing the lease procurement to be conducted by the GSA for the PTO.

PTO will only move if it is economic and efficient to do so under the current competition. It is not a foregone conclusion that PTO will relocate. Crystal City, the current site of the PTO, is one of the three sites competing in the procurement.

Taxpayer protections include the following:

The rental rate ceiling of $28.50 per square foot contained in the approval resolutions are at or below the rates that PTO is currently paying, and current market rates in Northern Virginia; the build out allowances for the interior space are fixed in the procurement documents at less than $45.00 per square foot; an amount that is comparable to most government facilities; PTO currently leases 1.9 million rentable square feet of office space in 16 separate buildings in Arlington, Virginia. The prospectus calls for 2.17 million to 2.39 million square feet of space, which is between 15% to 25% more than currently exists, due to a projected increase in PTO's work from the now 5,200 employees to 7,100 employees by 2002. This is overall a 37% increase in the work force of PTO, which accounts for the increase in space needed to house this growing agency.

PTO will only move if it is economic and efficient to do so under the current competition in which the incumbent lessor is one of the four finalists.

I have seen the PTO study that compares costs of consolidation to remaining in existing buildings. Even with all these costs, the bottom line is that the PTO will save $72 million over the life of the new lease.

Senator MCCAIN said he would yield back his time. So I say to the distinguished manager, the time allocated for debate on this side, indeed, with my fellow colleague from Virginia has been completed. And Mr. MCCAIN asked me to inform you he would yield back his time.

Mr. GREGG. I thank the Senators from Virginia for their prompt and concise debate. I appreciate it very much.

Mr. WARNER. We wish to accommodate our distinguished colleagues, the managers of our bill.

Have the yeas and nays been ordered?

Mr. CRAIG. The yeas and nays have not been ordered.

Mr. WARNER. I do not know of a request. I imagine the manager can proceed with the vote.

Mr. GREGG. Do you wish to have the yeas and nays?

Mr. WARNER. I do not ask for the yeas and nays.

Mr. GREGG. I think we will wait for Senator MCCAIN to return to determine whether or not we need that.

Mr. WARNER. Fine. I think we should accommodate my colleague and friend from Arizona. I just wished to raise the fact that a recorded vote had not been sought yet.

Mr. GREGG. That is absolutely correct. We will now proceed to the Durbin amendment.

I ask unanimous consent that the debate on the Durbin amendment and second-degrees—I will reserve my unanimous-consent request.

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

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

Mr. GREGG. I ask unanimous consent that the Senator from Illinois be allowed to lay down his first-degree amendment, that that then be laid aside and the Senator from Idaho be immediately recognized to offer a first-degree amendment relative to firearms enforcement. Further, I ask there be 40 minutes for debate on both the Durbin and Craig amendments combined, to be equally divided between Senator CRAIG and Senator DURBIN, with no second-degree amendments in order to either amendment, and following the conclusion or the yielding back of time, pursuant to our previous unanimous consent request, a vote will occur at or about 9:30 in relation to the Craig amendment, to be followed immediately by a vote on or in relation to the Durbin amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 3260

(Purpose: To prevent children from injuring themselves and others with firearms)

Mr. DURBIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for himself, Mr. CHAFEE, Ms. MOSELEY-BRAUN, Mr. LAUTENBERG and Mrs. FEINSTEIN, proposes an amendment numbered 3260.

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

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

The amendment is as follows:

At the appropriate place in title I of the bill, insert the following:

SEC. ___. CHILDREN AND FIREARMS SAFETY.

(a) SECURE GUN STORAGE OR SAFETY DEVICE.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

"(34) The term 'secure gun storage or safety device' means—

"(A) a device that, when installed on a firearm, prevents the firearm from being operated without first deactivating or removing the device;

"(B) a device incorporated into the design of the firearm that prevents the operation of the firearm by anyone not having access to the device; or

"(C) a safe, gun safe, gun case, lock box, or other device that is designed to be or can be used to store a firearm and that can be unlocked only by means of a key, a combination, or other similar means.".

(b) PROHIBITION AND PENALTIES.—Section 922 of title 18, United States Code, is amended by inserting after subsection (x) the following:

"(y) PROHIBITION AGAINST GIVING JUVENILES ACCESS TO CERTAIN FIREARMS.—

"(1) DEFINITION OF JUVENILE.—In this subsection, the term 'juvenile' means an individual who has not attained the age of 18 years.

"(2) PROHIBITION.—Except as provided in paragraph (3), any person that—

"(A) keeps a loaded firearm, or an unloaded firearm and ammunition for the firearm, any of which has been shipped or transported in interstate or foreign commerce or otherwise substantially affects interstate or foreign commerce, within any premise that is under the custody or control of that person; and

"(B) knows, or reasonably should know, that a juvenile is capable of gaining access to the firearm without the lawful permission of the parent or legal guardian of the juvenile;

shall, if a juvenile obtains access to the firearm and thereby causes death or bodily injury to the juvenile or to any other person, or exhibits the firearm either in a public place, or in violation of subsection (q), be imprisoned not more than 1 year, fined not more than $10,000, or both.

"(3) EXCEPTIONS.—Paragraph (2) does not apply if—

"(A) the person uses a secure gun storage or safety device for the firearm;

"(B) the person is a peace officer, a member of the Armed Forces, or a member of the

National Guard, and the juvenile obtains the firearm during, or incidental to, the performance of the official duties of the person in that capacity;

"(C) the juvenile obtains, or obtains and discharges, the firearm in a lawful act of self-defense or defense of 1 or more other persons;

"(D) the person has no reasonable expectation, based on objective facts and circumstances, that a juvenile is likely to be present on the premises on which the firearm is kept; or

"(E) the juvenile obtains the firearm as a result of an unlawful entry to the premises by any person.".

(c) ROLE OF LICENSED FIREARMS DEALERS.—Section 926 of title 18, United States Code, is amended by adding at the end the following:

"(d) The Secretary shall ensure that a copy of section 922(y) appears on the form required to be obtained by a licensed dealer from a prospective transferee of a firearm.".

(d) NO EFFECT ON STATE LAW.—Nothing in this section or the amendments made by this section shall be construed to preempt any provision of the law of any State, the purpose of which is to prevent children from injuring themselves or others with firearms.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

AMENDMENT NO. 3261

(Purpose: To require increased efforts for the prosecution of offenses in connection with the unlawful possession, transfer and use of firearms, particularly in connection with a serious drug offense or violent felony)

Mr. CRAIG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. CRAIG] proposes an amendment numbered 3261.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

"SEC. . INTENSIVE FIREARMS ENFORCEMENT INITIATIVES.

(a)(1) The Secretary of the Treasury shall endeavor to expand the number of cities and counties directly participating in the Youth Crime Gun Interdiction Initiative, as enhanced in this section, (and referred hereafter to as "YCGII/Exile") to 50 cities or counties by October 1, 2000, to 75 cities or counties by October 1, 2002, and to 150 cities or counties by October 1, 2003.

(2) Cities and counties selected for participation in the YCGII/Exile shall be selected by the Secretary of the Treasury and in consultation with Federal, State and local law enforcement officials. Not later than February 1, 1999, the Secretary shall deliver to the Congress, through the Chairman of each Committee on Appropriations, a full report, empirically based, explaining the impact of the program before the enhancements set out in section on the firearms related offenses, as well as detailing the plans by the Secretary to implement this section.

(b)(1) The Secretary of the Treasury shall, utilizing the information provided by the YCGII/Exile, facilitate the identification and prosecution of individuals—

(A) illegally transferring firearms to individuals, particularly to those who have not attained 24 years of age, or in violation of the Youth Handgun Safety Act; and

(B) illegally possessing firearms, particularly in violation of 18 U.S.C. §922 (g)(1)–(2), or in violation of any provision in 18 U.S.C. §924 in connection with a serious drug offense or violent felony, as those terms are used in that section.

(2) The Secretary of the Treasury shall, commencing October 1, 1998, and in consultation with the Attorney General, the United States Attorney for the Eastern District of Pennsylvania, the State of Pennsylvania, the City of Philadelphia and other local government for such District, establish a demonstration program, the objective of which shall be the intensive identification, apprehension, and prosecution of persons in possession of firearm in violation of 18 U.S.C. §922 (g)(1)–(2), or in violation of any provision in 18 U.S.C. §924 in connection with a serious drug offense or violent felony, as those terms are used in that section. The program shall be at least two years in duration, and the Secretary shall report to Congress on an annual basis on the results of these efforts, including any empirically observed effects on gun related crime in the District.

(3) The Attorney General, and the United States Attorneys, shall give the highest possible prosecution priority to the offense stated in this subsection.

(4) The Secretary of the Treasury shall share information derived from the YCGII/Exile with State and local law enforcement agencies through on-line computer access, as soon as such capability is available.

(c)(1) The Secretary of the Treasury shall award grants (in the form of funds or equipment) to States, cities, and counties for purposes of assisting such entities in the tracing of firearms and participation in the YCGII/Exile.

(2) Grants made under this part shall be used—

(A) to hire additional law enforcement personnel for the purpose of enhanced efforts in identifying and arresting individuals for the firearms offenses stated in subsection (b): and

(B) to purchase additional equipment, including automatic data processing equipment and computer software and hardware, for the timely submission and analysis of tracing data.".

Mr. DURBIN. Mr. President, it is my understanding under the unanimous consent request we have 40 minutes equally divided between the Senator from Idaho and myself.

I say by way of introduction, it is interesting we have two amendments that I don't believe are in conflict. I believe they are complementary. They both relate to guns. As I understand the amendment of the Senator from Idaho, he is seeking to reduce gun crime. I believe I will be able to support him. It appears to be consistent with my view, that those who misuse guns in the commission of a crime shall be accountable, regardless of their age. If that is what the Senator from Idaho seeks to do, I fully support it.

The amendment which I offer is complementary and very important because it addresses an issue which all of us, unfortunately, know too well. On the floor of the U.S. Senate a few weeks ago, my colleague from California, Senator FEINSTEIN, came up and said to me, "There's just been a wire story report that two children in Jonesboro, AR, have taken guns and shot classmates and a teacher." We couldn't believe that horrible story. Then it turned out to be true—four children killed, and a teacher, who put her life on the line to protect another student, also died.

As the information started coming in about Jonesboro, AR, we heard a story similar to what had happened in Pearl, MS, and what would later occur in Springfield, OR. The curious thing about the situation in Arkansas was that an 11-year-old child and a 13-year-old child took 10 lethal weapons and a reported 3,000 rounds of ammunition, went to the woods behind the school, activated the fire alarm, and shot away at the classmates.

Where did an 11-year-old child and a 13-year-old child come up with 10 lethal weapons and thousands of rounds of ammunition? That question stuck with me as I considered this legislation. The story goes, now, that one of the kids went to the parents' home to pick up the guns and go about this violent, grizzly business and found out that the parent had locked the guns up under lock and key. The kids tried to break open the storage locker. They failed. They went to a grandfather's house, where they picked up the guns and ammunition and went out in the woods and went about their deadly task.

How many times have we heard this story or versions of it? How many variations have we heard? The next day, in Dale City, CA, a high school student turns up at school with a semiautomatic pistol. You can bet that high school student didn't legally purchase it at a gun dealer. And that same day in Cleveland, OH, a 5-year-old turns up at a day care center with a loaded handgun.

The point of my amendment is to say let's get down to the bottom line here. We are as concerned about troubled children and violent behavior as anyone can be. Let us focus our attention on all that we can do to stop that. Make no mistake, a troubled child is a sad reality. A troubled child with a gun is a tragedy about to happen, not just to himself but to other innocent people.

This amendment which I am offering, called the Child Access Prevention Law, sets to establish a national standard which says that every gun owner in America has a responsibility to store his gun safely. An adult who has a gun in the house and knows, or should know, that a child could gain access to the gun, and a child does gain access and thereby causes death or injury or exhibits the gun in a public place, is subject to a Federal misdemeanor penalty of up to 1 year in prison, with up to $10,000 in fines.

But the exceptions are important as well. If that adult has stored the gun with a trigger lock, with another safety device, or under lock and key, then they are not bound by this law; they have met the standard of care.

If the juvenile uses the gun in a lawful act of self-defense, this provision does not apply either.

If the juvenile takes the gun off the person of a law enforcement official, the gun law that I have suggested here does not apply either.

If the owner has no reasonable expectation that children will be on the premises, then this law does not apply either.

Finally—and this is a point I want to make clear—we specifically say if the juvenile, the child, came up with the gun as a result of a burglary, stealing the gun out of premises where they did not have a legal right to enter, then there is no liability on the part of the gun owner.

We are talking about a situation where a gun owner owns guns, knows that children are present, and doesn't store them safely. Fifteen States have already addressed this. Ten years ago, the State of Florida passed the first law. They said: "There are too many children being killed with guns accidentally and intentionally. We want gun owners to accept the responsibility of storing them safely." In the first year after the Florida law was passed, gun accidents involving children went down 50 percent. Fourteen other States have passed this law. Nationally, there has been a reduction of 20 percent in the gun accidents that have occurred in those States that have already passed a similar law to this one.

What we are talking about here is establishing a national standard but not preempting any State law. If your State has a child access prevention law, then that will be the controlling law in every circumstance, and not this Federal law.

But I tell you this, you need only sit and talk to parents who have been through this to understand how important it is for us to have a standard of care for gun owners across America. A woman from my hometown sent me a handwritten letter about her little boy going to play next door, and another playmate pulls out a gun that his parents left unattended. It was loaded. He fired the gun. She wrote:

> That little bullet went through my little boy's heart, and mine too.

And mine, too.

Susan Wilson who came here just a few weeks ago, the mother of a little girl that she sent off to school, gave her a kiss goodbye and sent her off to school in Jonesboro, AR, never to see her alive again.

This suggestion for a change in law is not about taking anybody's guns away, it is about taking guns seriously. It says to every gun owner: You not only have the right to own a gun and the right to use it legally and safely, you have a responsibility—a responsibility—to store it safely and keep it away from children.

One of the experts on the Senate floor when it comes to guns is the Senator who is engaged in this debate with me, the Senator from Idaho, Senator CRAIG. Yesterday, during the course of a debate on trigger locks, Senator CRAIG said:

> Proper storage of firearms is the responsibility of every gun owner.

And then Senator CRAIG said:

> A general firearm safety rule that must be applied to all conditions is that a firearm should be stored so that it is not accessible to untrained or unauthorized people.

And, in Senator CRAIG's words:

> That is the right rule. That is the one that really fits. That is the one that really works well and then you don't have the accidents to talk about.

I think that is as strong an endorsement of the bill that I am offering as any language I could offer as part of this record.

I will tell you what I have found as I have traveled around and talked about establishing this standard of care so kids don't have access to guns. What I have found is overwhelming support from law enforcement. These are the men and women who answer the calls after there has been a terrible accident or a child has taken a gun out and shot someone intentionally. There has been solid support on this proposal from teachers. Can you imagine, a teacher who goes into a classroom, prepared to teach children, wonders if one of those kids has brought a gun to school. In my home State of Illinois, last school year—not this last one, the one before—144 kids were expelled for bringing weapons to school. It is, unfortunately, a growing trend in America.

In most instances, those weapons came from homes where the guns had not been safely stored. Mark my words, a child will always find Christmas gifts and a gun, no matter where you hide them. If you put it in the back of the drawer, behind the T-shirts, or up on the shelf in the closet, it is not good enough. We are a nation of 265 million people. We are a nation of 300 million guns, or more—300 million. At this moment, it is estimated that half of those guns are readily accessible to children, and a third of all guns are loaded. That is a tragic accident about to occur.

My goal in introducing this is not to send people to jail. My goal is to initiate a national conversation raising the level of awareness and saying to gun owners nationwide: Accept your responsibility to store your guns safely. If you want to own a gun, if you want to exercise your right, exercise your right responsibly. Save the children from these tragedies. Save the parents from this grief. Save innocent victims from what might occur.

I reserve the remainder of my time.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I send a modification of my amendment to the desk.

Mr. DURBIN. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator has that right. The amendment will be so modified.

The amendment (No. 3261), as modified, is as follows:

At the appropriate place, insert the following:

"—. INTENSIVE FIREARMS ENFORCEMENT INITIATIVES.

(a)(1) The Secretary of the Treasury shall endeavor to expand the number of cities and counties directly participating in the Youth Crime Gun Interdiction Initiative, as enhanced in this section, (and referred hereafter to as "YCGII/Exile") to 50 cities or counties by October 1, 2000, to 75 cities or counties by October 1, 2002, and to 150 cities or counties by October 1, 2003.

(2) Cities and counties selected for participation in the YCGII/Exile shall be selected by the Secretary of the Treasury and in consultation with Federal, State and local law enforcement officials. Not later than February 1, 1999, the Secretary shall deliver to the Congress, through the Chairman of each Committee on Appropriations, a full report, empirically based, explaining the impact of the pre-existing youth crime gun interdiction initiative on federal firearms related offenses. The report shall also state in detail the plans by the Secretary to implement this section and the establishment of YCGII/Exile program.

(b)(1) The Secretary of the Treasury shall, utilizing the information provided by the YCGII/Exile, facilitate the identification and prosecution of individuals—

(A) illegally transferring firearms to individuals, particularly to those who have not attained 24 years of age, or in violation of the Youth Handgun Safety Act; and

(B) illegally possessing firearms, particularly in violation of 18 U.S.C. §922(g)(1)–(2), or in violation of any provision in 18 U.S.C. §924 in connection with a serious drug offense or violent felony, as those terms are used in that section.

(d) Within funds appropriated in this Act for necessary expenses of the Offices of United States Attorneys, $1,500,000 shall be available for the Attorney General to hire additional assistant U.S. attorney and investigators in the City of Philadelphia, Pennsylvania, for a demonstration project to identify and prosecute individuals in possession of firearms in violation of federal law.

(3) The Attorney General, and the United States Attorneys, shall give the highest possible prosecution priority to the offenses stated in this subsection.

(4) The Secretary of the Treasury shall share information derived from the YCGII/Exile with State and local law enforcement agencies through on-line computer access, as soon as such capability is available.

(c)(1) The Secretary of the Treasury shall award grants (in the form of funds or equipment) to States, cities, and counties for purposes of assisting such entities in the tracing of firearms and participation in the YCGII/Exile.

(2) Grants made under this part shall be used—

(A) to hire additional law enforcement personnel for the purpose of enhanced efforts in identifying and arresting individuals for the firearms offenses stated in subsection (b); and

(B) to purchase additional equipment, including automatic data processing equipment and computer software and hardware, for the timely submission and analysis of tracing data.".

Mr. CRAIG. Mr. President, in section (2) of my original amendment, this was the same language with the same intent. Senator SPECTER, who has this initial program in Philadelphia, had some concerns about the language. I will be happy to provide you with a copy. It doesn't change the intent of the amendment at all.

Mr. President, the Senator from Illinois, in all respects, I am sure, approaches this Senate with the right intent, an intent that I think all of us would honor—that is, to try to make the world a safer place, to try to make people more responsible. There is a problem, a very real problem. Our bills are different, and I think they are very incompatible in that regard. I hope the Senator from Illinois can support my legislation. I wish I could support his, but I cannot.

Mr. President, here is the reason I cannot. The Senator from Illinois would like to take a victim and make that individual a criminal. In other words, if an adult owns a gun and a child of that adult, or a friend of that adult who happens to be less than 18 years of age, or a nephew, finds that gun and that gun is used in an accident or in the commission of a crime, or certainly when a death occurs, the victim—the person who had his or her gun stolen from them—all of a sudden becomes the criminal. That is an interesting juxtapose in our society from which we really have tried to stay away. We have focused on criminals and criminal acts. But a failure to make secure or to abide by what the Senator would say is a safekeeping of all 300 million guns in this society would make a person a criminal.

We know how guns are used. In high crime areas, they are used for self-protection. In high crime areas and urban housing—not the nice, suburban household the Senator might envision in his debate—oftentimes a gun is kept loaded. Is that house totally secure? Do children come and go from it? Is it in a high-rise suburban environment, where there might be gang violence, where some members of gangs might have full access to the house because they are cousins or the children of that person using that gun for self-protection? That is very possible. Those exceptions are not provided for here. They must be provided for here if the Senator from Illinois is to have a law with any teeth in it.

The reality is simple. We reverse, for the first time in our society, the kind of a test as it relates to an act of violence. In this case, the person who has the gun stolen from them all of a sudden becomes the criminal. That is an interesting and strange argument that we have never had put before us before. All of us are interested in controlling violent acts and criminal acts that occur in the commission of a crime. My amendment moves very directly to do that.

In fact, my amendment is a movement in a direction that I think is extremely positive and is already underway. It is already underway because what it says is that the Federal firearm laws we have on the books will be implemented and they will be enforced. Judges don't like them. They don't like to play around with them. They don't necessarily like to prosecute them. Yet, where it happens, crime rates go down and life becomes much safer.

What I am talking about and what I wish the Senate to vote on and place into law is the Youth Crime Gun Interdiction Initiative, which is currently a 17-city demonstration project aimed at reducing youth firearm violence and expanding this initiative by putting some real teeth in it, much like the model of the Richmond, VA, program that I will discuss in a few minutes. My idea, although it is not novel, is that when most Federal firearm laws were enacted, the notion was to punish criminals who commit violent firearm crimes, not to go after the innocent victim who might have had their guns stolen from them. This has not happened.

We already heard on the floor yesterday that this administration has cut the prosecution of violent acts where guns are used by nearly half. They simply don't pursue the criminal. Yet, it ought to happen. My amendment suggests that the Bureau of Alcohol, Tobacco and Firearms, in consultation with the attorney general, work with the State of Pennsylvania and the city of Philadelphia to establish a demonstration program where the objective will be to identify, apprehend, and prosecute all persons who commit firearm violations.

Let me tell you about something happening in Richmond, VA. Down there, a Federal prosecutor said to law enforcement officers, "If you will report to me felons who are arrested in the commission of a crime who are using a firearm, I will prosecute them. Plain and simple. No plea bargaining. We are going to prosecute." That Federal officer handed out this little card to every cop in Richmond, VA. This card has a listing of all of the Federal gun possession crimes. It goes on to list them. There is a number to call. An individual officer can call the ATF, and there is a pager number.

Here is the rest of the story. Gun-related homicides dropped from 140 last year to only 34 this year.

Now, what I am saying is what we ought to be doing in Richmond and in Philadelphia, and a lot of other places across the Nation, is incorporating Federal authority along with local authority to go after the criminal who uses the gun. I am sure the Senator from Illinois and I have voted for laws or bills that create laws that say if you do thus and so, and you use a gun, it is a Federal firearms violation. But we don't get the courts to prosecute them, and we don't follow through; we don't insist.

This administration, by their own statistics, has truly been asleep at the switch. Let's incorporate juveniles, education, tracking, gun trafficking, and all of those combinations together, and go after the people who are truly responsible. Guess what happens? The crime rate goes down. Incorporate that with the kind of work that has already been done and you will create a safer place.

The Philadelphia Exile Project—generally called Project Exile all over the country—creates that kind of dynamic. Then I go on to expand it, so that we go from 50 cities to, by October of 2000, 75 cities, and by 2002, to 150 cities and counties across our country. This is the kind of proactive thing that goes directly at the problem. What does it say? It doesn't say to the innocent victim who has had their property stolen and it gets used in a crime, and if you didn't do all of these right things, guess what, you are the criminal.

Now we haven't criminalized a child taking a car and having an accident against the parent—especially if they stole the car, took it without permission. Yet, today we would be doing that with guns. I think that is wrong. I think the Senator from Illinois is right. He should be able to support my amendment because it goes at the root cause. It incorporates all of the agencies, and it makes real the very thing that he and I want done. We want the laws enforced. We want criminals prosecuted. We know that 90 percent of the crime out there is the result of not new action, but old action —people with criminal records. That is what this is all about.

We have taken the concept of going after the criminal, we have incorporated it with the juvenile crime gun interdiction initiative, brought those kind of things into combination, and I think we have a dynamic force here.

What do we do?

We provide new information about illegal firearm activities to communities. We identify differences in adult, juvenile, and youth illegal firearms activities. We extend access to firearm-related enforcement information. We initiate community, State, and national reporting on firearms trafficking. We enable enforcement officers to focus their resources where they are likely to have the greatest impact on illegal trafficking to juveniles and violent youth gang members.

I think for those who were listening yesterday, when we look at the deaths created by juvenile activities with firearms today, the vast majority of the 95 percent are in that higher bracket. The accidental are there—not insignificant, but very, very small.

That is the reality of what I attempt to do. It incorporates demonstration projects today that are working. It makes them Federal law. It expands them across the Nation. It goes after the criminal, and not the innocent victim who has had their property stolen. My colleague from Illinois would like to make them the criminal. That is a strange position to have in Federal law. We ought to leave that alone.

I retain the remainder of my time.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask that I might have 7 minutes to speak.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. I would appreciate it if the Chair would let me know when the 7 minutes are up.

Mr. DURBIN. Mr. President, I would like to yield to my cosponsor of this legislation, the Senator from Rhode Island, 7 minutes.

I say at the outset that I support the bill offered by the Senator from Idaho. It is a good bill. It tries to establish more care with handguns. But it doesn't address the issue which the Senator from Rhode Island and I seek to address.

I yield to him.

Mr. CHAFEE. Mr. President, I have listened carefully to the Senator from Idaho and his remarks.

He indicated that it was a "shocking"—if I am quoting him correctly—"shocking" event to punish the person whose weapon caused the damage; the person who is careless in the storage of that firearm under this legislation pays a penalty. The Senator from Idaho, as I understood him, thought that was a very strange procedure.

I will say this, Mr. President. I think every one of us know that if you own a pit bull, and you don't keep that pit bull tied up properly, and it mauls some innocent child, that the owner of that pit bull is liable. We have a situation akin to that—not pit bulls, but dangerously loaded weapons that are carelessly strewn about someone's home. A youngster comes in and gets hold of them and uses it for destructive purposes. That person that owns that weapon ought to pay the penalty. The suggestion that this is something strange and unheard of strikes me in itself as being strange.

Mr. President, we have seen, all of us, these horrible incidents that have taken place over the past year in schools where youngsters have obtained weapons frequently because the weapons are not properly stored. They are not properly locked up. They are left around not only carelessly, but they are loaded.

Let's just review these, if we might.

In October, a 16-year-old at Pearl High School in Mississippi went to school with a hunting rifle. He shot and killed a student and a teacher, leaving a second teacher with a bullet wound in the head.

In December, a student at Heath High School in West Paducah, KY, used a pistol to kill three other students.

I mean, this is what is happening in our schools.

The shooter was 14 years old.

In March, two boys in Jonesboro, AR, one 11 years old and the other 13 years old, pulled the fire alarm in their school. As students and teachers left the building, the two boys began shooting. They killed five people: Four young girls, and a teacher.

In April, a 14-year-old boy in Edinboro, PA, went to a school dance with a gun he apparently removed from his father's bureau drawer. He killed a science teacher and injured two students and another teacher.

At Thurston High School in Springfield, OR, a 15-year-old who was suspended for carrying a gun to school returned to school the next day and opened fire in a crowded cafeteria. He killed two students and wounded 19 others—19 others. He killed two, and wounded 19 others. Police suspect he shot and killed his parents as well.

These are terrible, tragic shootings.

According to Handgun Control, 91 percent of handguns involved in unintentional shootings come from the home where the shootings occur.

Mr. President, this is a national disaster. There are 192 million firearms—192 million firearms—in the possession of private citizens in our Nation, and 35 percent of American homes contain at least one gun.

Each year, more than 500 children accidentally shoot themselves or a sibling, a family member, with a family gun.

According to the Centers for Disease Control, the firearms-related death rate for American children under the age of 15—I mean, I think it is important we realize what we are talking about here. These youngsters are under 15. The rate in the United States for the death rate of these children through guns is 12 times higher than that of the other 25 industrialized nations combined.

One thing is certain. It is simply too easy for children to get a gun. At the very least, adults should be encouraged to store their guns in a manner and a place that is inaccessible to children. If they don't, and if the child uses the gun to harm himself or someone else, the adult should be held responsible.

I find it hard to argue with that premise. As I say, if there is a pit bull, no one would argue a bit that the pit bull should be chained up. We have seen incidents—certainly, I have seen them in my State—where they are not chained and they maul some youngster terribly. The owner of that dog, that pit bull, is held responsible. And the owner of a gun that is far more dangerous than that pit bull should likewise be held responsible.

Are we embarking on something radical here, something that is unacceptable by the public?

In April, an NBC/Wall Street Journal poll was taken—a bipartisan poll by Peter Hart and Bob Teeter, whom most of us know. We know Bob Teeter. We have worked with him. Others on the other side have worked with Peter Hart.

This is the question:

> Congress is considering legislation that holds adults criminally responsible if they allow young children to have access to firearms that are used to injure or kill another person. Do you favor or oppose this legislation?

That was the question. You are going to hold adults criminally responsible if young children have access to firearms that are used to injure or kill another.

The answer was 75 percent said they favored this type of legislation; 21 percent said they opposed it, and 4 percent were undecided.

It seems to me that it is time that we in Congress caught up with the American people on this issue. Here is an opportunity to encourage gun owners to act responsibly by keeping their weapons out of the reach of children.

This amendment does not prevent anybody from owning a gun. That is a red herring, if anybody suggests that. It says if you are a gun owner who has reason to expect a child to be on the premises, you must store your gun safely. I don't think the National Rifle Association would object to that. Certainly, it seems to me, they would encourage people to store their weapons safely. If they failed to store them safely, and a child uses it to harm himself, or someone else, the gun owner can be held criminally liable. That makes total common sense to me.

I urge my colleagues to vote in favor of this commonsense approach to gun safety.

I thank my cosponsor who worked so hard on this, and I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DURBIN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. Three minutes thirteen seconds.

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

Mr. CRAIG. Mr. President, let me only make a few comments as it relates to what Senator CHAFEE has said, because I think it is important that we understand the reality of some of what he has portrayed. The pit-bull argument sounds not only exciting, it

sounds horrifying. Now, there is a little thing in law called, in this instance, the first bite. In other words, if it is known that the dog is dangerous, then there is a responsibility. If it is not known that the dog is dangerous and the dog has never shown dangerous tendencies, then the owner is not liable, and that has stood up in court. But if the dog is known to be dangerous, and the dog is chained in the backyard, and the backyard is fenced, and the gates are locked, and a child crawls in the range of the dog that is chained and is injured, the owner is not liable.

But what the Senator is saying is, if you have a gun in your house and your house is gained access to by someone, oh, yes, if the door is open and a child invites another child in, and that child finds a gun and misuses it, then, of course, the owner of the gun is liable.

I don't believe that is the pit-bull argument. And I don't think it can be, because the owner may have put the gun away, and did in this instance.

What if the owner had it locked up but the child of the owner knew where the key was? Now, who is liable there? A lot of definitions go on wanting and my argument still holds, I do believe, that the victim in this instance, the owner of the gun, who has had the gun stolen from him, all of a sudden becomes the criminal.

The pit-bull argument cannot and does not hold in this instance, nor should it. We understand those kinds of arguments. You can store your gun in safety, and all of a sudden it is taken and used and you are liable. The victim should not be the criminal.

I retain the remainder of my time.

Mr. KENNEDY. Mr. President, I would like to offer my support of the Durbin Amendment to the Commerce, Justice, and State Department Appropriations Bill. The recent tragedies in Arkansas and Pennsylvania call our attention once again to the youth violence facing our nation: the pointless injury and loss of life, the families that are ripped apart, the classmates who witness the horror or lose a friend, and the communities consumed in fear. No one can calculate the direct and indirect costs flowing from any one of the 14 times every day in which a child dies from a gunshot wound. National response to this death toll has been minimal, and little has changed in our approach to regulating guns since 1973. Although no one can replace what was lost, we can at least take steps to prevent future tragedies.

But as we know from harsh experience, you can't arrest your way out of these problems. We must be equally credible on enforcement and prevention to have an impact. And we have to keep guns out of the reach of our children. We need to keep children away from guns. And it means adoption of the Durbin amendment, which requires adults to lock up their guns. The guns used in school shootings in Arkansas and Pennsylvania belonged to adult relatives of the children who used them. Fifteen states already have child access prevention laws, and those laws work.

What we are talking about here today is taking responsibility for the safety of our children. That means all of us taking responsibility to change the culture of violence, and taking sensible steps to keep children safe. The Durbin amendment takes such a step and it deserves to be enacted this year by this Congress. How much longer must we endure the horrors of juvenile violence before we respond with measures that we already know are effective?

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. I yield 1 minute of the 3 remaining to the Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. I thank the Chair.

I compliment both Senators for this legislation. I think it is common sense. I think it is long overdue.

I most profoundly disagree with the Senator from Idaho. If the gun is under lock and key, the owner is exempt from criminal liability. Let me repeat that. If the gun is under lock and key, the owner is exempt from criminal liability.

On Monday, a 4-year-old boy in Maryland was shot with his grandfather's .22 caliber handgun. The gun was loaded. It was not equipped with a trigger lock. The children were playing with the gun. The gun discharged and struck the 4-year-old in the face. Fortunately, the boy was not seriously injured and is expected to recover.

On Tuesday, unfortunately, 61 Senators voted against a common-sense requirement to require handgun manufacturers to include childproof trigger locks with every handgun they sell. A simply safety requirement that would help to stop the growing number of accidental gun-related injuries and deaths that involve children every year.

In my view, the sharp contrast between these two events is striking. One day, a child is shot in the face because the gun he and his playmates find does not have a trigger lock. The next day, the Senate votes against requiring all guns to be sold with trigger locks.

What is the matter when we cannot fulfill our basic responsibility to keep children safe from the dangers of irresponsible gun ownership?

I believe that the legislation currently before us authored by Senators DURBIN and CHAFEE, offers an excellent avenue for ensuring that gun owners who allow children access to their guns are held liable when their negligence leads to death or injury.

The bipartisan Child Firearm Access Prevention Act will keep kids from taking guns owned by adults and, either purposely or accidentally, killing or injuring themselves or another person.

The legislation puts the burden on the adults who own the guns to store their guns in a safe and secure manner—with a trigger lock, a combination lock, in a gun safe, or in a lock box.

If an adult who owns a gun chooses to store the firearm in a loaded condition—unlocked and unsafe—and a child uses that gun to kill or injure someone or exhibits that firearm in a public place, then that adult can be imprisoned for 1 year and fined as much as $10,000.

The need for this legislation should be entirely obvious. I would wager that there is not a single Senator who hasn't heard of the parade of senseless violence that has plagued our nation's schools.

Some recent incidents include:

Barry Loukaitas, 14, February 2, 1996, Moses Lake, Washington: Allegedly shot and killed two students and a teacher at his school. In his confession Barry said he got two of his guns from an unlocked cabinet in his house and one from the family car.

Evan Ramsey, 17, February 19, 1997, Bethel, Alaska: Shot and killed a student and a principal, and wounded two other students, at his high school. According to police, the gun Evan used was kept unlocked at the foot of the stairs in his house.

Luke Woodham, 16, October 1, 1997, Pearl, Mississippi: Allegedly stabbed his mother and then shot nine students, killing two, at his high school.

Michael Carneal, 14, December 1, 1997, West Paducah, Kentucky: Accused of killing three students and wounding five students who were participating in a high school prayer circle.

Andrew Golden, 11, and Mitchell Johnson, 13, March 24, 1998, Jonesboro, Arkansas: Accused of shooting to death four girls and a teacher, and wounding ten, at his school. The boys took the guns they used in the crime from Andrew's grandfather who said he usually kept his guns unlocked in the house.

Andrew Wurst, 14, April 24, 1998, Edinboro, Pennsylvania: Shot a teacher to death at a school dance.

Jacob Davis, 18, Fayetteville, Tennessee, May 19, 1998: Allegedly shot and killed a high school classmate.

Kipland "Kip" Kinkel, 15, Springfield, Oregon, May 21, 1998: Shooting spree at both home and school which left four dead and twenty-two injured.

In all, these tragedies total 20 deaths and 48 injuries.

Other non-fatal incidents include:

A 5-year-old kindergarten student in Memphis who took a loaded .25-caliber pistol to school because he wanted to kill his teacher for putting him in a "timeout",

A police officer's 10-year-old son who was arrested when he took an unloaded, semi-automatic pistol to school in his bookbag,

A 15-year-old high school student who was arrested when authorities confiscated 20 pistols, rifles, and shotguns from his home after the boy threatened his 9th grade teacher,

And a 16-year-old boy, suspended from school for vandalism, who was caught by authorities on campus with a .22-caliber revolver in his front pocket.

Indeed, the scope of this problem is reaching epic proportions.

The National School Safety Center indicates that, during the 1997–1998 school year, there were 41 school-associated violent deaths in the United States. That's nearly a 61 percent increase from the year before when there were 25 such incidents.

And it's no wonder the incidents of school violence are increasing. A 1998 study by the National Center for Education Statistics and the Bureau of Justice showed that, of 10,000 students surveyed, 1,200 students knew someone who had taken a gun to school. It is amazing to me that, given the large number of students who have taken guns to school, there haven't been even more gun related deaths in our schools.

Since the National School Safety Center began keeping track of school-associated violent deaths in July 1992, there have been 227 students who have died on campus. 53 of them—nearly 1 out of every 4—were from my home state of California.

In fact, the problem of gun fire on campuses has gotten so bad that students in some California schools practice "duck and cover" drills much in the same way that students in the 1950's and 1960's practiced taking cover during nuclear air-raid drills.

An article in the Los Angeles Times last August detailed how the threat of gun fire has become like the new nuclear threat looming over today's elementary, middle, and high school students.

The article reads: "They're called drop drills, crisis drills, and even bullet drills. In many schools, a special alarm sounds, as it would during an actual nearby shooting. Teachers shout "Drop!" and students duck under their desks or sprawl on the ground, covering their heads. Many schools also immediately initiate a lock-down during the drill, as they would with a shooting, sealing the campus off from the violence outside."

And it continues: "The drop procedure was used by students at Figueroa Street Elementary School in February 1996 when teacher Alfredo Perez was hit by a stray bullet. Perez's fifth-graders ducked when the bullet flew through the window, and then they crawled out of the room and stayed on the floor until teachers told them they could get up.

Principal Rosemary Lucente credits the drop drill, which they practice at least once a month, with keeping the students out of further danger."

And so it has come to this. Our students are forced to practice duck and cover drills because their schools have gotten too hazardous for them to focus on what they're there for in the first place which is to learn.

When the situation has gotten that bad it is my view that it is our responsibility to try and help provide some sanity in our schools and protect children from guns.

We can do that by holding adults who own guns responsible if their careless storage of dangerous firearms results in the threat of death or injury. What's more, we must also encourage parents to spend more time with their children, to reconnect with them, to teach them that guns are not toys, and to teach them the difference between right and wrong.

Opponents of this bill will argue that it won't solve all the problems of kids with guns, that it won't stop kids from getting killed or injured by firearms. Frankly, I don't know if that's true or not. But I do know that one thing this legislation will do is it will force adults to be more safe and more responsible with their guns and that will save lives.

I support this legislation wholeheartedly and I encourage my colleagues in the Senate to do the same.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. FEINSTEIN. I thank the Chair.

Mr. CRAIG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Idaho has 6 minutes 43 seconds remaining. The Senator from Illinois has 2 minutes 4 seconds remaining.

Mr. CRAIG. Mr. President, let's talk about that tragic situation in Jonesboro, AR. What the Senator from Illinois is proposing would not have solved the problem in Jonesboro, AR, even though that young child obtained his gun from a grandfather who had locked his house and the child entered the home without permission and the gun was locked in a case. I don't know how we legislate against that. My guess is, we do not, not very successfully. All of a sudden grandpa becomes the criminal, and you are going to go after grandpa at a time when his grandchild has done that onerous act?

Now, the Senator mentioned 15 States that have similar laws and yet the courts very seldom use them and juries very seldom give decisions because we know the parent is in a horrible situation at the time that kind of accident occurs. They are the victim, and they become the criminal. We all know that underage children in our care who act as those children do, we are every bit as much the victim.

Why don't we pass the legislation that I have proposed that incorporates the forces of the Federal Government, the State government, and local government, and goes after criminals who use guns and criminal acts and bring down our crime rates and work to take the guns out of the hands of the juveniles where the killings are really going on in this country?

No, it isn't as dramatic; it doesn't make for the political speech in the Chamber, but it sure makes the streets a lot safer. It doesn't take law-abiding citizens and make them criminals. That is what this Senate ought to be doing, and I hope the Senate will do that tonight. It is the right and the responsible approach.

Let me, once again, briefly go through my proposal. It is patterned after the Youth Crime Gun Interdiction Initiative that is working right now in Philadelphia. It incorporates the Project Exile in Richmond, VA, where a Federal prosecutor says, "Report to me felons who are using a gun in the commission of a crime, and I will prosecute them, and I will put them away." He has, and the crime rate has plummeted. Bring those two forces together and we make this world a safer place. And we take guns out of the hands of juveniles.

No, we don't deal with the accident. I am not sure I know how to do that. I don't think we can do that here. I don't think we can make parents criminals. We have chosen not to do that in the past for a variety of reasons. We have argued safety. We have educated safety. We hope parents and adults will be responsible with their rights. In this instance there is a clear division. It is an important division. Our institutions have to recognize that juveniles in our society today are more violent than they have ever been, and we are searching for answers to that. We do not know all of the answers, but we do know we have a problem. Our problem is to penalize the parent who has tried to act responsibly? I don't think so. It is certainly our job to encourage greater parental responsibility, and we all know that a person who owns a gun in a law-abiding way has a responsibility for his or her right in this society. And we encourage that. But we say a $10,000 fine and a Federal offense and you are a criminal if somebody misuses the gun? I hope not. I hope that is not the case.

I retain the remainder of my time.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I believe I have 2 minutes remaining.

The PRESIDING OFFICER. Two minutes 3 seconds.

Mr. DURBIN. Mr. President, with every right in America, there is a responsibility, even with the second amendment right to bear arms. Every gun owner has a responsibility to store his gun safely.

What I find interesting about the argument from the Senator from Idaho is that when I speak to responsible gun owners across America, the first thing they tell me is, "Senator, I do not want any of my guns to harm any of my children or anyone else's children or any innocent person. I understand I have a responsibility to store them safely."

The Senator from Idaho is arguing that gun owners have no responsibility

and should have no responsibility under the law to store their guns safely.

That is not a fair standard. The overwhelming majority of the American people may support an individual's right to own a gun, but the overwhelming majority of the American people also understand that right carries a responsibility to protect innocent children. The fact that there has not been an enforcement action in 15 States where the laws are on the books should be heartening to the Senator from Idaho, and not discouraging, because in those same States that have passed laws just like this, the number of accidents involving firearms with children have gone down over 20 percent.

We can save children's lives with this amendment by saying to gun owners: "Take this issue responsibly." Let us send America's kids back to school safely, schools that are gun free and violence free, and let the parents of those kids realize they have a responsibility, if they are gun owners, to store their guns safely so their children cannot get their hands on them and hurt themselves or others.

I yield the remainder of my time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. The Senator from Illinois can say a good many things on this floor, but he cannot say something I did not say and attribute it to me. I did not say there was not a responsibility to manage and handle your guns in a law-abiding and safe way.

I yield the remainder of my time to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I agree with the arguments made both by the Senator from Idaho and the Senator from Illinois that it is very useful to have a Federal crackdown on those who violate the law with guns. When I was district attorney in Philadelphia, I sought to have the Board of Judges impose a standard rule that there be at least some jail time for those who violate the law with guns, and was unsuccessful in that effort.

One of the first pieces of legislation I introduced on coming to the Senate provided for the armed career criminal bill, which mandates a sentence of 15 years to life for a career criminal who has been found in possession of a firearm.

I am pleased the legislation offered by the Senator from Idaho will encompass the City of Philadelphia on a Federal crackdown.

Let me say, parenthetically, this is the first opportunity I have had to take the Senate floor. I thank my colleagues for the standing ovation which I received when I returned and thank them for the very many good wishes.

I wish I had longer to talk about this issue. But I do believe the Federal jurisdiction, with the speedy trial rules and the tougher sentencing and the avoidance, at least in my experience, in the Philadelphia State courts of judge shopping and plea bargaining, will be a great boon to cracking down on those who violate the law with guns.

Just a word or two about a couple of earlier votes. I supported the proposition to allow counsel into the grand jury room. That is sort of an onerous proceeding, where the prosecutor is present with the witness and up to 23 grand jurors. It is a little anomalous, given the right to counsel, that the witness must appear alone in the grand jury room, which is a closed Star Chamber proceeding, but I think the orderly administration of criminal justice will be served better if a witness' counsel is permitted to be present.

An earlier vote, too, occurred on an effort by the Senator from Alabama, Senator SESSIONS, to allocate more funds to law enforcement as opposed to rehabilitation. I supported the motion to table Senator SESSIONS' amendment because I believe there ought to be more on the seamless web for rehabilitation.

The PRESIDING OFFICER. All time has expired. The Senator from South Carolina.

PRIVILEGE OF THE FLOOR

Mr. HOLLINGS. Mr. President, I ask unanimous consent a legislative fellow in the office of Senator WYDEN of Oregon, Martin Kodis, be permitted the privilege of the floor during consideration of this bill.

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

The Senator from New Hampshire.

Mr. GREGG. I ask unanimous consent, on both the Craig amendment and the Durbin amendment, the yeas and nays be ordered.

The PRESIDING OFFICER. Is there objection to ordering the yeas and nays en bloc at this time?

Without objection, it is in order.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GREGG. Mr. President, so my colleagues know where we stand—and I certainly thank the Senator from Illinois and the Senator from Idaho for their timely discussion of what was a fairly complicated issue; both Senator HOLLINGS and I greatly appreciate their courtesy in moving debate along—we are now waiting for Senator THOMPSON, who I understand is on the way to the floor to offer his amendment. Then we will go to Senator BUMPERS. We will probably be skipping over the amendment by Senator NICKLES. As I understand it, he is not available until probably 9 or 9:15. So we will go to Senator FEINGOLD after Senator BUMPERS.

That is the order we are proceeding under, under the previous unanimous consent. As soon as Senator THOMPSON arrives, we shall take up his amendment.

I make a point of order a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3256, AS MODIFIED

(Purpose: To reinstate certain principles, criteria, and policies relating to Federalism, and for other purposes)

Mr. THOMPSON. Mr. President, I call up my amendment No. 3256 and I send a modification to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. THOMPSON], for himself, Mr. LOTT and Mr. NICKLES, proposes an amendment numbered 3256, as modified.

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

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

The amendment, as modified, is as follows:

At the appropriate place in the bill, insert the following:

SEC. . POLICIES RELATING TO FEDERALISM.

It is the sense of the Senate that the President should repeal Executive Order No. 13083, issued May 14, 1998 and should reissue Executive Order No. 12612, issued October 26, 1987, and Executive Order No. 12875, issued October 26, 1993.

Mr. THOMPSON. Mr. President, this amendment is offered to protect and preserve federalism. If there is one concept in recent years that has gained in credence, it is the concept of federalism. We have seen a lot of innovation happen in this country that has started at the State and local level. We have paid credence to it with regard to welfare reform and other measures.

The Supreme Court, in recent years, has struck down cases based upon the tenth amendment. The tenth amendment has been reinvigorated, and I think we have come together as a nation in many respects in our belief that many of our problems need to be addressed at the State and local level, and that is what our original framers of the Constitution had in mind. Not only is it constitutionally sound but it has worked in practice.

Mr. President, I ask unanimous consent that Majority Leader LOTT and Assistant Leader NICKLES be added as cosponsors. They have long fought for the principles of federalism.

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

Mr. THOMPSON. Mr. President, in May the President issued Executive

Order 13803 which purported to set out a new definition of "federalism." However, it explicitly replaced President Reagan's Executive order on federalism and, in reality, the new order undermines federalism.

Furthermore, it was written in secret without even any consultation with State and local officials. Every major State and local government group opposes this so-called federalism order, and they have asked the President to withdraw it.

My amendment expresses the sense of the Senate that the President revoke his May 14th order and help restore the proper respect for State and local government and in our Federal system by reinstating both President Reagan's and his own prior orders on this subject.

The Founding Fathers believed that the Federal Government had limited powers. The tenth amendment states that the powers not delegated to the States are reserved to the States or to the people. The public clearly wants important decisions to be made closer to home and not dictated from Washington, DC.

Unfortunately, President Clinton's order will undermine federalism and promote Federal meddling into local affairs. President Clinton's order revokes President Reagan's Executive Order 12612 which was a clear commitment to the tenth amendment principles of a limited Federal Government. The new Clinton order shifts the Reagan presumption against Federal involvement in State and local matters to a presumption for Federal intervention. President Clinton's new order also revokes his own 1993 Executive Order 12875 which directed the Federal Government to avoid unfunded mandates.

To add insult to injury, the White House never talked with State or local governments while the new order was being developed. Ironically, it was issued from England. More ironically, White House officials did not consult with local officials on an Executive order which itself calls for more consultation with local officials. In a recent Washington Post article, one anonymous White House official admitted, "This was a mistake. We screwed up." Mr. President, I agree.

The White House belatedly has offered to delay the order and take comments from State and local officials, but the Clinton administration has shown no willingness to rescind this order, as State and local officials have requested.

State and local officials were understandably irritated that the White House shut them out of this process. But more importantly, they immediately saw through the rhetoric that was coming out on this matter and saw the real purpose of the Executive order. State and local officials know that the order is basically a Government power grab at the Federal level that will undercut their ability to serve the public, and that is why they are so exercised about it.

President Clinton was asked to rescind the order by the "big seven," as they are called—big seven State and local government groups. They include the National Governors Association, the National Conference of State Legislature, the Council of State Governments, the National Association of Counties, the U.S. Conference of Mayors, the National League of Cities, and the International City/County Management Association.

Mr. President, this order will promote Federal intrusion into local decisionmaking, and it shows contempt for the ability of State and local officials to manage their own affairs. We don't want that. That is not the message that has been coming out of this Congress. That is not even the message that has been coming out from prior Executive orders by this administration, as late as 1993.

Even though, as I say, it was promoted as a concept that would enhance federalism, and it has a lot of good language in there about the principles of federalism, when you get right down to it, it rescinds the basic presumption that when Federal agencies look at a matter, it basically presumes, unless it is very clear, that the matters should be resolved at the State and local level. That is a presumption that has worked very well for us, and I urge the adoption of this amendment.

I ask unanimous consent that a letter from the seven state and local organizations, an article from the Washington Post, and a letter from Governor Voinovich of Ohio be printed in the RECORD.

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

Hon. WILLIAM J. CLINTON,
President of the United States,
Washington, DC July 17, 1998.

DEAR MR. PRESIDENT: We are writing on behalf of the nation's elected state and local government leaders to request that you withdraw Executive Order 13083. We urge this action to provide for meaningful consultations with state and local officials not on E.O. 13083, but on whether any changes ought to be considered with respect to Executive Orders 12875 (Enhancing the Intergovernmental Partnership) and 12612 (Federalism). No state and local government official was consulted in the drafting of E.O. 13083. In contrast, this administration fully engaged state and local officials and their associations in the drafting of your E.O. 12875.

While we appreciate the offer by your administration to extend the comment period by 90 days, we feel that Executive Order 13083 so seriously erodes federalism that we must request its withdrawal.

Because we all have imminent meetings of our elected leaders, we believe it especially critical for you to consider and act upon our request to withdraw the order as quickly as possible.

Sincerely,

GOVERNOR GEORGE V. VOINOVICH,
Chairman National Governors' Association.

SENATOR RICHARD FINAN,
Senate President, President, National Conference of State Legislatures.

COMMISSIONER RANDY JOHNSON,
Hennepin County, Minnesota, President, National Association of Counties.

DEEDEE CORRADINI,
Mayor of Salt Lake City, President, The U.S. Conference of Mayors.

REPRESENTATIVE CHARLIE WILLIAMS,
Chairman, Council of State Governments, Mississippi.

BRIAN O'NEILL,
Council Member, City of Philadelphia President, National League of Cities.

GARY GWYN, CITY MANAGER,
Grand Prairie, Texas, President International City/County Management Association.

[From the Washington Post, July 16, 1998]

EXECUTIVE ORDER URGED CONSULTING, BUT DIDN'T; STATE, LOCAL OFFICIALS WANT FEDERALISM SAY

(By David S. Broder)

Two months ago, while attending the economic summit of industrial nations in Birmingham, England, President Clinton signed Executive Order 13083 on federalism. After setting forth nine conditions for when federal intervention and preemption is justified, it required every executive agency to "have an effective process to permit elected officials and other representatives of state and local governments to provide meaningful and timely input in the development of regulatory policies that have federalism implications."

On Tuesday, two months to the day after Clinton signed the order, the Washington representatives of the "Big Seven" organizations of state and local government had a stormy meeting with Mickey Ibarra, the chief of White House intergovernmental relations, and then drafted a letter to Clinton demanding that he withdraw the executive order.

The reason: No state or local government official was consulted in the drafting of the executive order, a directive the Big Seven officials said in the draft "calls into question fundamental principles of federalism."

Because the new order revokes the previous federalism guidelines signed by former President Ronald Reagan and by Clinton himself in 1993, the draft letter said "we are concerned that all references to the Tenth Amendment, identification of new costs or burdens, preemption and reduction of unfunded mandates are revoked. . . . We believe the changes in the order and the manner in which they were made raise serious

questions" about the administration's commitment to partnership with state and local governments.

White House officials yesterday denied the order signaled any change of policy and scrambled to appease the Big Seven, knowing that almost all the groups will be meeting in the next few weeks and that congressional Republicans are on the trail of the controversy. Indeed, yesterday afternoon, Barry J. Toiv, a White House spokesman, said administration officials had decided to recommend to the president that he issue another order delaying implementation of the first one so officials would have the opportunity to meet and discuss the issues with state and local authorities.

"We thought there were no real substantive changes . . . but in retrospect, it wouldn't have hurt" to review the new language with the state and local officials, Toiv said. The first executive order was not scheduled to go into effect until Aug. 14.

Another Clinton aide, who did not want to be identified, said of the lack of consultation, "This was a mistake. We screwed up."

William T. Pound, executive director of the National Conference of State Legislatures, welcomed the news of the planned delay.

"It's a first step. A second step is—we clearly want substantive changes," Pound said.

Officials said the staff work on the executive order had been done by Sally Katzen, who supervised regulatory work at the Office of Management and Budget until recently becoming deputy director of the White House National Economic Council, and by lawyers in the White House counsel's office.

After the meeting with Ibarra and White House lawyers, Pound said, "They gave us no good reason why this was done without consultation. They order everyone else to consult, but then do exactly the opposite. It's a slap in the face, really."

The other groups that attended the meeting were the National Governors Association, the Council of State Governments, the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties and the International City/County Management Association.

The long delay in the group's explosive reaction came about, Pound said, "because none of us knew they were going to do this, and none of us knew they had done its. It was a stealth executive order.

The first official to raise the alarm was Rep. David M. McIntosh (R-Ind.), a subcommittee chairman on the House Committee on Government Reform and Oversight and a man who had occupied the same OMB position as Katzen during the Reagan administration. He wrote Clinton saying that in revoking the previous orders, "you stripped the most basic protection accorded the states, the preparation of a Federal Assessment," which required agencies to analyze the burdens any new regulation imposes on state and local governments.

Instead of requiring federal agencies to "refrain to the maximum extent possible from establishing uniform national standards for programs," as the previous orders did, McIntosh wrote, "your order requires no restraint or deference to the states."

In a July 1 letter of reply, White House counsel Charles F.C. Ruff said the Unfunded Mandates Relief Act, passed in 1995, requires the same kind of assessments the old orders did. But McIntosh said yesterday the administration does not practice what it preaches, pointing to the recent administration directive—that states said was done without adequate consultation—that states must pay for Viagra prescriptions for Medicaid patients no matter what the cost.

GEORGE V. VOINOVICH,
OFFICE OF THE GOVERNOR
Columbus, OH, July 22, 1998.

Hon. FRED THOMPSON,
Chairman, Governmental Affairs Committee, Washington, DC.

DEAR CHAIRMAN THOMPSON: I am writing in strong support of your amendment to repeal President Clinton's Executive Order 13083 (Federalism).

Executive Order 13083 undermines and replaces previous Executive Orders 12875 (Enhancing the Intergovernmental Partnership) and 12612 (Federalism), which recognized and guaranteed the division of governmental responsibilities embodied in the Constitution.

Executive Order 13083 was promulgated without any consultation with state and local elected officials. I strongly oppose Executive Order 13083 because it fundamentally contradicts the 10th Amendment to the Constitution and the basic principles of federalism.

Previously, the leaders of the seven bipartisan organizations representing state and local elected officials wrote to the President stating, "Executive Order 13083 so seriously erodes federalism that we must request its withdrawal." I appreciate your efforts to repeal this unfortunate attempt to justify and broaden federal preemption of state and local governments.

Thank you again for your leadership on this critical issue.

Sincerely,

GEORGE V. VOINOVICH,
Governor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I am still nonplused as to the particular content of those Executive orders. I say nonplused. I know the President, and if there is one group he really yields to, it is local and State governments, having been a Governor, having come to office as a new, whatever they call this thing—leadership, Democrat, or whatever else. He hadn't been necessarily on the side of the Federal Government but on the side of State and local governments.

I understand the misgivings of the Senator from Tennessee, and I understand what he said, that the Governors have asked and yet, apparently, the White House has declined. That is why I am nonplused, because I would like to know a little bit more about it, and I am checking right now those Executive orders and with members of our Governmental Affairs Committee, which does have jurisdiction on this particular matter.

In short, in other words, Executive Order 12612 and Executive Order 12875, the Senator from Tennessee says they change a basic presumption from federalism—local and State levels to be employed and approached, before we take over at the Federal level—with which I agree. I happen to think that the President agrees, too. That is why I want a little time to check this out.

Mr. GREGG. Will the Senator yield?

Mr. HOLLINGS. I will be delighted to yield.

Mr. GREGG. I suggest it might be acceptable to the Senator from Tennessee, because the Senator from South Carolina does have concerns that haven't been addressed and he has to get information, maybe we can set this amendment aside and move on to the Bumpers amendment. We are going to have votes at 9:30. Prior to the 9:30 period, if the Senator from South Carolina feels he needs to come back for further debate, we can go to it at that time.

Mr. THOMPSON. If the Senator will yield, I will be most happy to proceed in that direction. I suggest perhaps I consult with the Senator from South Carolina. I have the Executive orders here.

Mr. HOLLINGS. I appreciate that. I am sort of ready to go along with what the Senator from Tennessee said. Let me look at those Executive orders.

Mr. THOMPSON. Very well.

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

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

AMENDMENT NO. 3257

Mr. MCCAIN. Mr. President, I ask for the yeas and nays on amendment No. 3257.

The PRESIDING OFFICER. Without objection, it is in order to ask for the yeas and nays.

Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

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

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

Mr. GREGG. I suggest at this time we turn to the amendment from Senator BUMPERS. I ask unanimous consent that he be recognized on his amendment, that there be 40 minutes, equally divided, on the Bumpers amendment, and that at the conclusion of that, that we turn back to the Thompson amendment.

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

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Would the Senator be willing to add a requirement that no

second-degree amendments be in order? I do not anticipate any. I am just thinking we could save some time.

Mr. GREGG. If the Senator will yield, the unanimous consent agreement did not preclude second-degrees. At this time I am not in a position to preclude second-degrees. I do not expect one. I am not aware of one, but I am not in a position to agree to that.

Mr. BUMPERS. I was thinking, in exchange for a time agreement I thought we could agree that there will be no second-degree amendments. Is that not the case?

Mr. GREGG. That was not my understanding.

Mr. BUMPERS. I ask unanimous consent that no second-degree amendments be in order on the Bumpers amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GREGG. Would the Senator yield?

Mr. BUMPERS. Yes.

Mr. GREGG. I ask unanimous consent that there also be no second-degrees on the McCain amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 3262

(Purpose: To require a report by the Judicial Conference of the United States concerning whether the Federal Rules of Criminal Procedure should be amended to provide for the presence of witness' counsel in the grand jury room)

Mr. BUMPERS. Mr. President, I ask unanimous consent, in order to expedite the passage of this bill, that an amendment that has been cleared on both sides and offered by Senator HATCH and me—that we dispose of that now before I offer the other amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself and Mr. HATCH, proposes an amendment No. 3262.

Mr. BUMPERS. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place add the following:

"SEC. . REPORT BY THE JUDICIAL CONFERENCE.

"(a) Not later than September 1, 1999, the Judicial Conference of the United States shall prepare and submit to the Committees on Appropriations of the Senate and of the House of Representatives, and to the Committees on the Judiciary of the Senate and the House of Representatives, a report evaluating whether an amendment to Rule 6 of the Federal Rules of Criminal Procedure permitting the presence in the grand jury room of counsel for a witness who is testifying before the grand jury would further the interests of justice and law enforcement.

(b) In preparing the report referred to in paragraph (a) of this section the Judicial Conference shall consider the views of the Department of Justice, the organized Bar, the academic legal community, and other interested parties.

(c) Nothing in this section shall require the Judicial Conference to submit recommendations to the Congress in accordance with the Rules Enabling Act, nor prohibit the Conference from doing so.

Mr. BUMPERS. This is the amendment that Senator HATCH and I agreed to this morning which would modify the grand jury amendment that I lost. This morning, Senator HATCH and I agreed to a plan that recommended that the issue be submitted to the Judicial Conference for study and a report back to Congress.

I have talked to the floor managers who have agreed to it.

I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3262) was agreed to.

AMENDMENT NO. 3263

(Purpose: To make it illegal, in most cases, to tape a phone conversation without the consent of all parties)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 3263.

Mr. BUMPERS. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place add the following:

SEC. —. Subsection 2(d) of Section 2511 of title 18, United States Code, is amended to read as follows:

"2(d)(i) Except as prohibited by subsection (ii), it shall not be unlawful under this chapter for a person not acting under color of law to intercept a wire, oral, or electronic communication where such person is a party to the communication or where one of the parties to the communication has give prior consent to such interception unless such communication is intercepted for the purpose of committing any criminal or tortious act in violation of the Constitution or laws of the United States or of any State.

"(ii) It shall be unlawful under this chapter for a person not acting under color of law to intercept a telephone communication unless

"(A) all parties to the communication have given prior consent to such interception, unless such communication is intercepted for the purpose of committing any criminal or toritous act in violation of the Constitution or laws of the United States; or

"(B) such person is an employer, or the officer or agent of an employer, engaged in lawful electronic monitoring of its employees' communication made in the course of the employees' duties; or

"(C) such person is a party to the communication and the communication conveys threats of physical harm, harassment or intimidation."

Mr. BUMPERS. Mr. President, I hope that we can probably yield time back on this amendment. Senator HOLLINGS is a cosponsor of the bill which this amendment is based on, as are several other Senators. It is a very simple amendment.

I first brought this issue to the Senate's attention in 1984 when it was determined that Charles Wick, who at that time was head of the U.S. Information Agency, had been tape recording conversations with just about everybody he talked to, including President Reagan and President Carter, without their knowledge or consent.

He revealed that he had recorded over 80 conversations—Cabinet members, Presidents, everybody. They did not even know it. I do not mind telling you, while I knew that that was legal, I was deeply offended by it. And I am still offended by it. This is an area, that is so often the case, where the States are way ahead of the Senate.

Recently, Attorney General Janet Reno testified before our Appropriations Committee, and I asked her, "General Reno, I have a bill pending in the Congress that would make it a crime to tape record conversations where only one party knew it was being tape recorded; namely, the person doing the recording, and the other person didn't know it. How do you feel about that, General Reno?"

"Well," she said, "you know, that came up in the Florida State legislature back in the early 1970s. And we passed a law in Florida that made it a crime to tape record telephone conversations where only one party knew about it." And I said, "Well, let me ask you this: What were you doing at the time?" I guess she was district attorney or whatever they describe that position in Dade County, FL. And finally I said, "Well, General Reno, how did you feel about the Florida legislation?" She said, "I favored it." Well, I favor it, too.

And Charles Wick is not the first, and he certainly will not be the last, to have ever recorded telephone conversations without telling people.

I have introduced this legislation three times—1984, 1993 and 1998. I will never understand—as those of us who lose never seem to—how, on God's green Earth, anybody would vote against prohibiting and outlawing such an outrageous invasion of people's privacy.

Sometimes I am sitting in my office and talking on the telephone to people back home that are wanting me to support legislation, and sometimes I am sort of hanging foot loose and fancy free, saying things that I would not say publicly. And do not be offended; that applies to every single Member of this body. Every one of them have done it.

Sometimes I say things, and later on I get to thinking, "You know what? If that guy was tape recording that"—he

had a perfect right to—"I wouldn't have to know about it." And you know something else? Approximately fifteen States have done exactly what Florida did; they have outlawed this.

The Congress is the last one to ever get the word. On that grand jury amendment I offered this morning, 28 States allow a witness' attorney in a grand jury room. And Congress is still dithering and ringing its hands and saying—"Well, I don't know. We need to study it." And here we are with one of the most egregious abuses known—and we continue to tolerate it.

What if you called from Maryland to Virginia? Let's just assume the Governor of Maryland calls the Governor of Virginia. Now, the Governor of Maryland assumes that he is protected because Maryland has a law against recording a telephone conversation when both parties are not privy to it. But the Governor in Virginia can tape-record the conversation and he hasn't violated Maryland law because he isn't in Maryland, he is in Virginia, where it is legal to tape-record such conversations. If for no other reason, we should have a Federal law to make the matter consistent.

Now, in 1984, when I joined with Senator Metzenbaum on a floor amendment on this subject, I listened to the arguments over and over again that this would impede law enforcement. I want to tell you, so there will be no misunderstanding about this, I don't want any Senator coming on this floor and asking me, "How about law enforcement?" I have exempted intelligence gathering; CIA, DEA, everybody else is exempt; I have exempted the FBI, every sheriff, every police department. I have exempted anybody who even professes to know anything about law enforcement or intelligence gathering. I have exempted telemarketers, whose bosses have a right to monitor their conversations to see how effectively they are doing on the telephone.

We have made this provision as palatable as we can possibly make it, and we have done it in a sensible way. Colleagues, you will never get a chance to vote for an amendment that has been thought out any better than this one has. It has now been 14 years since I first gave the Senate an opportunity to pass such an amendment as this. As I say, it is very narrowly tailored.

All I could do, if I wanted to use up the entire 40 minutes, is to stand here and repeat over and over again how offended I am at the thought of somebody tape-recording a conversation with me and not telling me about it, and the first thing you know, I see it on the front page of the Washington Post.

This amendment has nothing to do with Linda Tripp. This is not a partisan, political amendment. I am telling you, I introduced a bill on this subject in the Senate in 1984, and I introduced a similar bill in 1993, and I am offering it to this body in 1998. Linda Tripp played no part. You make up your own mind about that case, whatever it may be. I am just telling you, as a general principle and as a citizen of the Nation that values the privacy of its citizens above all, please support this amendment and let's put this one to rest once and for all.

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

Mr. GREGG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent the call of the quorum be rescinded.

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

Mr. BUMPERS. Mr. President, I want to make one other point that was brought to my attention by the floor managers which I failed to mention a moment ago. That is that my amendment also provides an exemption for anybody, male or female, who is threatened by a stalker. They would be exempt if they tape-recorded a conversation.

I wanted to make that clear so everybody would understand that is also covered as an exemption under this amendment.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BUMPERS. Mr. President, we have been in a quorum call. Who is the time being charged against under the order?

The PRESIDING OFFICER. We have had 2 quorum calls in place. One was charged against Senator GREGG who asked it be charged against his time, and the other was charged against the Senator from Arkansas.

Mr. BUMPERS. So under the order, a quorum is charged against whoever asked for the quorum call?

The PRESIDING OFFICER. That's correct.

Mr. BUMPERS. I won't be asking for a quorum call.

The PRESIDING OFFICER. Time will be charged equally.

Mr. BUMPERS. Mr. President, is the time being charged equally now?

The PRESIDING OFFICER. It is.

Mr. GREGG. Mr. President, I suggest that for the next 5 minutes the time be charged to my time.

The PRESIDING OFFICER. The next 5 minutes of time will be allocated to the time of the Senator from New Hampshire.

Mr. BUMPERS. How much time do the opponents of the amendment have?

The PRESIDING OFFICER. The Senator from New Hampshire has 14 minutes 49 seconds. The Senator from Arkansas has 2 minutes 16 seconds.

The PRESIDING OFFICER. The Chair will inform the Senator from New Hampshire that the 5 minutes allotted to him have now expired.

Mr. GREGG. I ask unanimous consent that the next 5 minutes also be allocated to me.

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

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I ask unanimous consent at this time that all time be yielded.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered. All time is yielded.

Mr. GREGG. Mr. President, we will now move on to the Feingold amendment. For Members' notice, the next item in order will be Senator FEINGOLD's amendment dealing with the cable issue. I presume he will be here at any time to start that. Those Members wishing to speak on that amendment should be on the floor as I assume there will also be a time limit on this amendment. In fact, I ask unanimous consent that debate on the Feingold amendment be limited to 40 minutes equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Is the Senator propounding a unanimous consent agreement with regard to my amendment?

Mr. GREGG. Mr. President, I just asked that there be a time limit of 40 minutes equally divided on the amendment.

Mr. FEINGOLD. Does that include the understanding that there will be no second-degree amendment?

Mr. GREGG. At this time I can't agree with that. I am not aware of a second-degree amendment.

Mr. FEINGOLD. Mr. President, I object, momentarily.

The PRESIDING OFFICER. The consent order has already been agreed to. The Senator would have to ask unanimous consent.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the previous order be vitiated pending a few moments to talk with the Senator from New Hampshire.

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

Mr. FEINGOLD. Thank you, Mr. President.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FEINGOLD. 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. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

AMENDMENT NO. 3264

(Purpose: To require a report from the Federal Communications Commission with respect to cable television rates)

Mr. FEINGOLD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Wisconsin (Mr. FEINGOLD) proposes an amendment numbered 3264.

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

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

The amendment is as follows:

On page 135, between lines 11 and 12, insert the following:

SEC. 620. (a) FINDINGS.—Congress makes the following findings:

(1) Since the adoption by the Federal Communication Commission of the so-called "Going Forward Rules" to relax regulation of cable television rates in 1994, cable television rates have increased by 6.3 percent per year. Since the enactment of the Telecommunications Act of 1996 (Public Law 104–104), such rates have increased by approximately 8.2 percent per year.

(2) The rate of increase in cable television rates has exceeded the rate of increase in inflation by more than 3 times since the enactment of the Telecommunications Act of 1996. The increase in such rates is faster than when such rates were not regulated between 1986 and 1992. Such rates are rising 50 percent faster than the Commission predicted when it adopted the so-called "Going Forward Rules".

(3) In 1996, many United States cities experienced increases in cable television rates that exceeded 20 percent. Overall, according to the Bureau of Labor Statistics, cable television rates increased at an annual pace of 10.4 percent in 1996, compared with 3.5 percent for all consumer goods.

(4) The Nation's largest cable television company boosted its rates approximately 13.5 percent in 1996. In Denver alone, it raised rates by 19 percent in the summer of 1996, then another 8 percent in June 1997. The Nation's second largest cable television company increased its average rates 12 percent in the New York City area in 1996.

(5) The cable television industry continues to hold the dominant position in the market for multichannel video programming distribution (MVPD) with 87 percent of MVPD subscribers receiving service from their local franchised cable television operator.

(6) Certain factors place alternatives to cable television at a competitive disadvantage. For example, direct broadcast satellite (DBS) service is widely available and constitutes the most significant alternative to cable television. However, barriers to both the entry and expansion of DBS include—

(A) the lack of availability of local broadcast signals;

(B) up front equipment and installation costs; and

(C) the need to purchase additional equipment to receive service on additional television sets.

(7) Telephone company entry into the video programming distribution business has been limited.

(8) With the increased concentration of cable television systems at the national level, the percentage of cable television subscribers served by the 4 largest cable television companies rose to 61.4 percent in 1996.

(9) Recent agreements in the cable television industry have given TCI and Time Warner/Turner Broadcasting ownership of cable television systems serving approximately one-half of the Nation's cable television subscribers.

(10) Financial analysts report that cable television industry revenue for 1995 was $24,898,000,000 and grew 8.9 percent to $27,120,000,000 in 1996. For 1996, revenue per subscriber grew 5.6 percent to reach $431.85 per subscriber. Analysts estimate 1997 year-end-total revenue for the industry was approximately $30,000,000,000, an increase of 9.9 percent from 1996 year-end revenue.

(b) REPORT.—(1) Not later than 30 days after the date of enactment of this Act, the Federal Communications Commission shall submit to Congress a report setting forth the assessment of the Commission whether or not the findings under subsection (a) are consistent with the Commission's fulfillment of its responsibilities under the Cable Television Consumer Protection and Competition Act of 1992 (Public Law 102–385) and the Telecommunications Act of 1996 to promote competition in the cable television industry and ensure reasonable rates for cable television services.

(2) If the Commission determines under paragraph (1) that the findings under subsection (a) are consistent with the fulfillment of the responsibilities referred to in that paragraph, the report shall include a detailed justification of that determination.

(3) If the Commission determines under paragraph (1) that the findings under subsection (a) are not consistent with the fulfillment of the responsibilities referred to in that paragraph, the report shall include a statement of the actions to be undertaken by the Commission to fulfill the responsibilities.

Mr. FEINGOLD. Mr. President, the amendment I offer today is prompted by the continuous rise in cable rates across this country over the past few years. You will remember when Congress passed the Telecommunications Act of 1996, we were promised that competition would bring lower cable rates for consumers. Well, it hasn't happened. In fact, rates have gone up—alot—in many communities around the country.

About two-thirds of the households in this country now rely on cable for their television programming. More and more, cable is part of the monthly budget for the average consumer. It is not a frill or a luxury. We rely on cable for information and for entertainment. And instead of the cost going down because so many people now use the service, the cost just keeps rising.

In my home state of Wisconsin, the cable company in the Madison area raised its rates by 9% in June. That's on top of a 7% increase just a year ago, and an 18.8% increase in 1996. According to the Federal Communications Commission, average cable rates across the country rose 8.5% from July 1996 to July 1997, three to four times faster than the rate of inflation.

Now, Mr. President, I voted against the Telecommunications Act in part because I was concerned that it would not really promote competition in the cable industry. And look what has happened. The top two cable companies now have over 50% of the market in this country, and the top four cable companies have over 60% of the market.

And the biggest problem, of course, is that despite the promises of those who promoted the new telecommunications law, there is no competition at all in the vast majority of cable markets. In all but a handful of communities in this country, consumers still have no choice in buying cable service. Alternatives to cable, such as satellite services, are not readily available to most consumers, or they are too expensive to offer much competition. The number of areas where consumers have a choice between cable operators is very small indeed. Only five million homes out of the 94 million that are capable of receiving cable programming can now choose between two cable operators.

Now here's a shocking statistic from the FCC's most recent annual study of competition in the video programming market: Cable rates have gone up more slowly in areas where there is competition!

Mr. President, in a truly competitive market, the cable companies would try to keep their rates as low as possible to retain their customers. Companies could charge higher rates based on new investment in facilities or programming only if they could convince their customers to accept those increases rather than take their business elsewhere to a competitor in the same town.

Just think about it. You get a notice that your cable bill or a bill for any other crucial service is going to go up significantly. What is the first thing you would do? The first thing you would do in a competitive situation is check out the competitor's rate, of course. But without competition, cable companies are able to increase rates with very little fear of losing their customers. Most people will endure a pretty big increase before they decide to give up their cable service. But even a minor increase might prompt a call to the competitor down the street, if only such a competitor actually existed.

The FCC has made it very clear that notwithstanding the fact that its authority to regulate cable rates does not expire until March 1999, it does not intend to take any action this year to hold down cable rates. I am concerned that when the power expires next year we will see even greater rate increases than we have seen since the Act passed in 1996. And those have already been dramatic increases.

Earlier this year, I wrote to the Chairman of the FCC, asking him to give serious consideration to a request that had been filed by Consumers Union to freeze cable rates until the FCC could investigate the reasons for the recent increases and also determine whether current cable TV rates are reasonable.

In response, FCC's Chairman William Kennard indicated that he believes a rate freeze would be unfair to cable companies that have acted responsibly, and that it would hurt small independent cable operators. With all due respect, I don't think this is an adequate response. The FCC has essentially said that it does not know why cable rates are going up. If that is the case, then it has no idea whether cable companies are acting responsibly or not. And it certainly is in no position to ensure that cable rates are reasonable for consumers. Furthermore, the Telecommunications Act has already deregulated the small operators who serve rural communities. So that is not particularly relevant or a justification for not examining what is happening with these cable companies.

At the same time, Mr. Kennard told me that the FCC "continues to aggressively enforce its cable rate regulations to ensure that cable rates are reasonable under the law."

I'm not sure what the FCC means by aggressive enforcement, but I don't see it, and certainly consumers whose rates have risen at three times the rate of inflation are not seeing the aggressive enforcement either.

Mr. President, I ask unanimous consent that my letter to Chairman Kennard and his response be printed in the RECORD.

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

UNITED STATES SENATE,
Washington, DC, May 18, 1998.

Hon. WILLIAM KENNARD, *Chairman, Federal Communications Commission, Washington, DC.*

DEAR CHAIRMAN KENNARD: I was very disappointed to hear of your decision, conveyed in remarks to the Washington Post last Thursday, that the FCC will take no action this year to hold down cable TV rates. Abdicating the FCC's responsibility in this area is a serious mistake. I urge you to reconsider your position.

Cable television rates across the country have risen by more than 5 times the inflation rate over the past year. In my own state of Wisconsin, the cable franchise operator in Madison recently announced a rate hike of 9 percent that will take effect in June. That follows a 7% increase just a year ago, and an 18.8 percent increase in 1996. Increases of this size are unconscionable, notwithstanding the cable companies dubious argument that they are justified by investment in new equipment and by increased programming costs.

In a truly competitive market, the cable companies would try to keep their rates as low as possible to maintain their customer base. New investment in improved facilities or programming could be reflected in increased rates only insofar as consumers are willing to accept those increases rather than take their business elsewhere. Real competition is still only found in only a handful of communities. In that environment, the cable companies are able to increase rates without fear of losing market share. Only the FCC can step in and demand that rate increases be justified.

Your frank admission to the Washington Post that the FCC does not know why cable rates are going up is disturbing. If that is the case, how can the agency fulfill its statutory obligation to assure that the rates for basic cable service are reasonable and do not exceed the rates that would be charged if there were real competition in the market? Even though the FCC's authority to regulate cable rates does not expire until March 31, 1999, is the Commission now just taking the cable companies' word for it that rate increases are justified?

Despite the promises of those who supported the Telecommunications Act of 1996, competition has not yet arrived in the cable industry. Until it does, or until the FCC's statutory authority expires, the FCC has an obligation to protect consumers from the kind of price gouging that is now going on in the cable industry. I urge you to reconsider your decision to advance the date of complete deregulation in the cable industry by almost a year. Instead, the Commission should give serious consideration to the pending petition to freeze cable rates. Anything less is an abdication of the Commission's statutory responsibility and an abandonment of the consumers that the agency is supposed to serve.

Sincerely,

RUSSELL D. FEINGOLD,
United States Senator.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, DC, July 8, 1998.

Hon. RUSSELL D. FEINGOLD,
U.S. Senate, Washington, DC.

DEAR SENATOR FEINGOLD: Thank you for your letter concerning the recent article in The Washington Post discussing the regulation of cable television rates and the sunset of the Federal Communications Commission's authority to regulate the rates charged for cable programming services. I appreciate learning your views on cable regulation and welcome your perspective on this issue.

The Commission is committed to protecting consumers from unreasonable cable television rates and to promoting the development of strong competition in the marketplace for multichannel video programming. Like you, I am concerned about the recent trend in cable television rates. In many communities, cable rates are increasing at a rapid pace. In some cases, cable rates are going up much faster than the general rate of inflation.

Please be assured that the Commission continues to aggressively enforce its cable rate regulations to ensure that cable rates are reasonable under the law. Indeed, since the adoption of the Cable Television Consumer Protection and Competition Act of 1992, the Commission has received more than 17,000 cable programming services tier rate complaints and ordered a total of $84 million in refunds to more than 58 million cable subscribers. In addition, under the Telecommunications Act of 1996, which modified the rate complaint procedures, the Commission has resolved more than 670 rate complaints and order total refunds of more than $13 million to 9.4 million subscribers.

While I have indicated that I believe some of the Commission's cable rate regulations may need to be reevaluated, I am concerned that we do not have sufficient information nor adequate time to develop and adopt revised regulations before the Commission's authority to regulate the rates charged for cable programming services terminates on March 31, 1999. I believe we need to attain a better understanding of the behavior of cable rates before we undertake any steps to change our rules. Moreover, at this time, with the sunset of cable programming services regulations less that one year away. I am not persuaded that a major reformation of our rules would be the most productive use of the Commission's limited resources. This should not be interpreted to mean that the Commission does not intend to vigorously enforce its current rate regulations.

At the same time, I am not convinced that a freeze of cable television rates is appropriate and in the public interest. A broad rate freeze would arbitrarily penalize cable television system operators who have acted responsibly. A rate freeze also could undermine the important capital investment that the cable industry must make to modernize its networks and bring new services and choices to consumers. I am also concerned that a freeze may have an adverse and disproportionate effect on small independent cable operators which would jeopardize the provision of new services to small towns and communities across the country.

As pointed out in the Washington Post article, the Commission can play an important role in collecting and analyzing the information you and other policymakers will need to determine whether cable rate regulation should be extended beyond March 31, 1999. To begin this effort, I recently directed the Cable Services Bureau to undertake a review of a number of issues related to cable television rate increases, including the sources of programming cost increases. We are interested in learning more about programming costs and the revenues cable operators generate from sources other than monthly subscription charges, such as advertising, commission, and program launch fees. The review also will help us determine if the relationships that have developed between cable system operators and programmers affect the prices charged for programming as well as the availability of the program services to competitive multichannel video programming distributors. As part of this review, the Bureau recently asked several large cable television companies to complete a questionnaire to supplement the information they provided to the Commission for the 1997 Cable Price Survey. I expect the Bureau to complete its work this summer and to report its findings to the Commission soon thereafter.

Because competition is the optimum way to discipline cable television rates, the Commission also continues its work to promote increased competition in the marketplace for multichannel video programming. For

example, the Commission's program access rules have been credited as an important factor in the development of both the direct broadcast satellite and the multichannel multipoint distribution industries. Moreover, the Commission has adopted a Notice of Proposed Rulemaking that is designed to strengthen our program access rules and enhance the competitive position of alternative multichannel video providers.

Similarly, the rules the Commission adopted to implement section 207 (Restrictions on Over-the-Air Reception Devices) of the Telecommunications Act of 1996 have helped to bring new choices to consumers and promote competition in the video distribution market. In addition, the Commission recently issued its cable inside wiring rules designed to facilitate competition among video service providers in apartment buildings and other multiple dwelling units.

As important as the Commission's initiatives may be, in some cases, enhanced competitive opportunities in the multichannel video programming distribution market may ultimately depend more upon changes in the law than on additional actions by this Commission. For example, some direct broadcast satellite providers contend that their service had limited consumer appeal because they are generally prohibited by the Satellite Home Viewer Act from providing local television broadcast signals to consumers. These same provider also may be placed at a competitive disadvantage because the current compulsory license regime requires direct broadcast satellite providers to pay substantially higher copyright fees than cable operators pay for the same programming. As Congress considers potential reforms in these and related areas, parity among the various multichannel video programming distributors should be a primary goal.

I appreciate hearing from you on these important issues and hope you will continue to share your thoughts with me on these and other communications matters of concern.

Sincerely,

WILLIAM E. KENNARD,
Chairman.

Mr. FEINGOLD. Mr. President, the amendment I have offered is designed to tell the FCC that this situation is unacceptable. It makes findings to which I have alluded here—that cable rates are rising and there is no competition in the cable market—and asks the FCC to report back to us within 30 days as to whether it believes that these findings are consistent with the FCC having fulfilled its responsibilities under federal law to promote competition and ensure that cable rates are reasonable.

I do not believe that the FCC will be able to tell us in the face of these findings that it has fulfilled its responsibilities. The amendment therefore requires that the FCC inform us of the steps it intends to take to ensure that those responsibilities are fulfilled.

The Telecommunications Act was enacted in early 1996. For over two years, the American people have watched with alarm as cable rates have gone in exactly the wrong direction. It is time for the Congress to tell the FCC that is not what was supposed to happen, and that the Commission has to do something to change it. I urge my colleagues to vote for this amendment. It, of course, will not singlehandedly solve the problem, but it should move the Commission, and I hope cable rates, in the right direction.

Mr. President, I ask unanimous consent that two newspaper articles concerning rising cable rates and the FCC's decision not to take action, one from USA Today, and one from the Washington Post, be printed in the RECORD.

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

[From the USA TODAY, Mar. 16, 1998]

CABLE'S CASH COW OPERATORS PAD CHANNEL LIST TO PAD BILLS

(By David Lieberman)

NEW YORK—For the third year in a row, the nation's 65 million cable subscribers are getting hit with an average 8% hike in their monthly bills.

That's an increase of four times the inflation rate for what has become a staple of the American media diet—channels such as CNN, MTV, Nickelodeon and ESPN.

The typical family now pays more than $31 a month for standard cable fare, up from $28.83 last year. And some households pay nearly twice that amount once the cost of premium channels, such as Showtime and HBO, and services like pay-per-view are added.

Cable operators justify the rate hikes, citing higher programming costs, among other things. But what most consumers don't know—and what the cable industry usually doesn't tell you in their bill stuffers—is that the lion's share of the extra money they're charging you for expanded basic cable pays for new services that few consumers want.

Operators, eager to improve cash flow, are using lax federal rules to raise rates by adding channels that few customers want and that some times cost companies nothing. They're charging consumers for expensive equipment that most can't use yet. And they're making customers subsidize construction of interactive phone and video services that won't be available to most for years. Once they are, some services—such as high-speed Internet—will be so costly that they'll appeal only to affluent videophiles and technophiles.

Cable operators still think their current rates are a good deal and that future services will make cable even more appealing. "The rate increase that we put in has, by and large, been accepted because it's usually been in the context of a system that is upgrading and providing more services," Time Warner CEO Gerald Levin says.

But consumers—unwilling to give up what has become for them must-have TV and weary of the government's failure to rein in cable rates—are quietly seething.

"It's never going to change," says cable subscriber Dory DeAngelo, 59, a local historian in Kansas City, Mo. "I looked into a satellite dish, but I'd still need cable to get the local channels . . . A lot of people are very tired of this."

A GOOD DEAL FOR CABLE

When city officials were asked last fall which problems are getting worse in their communities, 72% mentioned cable rates, up from 62% in the 1996 and 47% in 1995. It was the most frequently mentioned growing problem in the annual survey conducted by the National League of Cities.

Members of Congress and the Federal Communications Commission (FCC) have soured on rate regulation. Economists say current federal rules let companies charge as much as they want. Consumers Union telecommunications expert Gene Kimmelman calls the regulations "worthless."

During the past two years, medium and large systems with no local competitors have added about six channels, to an average of 51, the FCC says. That wasn't necessarily because most subscribers wanted them. It was because federal rate rules gave cable companies a great deal. They could charge consumers the full cost of carrying up to six new channels—plus tack on a profit of 20 cents per subscriber per month for each channel. Forever.

The FCC found the average cost per channel rose from 57 cents to 60 cents from 1995 to 1997 at the noncompetitive medium and large systems.

"Loading channels on is a nice thing from their perspective," says Larry Irving, President Clinton's chief telecommunications adviser. "But do I get what I'm asking for? With cable, I get to write a check whether or not I want them."

Even without the 20-cent profit, cable companies have incentives to add channels and raise rates:

Several channels—including Fox News, Animal Planet and Home & Garden TV—paid cable companies to get on the dial.

Others—including MSNBC, TV Food Network and BET on Jazz—give local systems three minutes of ad time to sell each hour, instead of the usual two minutes.

PROFITING TWICE

The arrangement is especially sweet for most large *opeators* because they also own, or invest in, cable programming.

For example, Time Warner owns CNN, TNT and Cartoon Network. Tele-Communications Inc. has stakes in Discovery, Fox Sports and Odyssey. MediaOne, Comcast, Cox and Cablevision Systems also have major investments in cable channels.

"It creates an odd paradigm," says Bruce Leichtman of The Yankee Group, a research and consulting firm. "It's kind of a shifting from one pocket to the next."

Operators say they're giving the public what it wants by adding services such as Animal Planet, MSNBC, FX, ESPN2 and ESPNews.

"Every one of those channels gets a good rating," Comcast President Brian Roberts says.

But FCC Commissioner Gloria Tristani, for one, is concerned that cable operators will continue to add unwanted programming just to rake in more money from subscribers.

"This may not have been a significant problem in a 30- or 40-channel universe," she said recently. "But in a 70-, 80- or 100-channel universe, these unwanted channels can have a dramatic effect."

FUTURE SHOCK

Operators are getting more flexibility to add channels as they upgrade equipment. Yet state-of-the-art digital cable boxes—which most companies may eventually offer—also could deliver huge profits. Systems plan to sell a new tier of channels, including lots of premium services and pay-per-view, that consumers who have those boxes could order.

But in a coup for the cable industry, the law allows operators to pass the costs of those units on to all subscribers—not just the people who have them installed in their homes. A system with 10 million subscribers that bought 100,000 boxes for $400 apiece

could raise everyone's rates by 33 cents a month, according to an example prepared by Paine Webber.

Fees add up quickly. The typical subscriber pays about 67 cents a month in 1998 to compensate operators who buy upgraded boxes. That will rise to $1.47 in 1999, $2.59 in 2000 and $3.04 in 2001, Donaldson, Lufkin & Jenrette estimates.

The arrangement benefits the few customers who get the latest equipment but does nothing for others—including the nearly 50% of today's subscribers who don't use any decoder box at all.

Cable operators, however, are thrilled. An estimated 37 million subscribers will pay $7.2 billion for digital programming in 2005.

What's more, the digital services could slow the growth of satellite services such as DirecTv and Echostar. Their ability to offer up to 175 channels has been a big selling point with the 6.6 million satellite subscribers.

If you build it . . .

The average cable customer is paying other fees, too. An estimated $1.75 per month goes to help operators upgrade their systems and offer a host of other interactive services—including high-speed Internet access and telephone services.

The major operators, Morgan Stanley forecasts, will spend about $46.7 billion between 1996 and 2004 to replace old wires with high-capacity fiber-optic cables and buy sophisticated technologies capable of handling two-way digital communications.

"I raise the rates so that we can fulfill the promise of this network to be digitally capable by the year 2000," Time Warner's President Richard Parsons says. "Most of the money we get goes right back into the system in terms of upgrades."

Operators say consumers will benefit from cable's investment in local telephone service. That will introduce competition, possibly lowering prices. Some systems, for example, plan package deals for customers who buy cable and phone service. "Doesn't everybody have a telephone?" says Cablevision Systems CEO James Dolan, whose company is far ahead of most operators in preparing for telephony. "We're going to offer those discounts to everybody."

Yet critics say it's unfair to ask all subscribers to help pay for upgrades largely designed to help operators enter new businesses—not to improve existing cable service. And lots of today's subscribers won't want the new products. For example, only about 5% of all adults say they are willing to buy high-speed Internet service at the expected price of about $40 a month, according to a survey by The Yankee Group.

And it will take years before most subscribers get a cable-provided dial tone. Only about 3.4 million will subscribe to a cable system's telephone service by 2002, Montgomery Securities estimates.

That projection might be optimistic at a time when technology and the economy are changing so fast. AT&T recently observed that wireless services may become potent competitors to local phone providers. "Companies say, 'We're building for the future,'" Harvard Business School Associate Professor William Emmons says. "Well, that's a little dicey. What if they're building huge systems that will be obsolete? Or what if nobody wants them?"

CABLE'S EDGE

For now, cable companies assume that lots of people—particularly those who are well-to-do—will want the new array of services. Although all subscribers, rich and poor alike, are paying for the upgrades, the most advanced systems tend to be in affluent communities, including Orange County and Fremont, Calif.; Long Island, N.Y.; Arlington Heights, Ill.; and West Hartford, Conn.

The cable industry also believes that it has a big lead over other businesses—including phone companies—in delivering advanced video and communications services.

"The surprise to most has been how slow the competition is developing," former Continental Cablevision CEO Amos Hostetter says. "All that talk about (phone companies) getting into the video business has been hollow."

That's one reason most Wall Street analysts say basic cable rates will rise—albeit at a more moderate pace—even after *operators* are through making big expenditures for their upgrades. They anticipate that operating cash flow for most companies will grow an average of nearly 13% a year over the next five years, vs. about 7% growth now.

The assumption contributed to the 87% appreciation in cable stocks in 1997, a year when the Standard & Poor's 500 grew 31%. "The market decided that government policies were a failure, and competition presents no risk to cable now and in the foreseeable future," Sanford C. Bernstein analyst Tom Wolzien says.

That's good for cable, but it isn't the way things were supposed to turn out when the federal government in 1992 tried to crack down on soaring cable prices and then pulled back in an attempt to encourage competition.

"There are going to be people paying for things they don't want," says Michael Katz, a professor of economics at the University of California at Berkeley and a key architect of the cable rules as the FCC's chief economist in 1994 and 1995. "It's one of the unintended consequences of regulation."

[From the Washington Post, May 15, 1998]

FCC CHIEF DECLINES TO CURB CABLE PRICES; KENNARD TO AWAIT DEREGULATION IN MARCH

(By Paul Farhi)

Consumers looking for relief from rising cable TV bills won't be getting it any time soon from federal regulators.

Though he declared earlier this year that "cable rates are rising too fast," the head of the Federal Communications Commission said yesterday that his agency won't step in to freeze or roll back cable prices before a congressionally ordered deregulation of cable prices kicks in next March.

FCC Chairman William E. Kennard says his agency will continue to study the problem, with an eye toward influencing debate in Congress. Cable prices have been rising at more than five times the rate of inflation.

"We're running out of time" to enact new regulations, Kennard said. Besides, he added, "it doesn't make a whole lot of sense for us to try and create a whole new regulatory regime only to have [deregulation] in March of 1999."

In December and January, Kennard had raised the possibility of putting new controls on the rates.

Kennard's statements yesterday, made in an interview with The Washington Post, amount to a major victory for the cable industry, which has been fighting efforts at tougher regulation for months. It is also a political victory for Republicans in Congress, who have pressed the FCC to avoid more regulation.

"This is good to hear," said Torie Clarke, spokeswoman for the National Cable Television Association in Washington. "It means the FCC is paying attention to what the industry is doing, and that it won't get into micromanagement and regulation that will stall everything."

Added Clarke, "We're spending a lot of time and effort trying hard to deliver on our promise to customers. We're fulfilling a lot of those promises, and we think the government should stay out of our business."

But consumer advocates were seething. "The FCC has reached a new low," said Gene Kimmelman, co-director of Consumers Union's Washington office. "The agency . . . won't lift a finger to stop spiraling cable rates. This is irresponsible. They're thumbing their noses at the American public."

Consumers Union and the Consumer Federation of America asked the FCC in September to freeze rates, but the commission has not yet acted on that petition.

Cable TV prices rose an average of 7.9 percent in the 12-month period that ended March 31, according to the Bureau of Labor Statistics. That is more than five times the general inflation rate of 1.4 percent during the same period.

In the early 1990s, with price hikes running at only three times inflation, a Congress controlled by Democrats enacted a law designed to bring cable prices back to a "reasonable" level.

The FCC subsequently wrote regulations that succeeded in restraining—and in some cases reducing—the average monthly bill. But the FCC liberalized its rules in 1995, after the cable industry complained that the price controls were smothering innovation. There followed another price spiral. In 1996, the Republican-dominated Congress agreed to phase out most of the price rules by early 1999.

Rep. W.J. "Billy" Tauzin (R-La.), who chairs the House Subcommittee on Telecommunications, accused the FCC of "ignoring" vigorous enforcement of its price rules. But Tauzin and other Republicans have repeatedly inveighed against tougher regulations, such as a rate freeze or an extension of the current rate rules, saying incentives to help other companies be more competitive with cable are preferable.

Only a handful of the nation's 11,000 cable systems have a direct competitor, despite years of efforts to ignite competition by phone, cable, satellite and other TV providers. Earlier this week, Joel I. Klein, the Justice Department's top antitrust enforcer, said the cable industry held "a significant, durable monopoly" over subscription TV services.

Kennard said he isn't exactly sure why rates are rising so fast and has directed his agency to gather information from the cable industry about the potential causes. Without drawing conclusions, he said the problem probably has several facets, including the rising cost of producing programs. He added that the regulations themselves may be to blame because they gave the industry too much latitude to raise prices.

"We don't have a firm comprehensive analytic study as to why rates are going up," said Kennard. "We hope to have a definitive answer" in time to effect debate in Congress next year about possibly extending the current rules.

Rep. Edward Markey (D-Mass.) has proposed an extension of the regulations past March, and Rep. Peter DeFazio (D-Ore.) has proposed an immediate freeze.

Mr. DASCHLE. Mr. President, I certainly appreciate the concern expressed by consumers about rising cable rates, and share the desire of the

distinguished Senator from Wisconsin [Mr. FEINGOLD] to better understanding the reasons for this trend. While further attention to this matter is warranted, I am not persuaded that the amendment before us will substantially further that worthy goal.

The amendment is intended to compel the FCC to tell us how it plans to address cable rates. But the FCC is already required to report on competition in the cable industry at the end of this year. The 1992 Cable Act requires the FCC to conduct an annual study on the status of competition in the cable industry, and our focus should be on ensuring that that study sheds new light on this issue.

The FCC has done little about cable rates, and the agency's track record raises doubt that yet another study by that agency, the very one that the Senator from Wisconsin faults for inaction, will add to public understanding of this matter. In addition, the amendment requires a report within 30 days, which is woefully inadequate to achieve any real information about an issue of this scope.

There are initiatives under way which should add to the policy debate. The senator from North Dakota [Mr. DORGAN] and I have asked the independent General Accounting Office to conduct a study of the causes of increasing cable rates. It is my expectation that this review will provide new evidence about steps we need to take to help control cable rate increases.

In addition, as the distinguished Ranking Member of both the Commerce Committee and the Subcommittee on Commerce-Justice-State [Mr. HOLLINGS] has said, the Senate Commerce Committee is holding a hearing on cable rates next week. As noted by the Senator from South Carolina, the Senate need not prejudge that hearing and the findings of the committee of jurisdiction with a premature amendment.

Indeed, the Commerce Committee is fully capable of ensuring that the existing statutory requirement to study this issue is fulfilled in a manner that answers the concerns raised by the Senator from Wisconsin and other members of the Senate. I encourage my colleagues on that committee to vigorously exercise their oversight responsibility in this area.

Mr. President, this amendment, while well-intentioned, is not the answer to our constituents' frustration about their cable rates. Hopefully, the FCC study currently underway and required by year's end, and the GAO review, will shed new light on this issue.

Mr. GREGG. Mr. President, I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, at this time I ask unanimous consent that all debate on the Feingold amendment be completed at 8 o'clock, the time between now and 8 o'clock be divided between Senator FEINGOLD and Members or a Member in opposition, and that no second-degree amendments to the Feingold amendment be in order.

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

Mr. HOLLINGS. Mr. President, on this particular amendment, I talked previously with the distinguished Senator from Wisconsin. I thought it was in conformance with the actions of the committee with respect to the cable rates. When we passed the 1996 Telecommunications Act, we mandated that cable rates would not increase, under that particular act, until March of 1999. Thereafter, of course, rates did increase in accordance with the 1992 act.

The 1992 act allowed increases with respect to additional channels and additional services and costs incurred in expanding and in competing. That, generally speaking, is as I understood it with the cable companies. Because we have had complaints I, myself, looked at it earlier this year. The FCC has been monitoring it. We discussed this with Chairman Kennard and the other Commissioners as they came on in their confirmation hearings. They have been monitoring it.

As I understand, the distinguished chairman of our Commerce Committee, Senator MCCAIN of Arizona, is headed to the floor. Because I have been engaged in other matters, I didn't even realize we had a hearing scheduled for Tuesday of next week on this same thing, to hear from the Commissioners on what has occurred. So I would not favor this particular resolution. It is not just a matter of 30 days, it sort of preempts the committee in its action with respect to listening to the Commission and finding out.

I know, good and well, we are all familiar with the 1996 Telecommunications Act provision against increase in rates through March of 1999. Of course, then we relate back in all of these percentages. It sounds, in the resolution of the distinguished Senator from Wisconsin itself, that all you need to do is look at the percentages and they are in excess of the inflation rate and everything else. The inflation rate is not the question. It is the question of the services, the channels, and the programming itself, and the costs of expanding and competing.

I think perhaps this would have a disruptive effect on that particular trend at this time. The committee has yet to have heard from the Commission itself and from those engaged in this particular business.

So I just comment that the chairman of the committee and the chairman of the subcommittee, Senator BURNS of Montana, are on their way, as I understand it, to the floor. I didn't want to just waste this time and let it go past on the premise: Wait a minute, in 30 days——

Incidentally, the Federal Communications Commission is just like a tenth-round boxer. They have more mergers, more rulings, and everything else like that, trying to implement all the petitions that they have before them. You could not find fault if they could not find out in 30 days, 60 days, or 90 days.

So I do not think this is well taken, with respect to what the Congress has asked the FCC to do. They have had one backup of time, trying to make findings here, after their particular investigations. Mind you me, if there are 60,000 lawyers registered to practice in the District of Columbia, 59,000 are communications lawyers. They have more appeals and petitions and reviews and everything else of that kind. So the work at the FCC is not necessarily the most prompt, or what we would wish to have, but it has to be understood. The committee itself is working.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I appreciate the remarks of the ranking member, the Senator from South Carolina, about the amendment. I simply want to point out that, in fact, this 30-day period is not 30 days from today that the FCC would have to complete this report, it is 30 days from the time of enactment of this bill, if the amendment were successful, and that is obviously some weeks, if not months, down the road, to the point where the President would actually sign it.

All we are asking here is that a report be issued, not that actions be taken to change the cable rates during this period, but that the Commission actually give us a sense of whether they agree with the findings we have in this report or not and what they intend to do about the problem. I don't think that is an unreasonable request for a 30-day period, or even realistically what it is more likely to be, which is a 60-day to 90-day period.

Just to illustrate why we are concerned, why we think it is appropriate that Congress agree to this amendment and make this statement, it is because, in fact, the studies the FCC is doing now I don't think are getting done in a timely manner to answer the questions that have to be answered.

For example, Chairman Kennard recognized that there was a problem with regard to its annual assessment of competition in the video-programming market when he said in his statement:

Less than 15 months away from the sunset of most cable rate regulation, it is clear that broad-based, widespread competition to the cable industry has not developed and is not imminent.

He also noted that perhaps the Commission ought to do something to address the problem. He said:

When confronted with allegations of price gouging, cable operators reflexively point to additional programming costs. The Commission's own rules and policies may be a source of this problem. We need to examine whether there are targeted adjustments that should be made to our rate rules. For example, our rules allow programming cost increases to be passed on to subscribers. But is this right?

The Chairman went on to say that the FCC was going to look at the problem of programming costs, and that is the study that has been referred to. He said about this:

I am therefore directing the Cable Services Bureau to commence a focused inquiry into programming costs to determine the sources of these increases, the variance in costs among various distributors, whether existing relationships impact the prices charged, and if programmers restrict consumer choice. This inquiry will require the cooperation and forthrightness of the industry.

I don't know if the FCC got the cooperation of the industry. What I do know, and what is in response to the comments of the Senator from South Carolina, is that it is now July and there is still no report or result from that inquiry.

I also know, as I have indicated before, that rates have continued to go up, with many increases taking effect at midyear. I also know that in May the Chairman told the world that the FCC was not going to take any further action to address rising cable rates.

So, this amendment is not duplicative of what is going on at the FCC. It has a deadline and a requirement the FCC outline a specific action plan to address the problem of the lack of competition in the cable industry.

Based upon the track record that I have just described with respect to the narrower issue that there was supposed to be a study on, it is not getting done. I think we need to follow up on previous congressional directives and have the entire Senate and the other body direct that a more specific study and plan of action result within the timeframe that this amendment calls for.

Mr. President, I think this is a reasonable amendment. It is not too much to ask this agency to take a look at the dramatic increases, whether they are reasonable and what they intend to do about it.

I urge my colleagues to back the amendment. I yield the floor.

Mr. GREGG addressed the Chair.

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

Mr. GREGG. Mr. President, I will simply note for my colleagues that we are making pretty good progress through these amendments that have been lined up. We lined up seven amendments to do before 9:30. We are making excellent progress. If there are Members who have other amendments, it is possible we can work them in. If they can come down to the floor and discuss them, that will be helpful. We are going to stay on the bill until it gets done, if I have my option. The sooner we can wrap up these amendments, the better.

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

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, with respect to the amendments pending, I know the Senator from Iowa, Senator HARKIN, the Senator from Oregon, Senator WYDEN—I think that one can be worked out or I think it perhaps may have already been worked out—Senator LEAHY from Vermont, Senator DORGAN from North Dakota, and Senator JOHN KERRY of Massachusetts have amendments, if they are within the view and sound of the action on the floor, please be alerted. We want to bring up those amendments. I am asking the staff to contact them.

Mr. President, with respect to this particular study, there is an action required here, as I read it. In other words, it is not just a study, but a report. The purpose is to require a report from the Federal Communications Commission, but the report really is a resolution requiring action, because the very last paragraph, Mr. President, reads as follows:

(3) If the Commission determines under paragraph (1) that the findings under subsection (a) are not consistent with the fulfillment of the responsibilities referred to in that paragraph, the report shall include a statement of the actions to be undertaken by the Commission to fulfill the responsibilities.

I think that is just a little too mandatory; an unfunded mandate, I think we call that here in the U.S. Senate. I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I always enjoy debating with the Senator from South Carolina. I have to differ, though, with the characterization of the words that are in this amendment. It says:

. . . the report shall include a statement of the actions to be undertaken by the Commission to fulfill the responsibilities.

If the Commission determines it doesn't need to take any action, this doesn't require them to do anything. There is no mandate at all. We just want to know what they are planning to do. That is all this calls for, a statement of the actions to be undertaken by the Commission.

There is simply nothing mandatory about that language at all. We are just asking for a statement of the ideas they have about what to do about the increases in cable rates, if anything.

I differ with the Senator from South Carolina that there is no language in here that asks for anything other than a report as to what the Commission may plan to do in the future about the problem of cable rates.

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

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

Mr. GREGG. Mr. President, I ask unanimous consent to amend the previous consent agreement dealing with disposition of this bill after final passage.

I ask unanimous consent that S. 2260, as passed, be held at the desk and not engrossed, and that after Senate passage of H.R. 4276, the House companion measure, that the vote on S. 2260 be vitiated and S. 2260 be indefinitely postponed.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, I ask unanimous consent that all time be yielded back on the Feingold amendment and all debate on that amendment be concluded.

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

Mr. GREGG. Mr. President, for the information of our Membership, we are waiting for two Members who have amendments on the list to go before 9:30: One dealing with gaming, Senator KYL; and one dealing with defenders, Senator NICKLES. As soon as they arrive we will begin those amendments and begin debate on those amendments.

As I mentioned earlier, if there is a Member who wishes to bring forward an amendment at this time, it appears we have some time to do that. We will welcome their attendance on the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3265

(Purpose: To amend section 505 of the Incentive Grants for Local Delinquency Prevention Programs Act relating to the illegal possession of firearms by juveniles)

Mr. WYDEN. Mr. President, I offer a bipartisan amendment that has been authored by Senator SMITH of my State and myself and a number of other Senators.

Mr. GREGG. Will the Senator yield? Is the Senator willing to enter into a time agreement on this amendment?

Mr. WYDEN. I certainly am. The chairman of the subcommittee has been very gracious. I do not anticipate going more than 15 minutes myself, and I think Senator SMITH will be coming shortly. I know he would probably want 15 minutes or less, as well.

Mr. GREGG. I ask that all debate on this amendment be completed by 8:25.

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

Mr. WYDEN. Mr. President, I now send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. WYDEN], for himself and Mr. SMITH of Oregon, proposes an amendment numbered 3265.

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

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

The amendment is as follows:

On page 51, between lines 9 and 10, insert the following:

SEC. 121. Section 505 of the Incentive Grants for Local Delinquency Prevention Programs Act (42 U.S.C. 5784) is amended—

(1) in subsection (a)—

(A) in paragraph (6), by striking "and" at the end;

(B) in paragraph (7), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(8) court supervised initiatives that address the illegal possession of firearms by juveniles."; and

(2) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "demonstrate ability in";

(B) in paragraph (1), by inserting "have in effect" after "(1)";

(C) in paragraph (2)—

(i) by inserting "have developed" after "(2)"; and

(ii) by striking "and" at the end;

(D) in paragraph (3)—

(i) by inserting "are actively" after "(3)"; and

(ii) by striking the period at the end and inserting "; and"; and

(E) by adding at the end the following:

"(4) have in effect a policy or practice that requires State and local law enforcement agencies to detain for not less than 24 hours any juvenile who unlawfully possesses a firearm in a school, upon a finding by a judicial officer that the juvenile may be a danger to himself or herself, or to the community.".

Mr. WYDEN. Mr. President and colleagues, Senator SMITH and I, having visited with our constituents at home and in Springfield, OR, after the terrible tragedy at Thurston High School, believe it is absolutely critical that concrete steps be taken between now and the beginning of the school year to increase the safety for our young people in schools across the land.

We believe this legislation, which has now been agreed to by both the majority and the minority, can be the first concrete step that will be taken to ensure that this fall our young people and their families can have an added measure of safety when they attend our Nation's schools. We believe that when a young person brings a gun to school, that ought to set off a five-alarm warning that there are problems for our society.

Our colleagues on several occasions have mentioned today that in a number of States it has been documented that in several hundred instances a year young people bring a gun to school, disciplinary action is taken, but then it is essentially at the discretion of law enforcement officials and others as to what additional steps will be taken.

Law enforcement officials across our State and across the country have made it very clear that they don't believe it is appropriate to put that discretion in their hands. They would like to make sure that government sets out a policy that would stipulate that when a young person brings a gun to school, that that young person will be detained for an adequate period of time to have a mental health assessment, to have law enforcement officials involved, to have health policymakers participate in what action should then be taken to best promote safety in our society. If my home State of Oregon had this policy in effect at the time of the tragedy at Thurston High School, Kip Kinkel, who is alleged to have perpetrated these crimes, would have been before a judge and held, and, in my view, unquestionably, would have been detained rather than sent home, where he allegedly killed his parents and then came back, literally, within a relatively short time, and shot and injured more than 20 young people at Thurston High School in Springfield.

What our legislation does is ensure that States that have put in place a policy of detaining a student caught with bringing a gun—that States with that policy would be accorded a priority for title V funding, the prevention and delinquency funding program, under this legislation. That way, we would ensure that, on an ongoing basis, every State in our country would have an incentive to ensure that when young people bring guns to school, as was done in the case of the Springfield tragedy, rather than simply leave to fate what happens next, there would be a finding of what was the most appropriate step to take to ensure the safety of the community.

Mr. President, I think we all agree that our schools ought to be places of learning, not of tragedy and violence. One lesson that has been learned from the tragic shootings in Oregon and Arkansas and other States is that clearly there is something wrong today with the policies for dealing with young people and guns. The policies today aren't working. Young people are falling through the cracks, and some of them are shooting other children. Bringing a gun to school ought to be a warning signal, an early sign, that there is a serious potential threat for our society. When that act takes place, it is important to get the student out of the classroom, off the streets, and in front of a professional who can make a determination of how much of a threat that student is to the community.

I think most legislators would agree we don't have all the answers, but we do know that keeping an angry student with a gun out of the classroom and off the schoolyard ought to be part of the solution. That is why the amendment that I sponsor today, with Senator GORDON SMITH of my home State, focuses on two tracks. First, Senator SMITH and I seek to remove the threat of violence from our schools as soon as it is identified. Second, we help our communities find the resources they need to identify and serve at-risk students so it is possible to prevent a potential health and safety problem from becoming the sort of tragedy that was seen at Thurston High School.

This amendment provides concrete incentives to States to immediately remove any student who brings a gun to school and to get that student before a judge and other qualified professionals. If the judge determines that student is a threat to the community or to the individual themselves, the State must hold that student for a period of time that would allow for an appropriate placement that protects our society.

If a State has in place this sort of policy to protect the community, families, and students, our legislation will give that State priority when it comes to funding juvenile justice grants. That means they will be in a position to devote more resources to make sure that at-risk students don't follow that path of crime and delinquency, and it will be possible with these grants to target high-risk young people for aggressive and early intervention so these young people can be reached with appropriate treatment before they fall through the cracks.

What has been learned in Springfield and the other communities across this country is that expelling a student for bringing a gun to school may adequately punish the student's behavior, but it is not enough to protect the community and our society.

It is important to ensure that the appropriate steps are taken at that time—at that time when the student is

apprehended by school officials, so that that student has every opportunity to work through potential problems they may be having at home, or with their peers, and our society can find a balance between preventing these crimes from occurring and punishing them when they actually take place.

There isn't a Member of this U.S. Senate who is not deeply concerned about this set of incidents across our country—literally across our Nation—where young people have been taken from us by school violence. In Springfield, OR, where Senator SMITH and I visited with the President—who deserves great credit, in my view, for supporting our bipartisan legislation—the community promised Senator SMITH and I that they wanted to let the violence end here.

It is our hope that this legislation will give States the incentive they need to enact tough detention statutes to ensure that what happened in Thurston doesn't happen across this country. My friend and colleague, Senator SMITH, is here and I want to yield the floor in just a moment. I want to thank him for the bipartisan effort that has been made on this legislation and on so many other issues that have been important to the people of Oregon. The people of Oregon and the people of our country do not see these as bipartisan issues. There is not a Democratic approach to preventing school violence and a Republican approach to preventing school violence. I tell our colleagues that the approach Senator SMITH and I bring before the U.S. Senate tonight has been supported by those who oppose gun control and those who are for gun control because they see this as commonsense Government that will be good for our students and our families.

I will close by saying that when the Senate acts tonight, this can be the first concrete step that actually protects students and families when school starts this fall. So we are very grateful to our colleagues for helping us, including our friends Senator HOLLINGS, Senator GREGG, and Senator LEAHY, who is not on the floor, and Senator HATCH has been so helpful. Senator SESSIONS has added an innovative approach with respect to establishing a court supervisory initiative to addressing unlawful juvenile gun use. This is a bipartisan step forward in making our schools safe across this land.

I yield the floor at this time.

Mr. SMITH of Oregon addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Oregon, Mr. SMITH, is recognized.

Mr. SMITH of Oregon. Mr. President, I want to publicly thank my colleague, Senator WYDEN, for his leadership on this issue. He and I recently faced a tragedy in our State that, frankly, left us speechless and groping for a way to respond to an unspeakable tragedy—that of a young person, troubled, from a good family, but in possession of weapons and willing to use them on his parents and his fellow students.

In the face of that kind of violence—a young man who would violate four gun control laws to do what he did—Senator WYDEN and I, frankly, struggled to find out how we can respond to this, how we can, as public servants, lay down a new marker, provide a new barrier for stopping this kind of violence. Also, how can we do it in a way that doesn't impose the Federal will upon the States, but provides a carrot, and not a club, for them to enact laws that would have captured this young man and prevented a horrible tragedy from being visited upon our State and the city of Springfield.

We are not alone in this. Arkansas, Mississippi, and Pennsylvania have also suffered these kinds of tragedies. So it is a growing national concern. The reason I commend this legislation so strongly to my colleagues is because it is, in fact, bipartisan because it does enjoy the support of gun control advocates and antigun control defenders. As my colleague described, what this does is simply put in place a new safety net, so that if a young person does bring a gun to school, they will be detained—not to be just released to their parent's custody, but actually to undergo an evaluation in terms of their psychological health and their safety to the community at large.

It is unfortunate that this has to occur, but it has to occur because, at the end of the day, no other communities should suffer this consequence again. So I commend my colleague for his leadership. I also want to thank Senator HATCH, the Chairman of the Judiciary Committee, and Senator SESSIONS, for their input into this amendment; it was considerable. We worked it out with them. I think we have, in the end, an amendment that doesn't fix the situation entirely, but it goes a long way toward accomplishing that very thing.

I thank all my colleagues for indulging us. I ask for their support.

Mr. President, I yield the floor.

Mr. GREGG. Mr. President, I ask unanimous consent that this amendment be agreed to.

The PRESIDING OFFICER. Is there objection?

Without objection, the amendment is agreed to.

The amendment (No. 3265) was agreed to.

Mr. GREGG. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. GREGG. Mr. President, we are now in order to go to Senator KYL.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

AMENDMENT NO. 3266

(Purpose: To prohibit Internet gambling)

Mr. KYL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. KYL], for himself and Mr. BRYAN, proposes an amendment numbered 3266.

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

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 3267 TO AMENDMENT NO. 3266

(Purpose: To provide an exception for "fantasy" sports games and contests)

Mr. BRYAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN] proposes an amendment numbered 3267 to amendment No. 3266.

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

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

The amendment is as follows:

On page 3, strike lines 9 through 12, and insert the following:

"(iii) a contract of indemnity or guarantee;

"(iv) a contract for life, health, or accident insurance; or

"(v) participation in a game or contest, otherwise lawful under applicable Federal or State law—

"(I) that, by its terms or rules, is not dependent on the outcome of any single sporting event, any series or sporting events, any tournament, or the individual performance of 1 or more athletes or teams in a single sporting event;

"(II) in which the outcome is determined by accumulated statistical results of games or contests involving the performances of amateur or professional athletes or teams; and

"(III) in which the winner or winners may receive a prize or award;

(otherwise know as a 'fantasy sport league' or a 'rotisserie league') if such participation is without charge to the participant or any charge to a participant is limited to a reasonable administrative fee.

Mr. KYL. Mr. President, let me briefly describe what this amendment does and indicate the degree of support that exists for it. Before I do that, let me say that this amendment passed out of the Judiciary Committee with one dissenting vote several months ago. It had been our intention to bring the amendment to the floor as a separate, freestanding bill, but because there was not floor time available to do that, we

have had to resort to the amendment process under this bill. I regret that we have to do that, but that is the only way we would get this important piece of legislation before the full Senate.

Frankly, Mr. President, it has been good because, during the interim, we have been able to work with parties who had concerns about the bill, and I think, for the most part, we have worked the concerns out. I know that one matter remains to be dealt with later. But except for that, we have been able to improve on the bill since it passed out of the Judiciary Committee.

As a result of that, I report to my colleagues that some of the groups and organizations that support this legislation—to give you an idea of the breadth of support we have, it came up because of the Attorneys General of the United States; all 50 attorneys general from our States approve of this and support this legislation and, frankly, they are the ones that asked the Judiciary Committee to move forward with the legislation.

Jim Doyle, the Democrat attorney general from Wisconsin, testified two times before our committee strongly in support of this legislation. One of the things he said was—I will quote it; I will find the quote.

But, in effect, what he said was ordinarily attorneys general don't come to the Federal Government and ask for statutes to be federalized; they like their own jurisdiction. But in this case they had to come before the Congress. The individual attorneys general simply cannot enforce their own State prohibitions. Why is that so? Because, if the State of South Carolina, for example, has made a public determination, as it has done, that this kind of gambling is illegal and ought to be illegal, and a neighboring State—let's say North Carolina—should allow people to broadcast into South Carolina these virtual casino games that people can now find on the Internet, or let's say that comes even from outside the country, which is where these actually emanate from for the most part, then the people of South Carolina cannot be protected even though their State policy is that their people not be subjected to this kind of gambling. That is why all 50 State attorneys general got together and came to us, and said, "Would you please help us solve this problem?"

We have to be able to have a Federal law that is enforceable through the Federal courts as well as the State courts to prohibit this kind of activity. That was why we introduced the legislation and moved forward with it. But what we soon found was that the support for the legislation was much broader than that. You might expect that Louis Freeh, Director of the FBI, has expressed strong support for it.

But we have also had strong support coming from amateur and professional sports organizations. You can understand why, because the integrity of sports depends upon people knowing that the outcome of any sporting event is not determined by someone gaming the system.

Unfortunately, we have seen these kinds of stories about point shaving and the like. I will give you an example from my own State of Arizona where a student got deeply into debt. He played basketball and ended up pleading guilty to shaving points and trying to throw games in order to pay off his gambling debt. Neither amateur nor professional athletics can stand that kind of attack on the integrity of sports, and as a result they came to us.

We have strong support for this legislation from the NCAA, the Amateur Athletic Association, from the National Football League, the National Collegiate Athletic Association, the National Hockey League, the National Basketball Association, major league baseball, and a lot of different organizations that understand how insidious gambling can be when it is conducted in a medium such as the Internet, and as a result they strongly support this legislation.

We also like to say until he moved on that, this legislation is supported all the way from Ralph Reed to Ralph Nader. Ralph Reed has moved on, but the Christian Coalition still supports the legislation; as does Ralph Nader, the Public Citizen organization which he represents, the National Coalition Against Gambling Expansion, the National Coalition Against Legalized Gambling, Focus on the Family, Family Research Council, and many other organizations.

The reason I wanted to mention this at the very outset is simply to illustrate the fact that this legislation has broad, widespread support from a variety of organizations and interests around the country.

In the meantime, from the time it passed out of the Judiciary Committee, we have been able to work with the so-called horse industry and the pari-mutuel betting to assuage concerns that they had originally expressed.

We have also worked with the Internet providers who will be an integral part of the enforcement of this legislation. We have a letter from the main Internet providers indicating that they have no objection to this legislation passing in the form that it has passed.

Mr. President, I have kind of given you an idea of the kind of support that we have for it.

It is opposed, frankly, by two groups. One you will hear from—at least one Indian tribe. And perhaps some other Indians would like to have a carve-out; they would like to be excepted from this. Second, naturally the gambling interests offshore who stand to make billions of dollars from this illegal activity do not like it. So that is who is against it.

Mr. President, I said this "illegal activity," and I did that with a reason. The activity that we are largely prohibiting tonight is already illegal. The Wire Act, so-called, Telephone and Wire Act of 1961, makes it illegal to conduct sports gambling over the telephone, or a wire. So much of what is being prohibited in this legislation is already illegal.

For those people who say, "Well, we would like to be able to conduct this activity," their beef is not with our bill. Their beef is with existing law. One of these days wires are not going to be the means of electronic transmission. It is going to be fiber-optic cable or microwave transmission through satellites. We are not at all sure that when that happens that the Telephone and Wire Act will be able to be used by prosecutors in their prosecutions.

Just a couple of months ago, the district attorney for the district of New York indicted 14 people for conducting this kind of illegal activity under the Telephone and Wire Act. But, Mr. President, that might not be possible in the future. That is why we want to update the Telephone and Wire Act.

In addition to that, the second thing that this bill does is to ensure that, whether it is sports betting or not, the activity is illegal on the Internet because what has cropped up in recent months is something called the "virtual casino." It looks a lot like a casino that you would go to that is perfectly legitimate such as Las Vegas or Atlantic City. It is on the Internet, and it comes outside of the country, because, of course, it is not illegal outside the United States—at least in some countries. But that is being, in effect, sent to American citizens in our country.

The attorneys general of Florida, South Carolina, Arizona, and other States have no way to stop it under existing law. Our bill ensures that kind of "virtual casino" over the Internet is illegal, and that it is enforced through not only the usual means of enforcement but also with the ability of the prosecutors to go to the court and after a finding that this activity is being conducted over the Internet, to enjoin its further conduct by bringing in the Internet service provider, in most cases, and asking the Internet service provider to cut off the service, to pull the plug on the service from that particular web site. In some cases it will be very easy to do. In other cases, it is more complicated. We provided for that in the legislation.

As I said, the Internet service providers—at least some of the largest groups, and I can provide the names if anyone is interested—are satisfied that the language that we have worked out in the bill for this purpose is at least not objectionable to them.

Let me indicate that this is a relatively new phenomenon, but it is pretty clear that we need to stop it now because it is quickly becoming, or will become, a multibillion-dollar activity.

A recent "Nightline" piece, which was devoted to Internet gambling, reported that there are now an estimated 140 gambling sites online. Two years ago, Internet gambling was a $60 million business. Last year it grew to $700 million, and some believe that by the year 2000 the figure will be $10 billion.

Mr. President, if we don't stop this activity now, the money that is generated by this kind of illegal activity is going to, I am afraid, become so influential in our political process that we will never get it stopped. That is why we have to act this year.

I might add, Mr. President—and I am so delighted to have the expertise and the support of the Senator from Nevada, Senator BRYAN—that one of the reasons why the legitimate gaming organizations and activities in our country are also in support of this legislation is because they understand. They don't want gambling to get a bad name. A lot of money is made, and a lot of people are employed in the gaming industry in these States. They are highly regulated.

When you go to a gaming activity in Las Vegas, you know that you are going to be treated fairly. If you win, you will get the money. You know exactly what the odds are. And there is a regulation commission that ensures that the rules are abided by. But that is not the case on the Internet.

Here is the problem.

Young children are getting really good at logging onto the Internet. They can log on in the morning. You have to put down a deposit of $100 or $500—whatever it might be. You do that with a credit card, frequently. And this child, in the privacy of the home, without any supervision, can simply gamble away whatever fortune the family had tied up in that particular credit card with no supervision.

The kind of gaming that we have legalized in this country is the kind of thing where you have to go to that site. You have to engage in the activity there. It is highly regulated.

One of the reasons this kind of activity is so dangerous is because there is nobody there to check the activity. It occurs in the privacy of your own home with nobody there to say, "Wait a minute. Haven't you done this long enough? Haven't you lost enough money?"

Dr. Howard Schaeffer of the Harvard Center for Addictive Studies predicts that within 10 years youth gambling will be more a problem to society than drug use. And the youth of our society are the most at risk for conducting Internet gambling. First of all, they are the most adept at using the Internet. Secondly, they are in college and school, and this is where a lot of the computers are that our kids start on today. And on every major campus today there is organized gambling activity, according to law enforcement officials. Sports is the preferred subject of the gambling.

So it doesn't take any imagination to appreciate that our Nation's children are at risk. And there is much more risk in this Internet gambling activity than in any of the other kinds of legalized gaming, highly regulated gaming, that is authorized in our country today.

I won't go into all of the details about bankruptcies and suicide and that kind of thing except just to cite a couple of things here that ought to cause us pause. We know that about 5 percent of the people who gamble will become addicted. It is an addiction. Of those, about 80 percent will contemplate suicide, and about 17 percent of those will commit suicide. Bankruptcies are huge and growing. As a matter of fact, Ted Koppel noted that in his "Nightline" program, that last year 1,333,000 American consumers filed for bankruptcy, thereby eliminating about $40 billion in debt. And he talked about the percentage of that which is attributable to gambling, going into some of the statistics about a large percentage of that—in fact, something like 60 percent of people will get gambling debts that they can't pay.

In fact, up to 90 percent of pathological gamblers commit crimes to pay off their wagering debts. That is the testimony before our committee. So suicides, bankruptcies, crimes committed to pay off debts, and the effect, of course, on the families.

What does this have to do with our bill? This is the kind of activity that, by definition, is not regulated and is susceptible to addiction because there is nobody there. There is no inhibition in your own home; you just log on and you go do it. Of course, these virtual casinos are really good-looking things when you look at them on the screen. You can pull them up tonight, as a matter of fact.

So, as I say, what we have done in the Judiciary Committee is to focus on this specific kind of activity as (A) needing to be updated because wire may no longer be the method of transmission of data and (B) because of these virtual casinos offshore.

Let me describe a couple of the problems that we have dealt with in the legislation. One of the concerns was that the service providers would have difficulty in stopping the activity. Remember, what we have done here is to say that this activity is illegal, just like the Wire Act does. Theoretically, you could even prosecute the bettor, although that has never been done, and I don't anticipate it being done.

What we are after here are the people running these gambling operations. The U.S. attorney in New York has indicted some people, some of whom were in the United States. So they have actually acquired personal jurisdiction over those people. They might be able to prosecute them, fine them, and send them to jail. But for the most part, these activities are going to be abroad, because the activity is illegal in all 50 States. As a result, you are not going to be able to get personal jurisdiction over the offender.

How do we, therefore, stop the activity? That is where the service providers come in. And after, as I say, a finding of illegality has occurred, they will be brought in to appear before the court and be asked to pull the plug on a service that they are providing or, through them, is being provided to people on the net here in the United States.

As I said, in the case of a direct provider, it is a little more technical than this but almost as easy as pulling the plug, because each of these sites has an identifier, an identifying number for billing purposes. Of course, you know that and you can simply cut off that particular service. In other cases, it will be more complicated than that.

So what we have done is to provide a complex series of protections for the Internet provider to ensure, for example, that if they are asked to participate in this law enforcement activity, first of all, there won't be any injunction issue against them if it is not technically feasible; and, secondly, that they can demonstrate, if it is the case, it is not economically feasible for them. Then the injunction could not issue. This isn't a matter of what they are permitted to argue; these are actually conditions for the imposition of the injunction.

I want to make it perfectly clear to my colleagues, up until a few days ago, you may have been contacted by various Internet providers, people like America Online, for example, or U.S. West. Their representatives, who are all over this town, may have told you that there were certain problems with this language. But they are among the organizations that have bought off on the language that I have painstakingly negotiated with them to ensure that, while they are helping law enforcement, we are not imposing an impossible burden on them. They are not going to have to do something that is not technically feasible, and they are not going to have to face unreasonable costs in complying with law enforcement.

I know some people say they are part of the problem because they are actually transmitting this illegal information. But I don't think it is fair to ask them to monitor this activity or to stop it unless law enforcement deems it sufficiently serious to stop. And that is why we have only provided for them to be involved in this process in that eventuality. I think that is very, very fair.

A second group that we have had discussions with is the virtual casino networks and operators. I know that Senator BRYAN is going to talk to that because that is a part of his amendment. I must say that I totally support the amendment of Senator BRYAN to add the protections in this legislation to those who are providing the games involving, for example, baseball where you get together with other people and you create your own baseball team and you then are judged by how well those teams and players do in the future. Sometimes there are prizes awarded, and sometimes there are not. But in any case, you usually pay a fee to do that, and if you win, you can win the prize.

Now, the people who operate these kinds of activities on the Internet have variously claimed that it is not gambling or that no prizes are awarded. And if that is the case, then they have nothing to worry about under this legislation because both of those are requirements for it to be considered gambling. We also make it clear, if they charge administrative fees rather than collecting money to pay off bets, they would be exempt.

I indicated before that we had solved the problems of the horse-racing industry. We essentially said with respect to that industry that this legislation does nothing to take away from any of the activity that they can do today, and, in fact, given the fact they are going to be using computers in their operation, and also in their advertising in the future, we make sure that activity is not prohibited. So, as I said, they are supportive of the legislation.

I want to make it clear to anybody who has heard from anybody with respect to first amendment rights that the first amendment is totally protected here. All advertising is permitted. Any kind of advertising of legal activity is absolutely legal, and it would not even be constitutional for us to try to prohibit it. We have not done that.

That leads me, Mr. President, to the last point which has to do with the treatment of the Native Americans. Now, under the IGRA, the Indian Gaming Regulatory Act, Native Americans are permitted to enter into compacts with States to conduct the same kind of gambling or gaming that is legal in those States. They can't do any more than what is legal in the States, but they can compact to do that which is legal. We have provided in this legislation an explicit recognition of the Indian tribes to conduct that kind of activity on their reservations. We have also made it clear that they can engage in the kind of pooling arrangements that many of them will engage in and that that would not be illegal.

So everything that is done by every tribe except one, which may be violating the law today and that you will hear more about here—everything that is currently being done and can be done legally is treated as legal in this legislation and would be permitted to continue.

To the extent that the tribes were also concerned about enforcement by States attorneys general, we have made it clear that the States attorneys general are not to enforce this law against Indian tribes; that the only time a State attorney general could be involved is if the tribe itself compacted for that, so the tribe would have had to have agreed to it in the first instance.

So we have satisfied all of the concerns of the tribes except one, and what you will hear is that they want to be able to do anything that is so-called legal or lawful under IGRA.

But the problem with that is this. This legislation, just like the Wire Act that is still the law today, makes it illegal to conduct these kinds of activities. So since the Wire Act exists, a tribe could not conduct this activity claiming it to be legal under IGRA, because IGRA says you cannot do it if you do not have a compact, and you cannot have a compact unless it is legal.

So, because this legislation and the Telephone and Wire Act both make it illegal to conduct this kind of activity, or continue to make it illegal, then, by definition, it would not be possible for a tribe to conduct this activity.

What I am concerned about is that trying to add any other language that suggests that, if it is lawful under IGRA it would still be OK, would very much confuse and complicate the issue and raise a question about what the basic intent of this legislation is. And, at worst, it would actually permit the Native Americans or Indian tribes who wish to do so, to do something that nobody else in the country would be able to do, that would be illegal for every other American. What we have done is to treat the Native Americans fairly, to treat them like everybody else—no better, no worse. It would be, I think, a grave injustice to everyone else to allow a special exception for the Indians that nobody else in the country would have.

Mr. President, I will have some more to say about a couple of the details of what we do, especially if there are questions, and also to further talk about the kind of testimony that was presented to the Judiciary Committee in support of this legislation. As you might imagine, there was a wide variety of testimony provided by law enforcement officials, people familiar with gaming and with addiction, people who understood the Internet and wanted to advise us about that. Frankly, we just had a lot of great testimony that supports this.

I will just close with this one comment that I think helps to make the point. I mentioned the attorney general from Wisconsin—I was going to quote this before—James Doyle. He is the head of the Attorneys General Association. He said:

> Gambling on the Internet is a very dumb bet because it is unregulated. Odds can be easily manipulated and there is no guarantee that fair payouts will occur. Internet gambling threatens to disrupt the system. It crosses State or national borders with little or no regulatory control. Federal authorities must take the lead in this area.

I close where I began. For State attorneys general to urge the Federal Government to take Federal jurisdiction over something like this is almost unprecedented. They wouldn't do it if they didn't feel that the problem societally justified it and, from a law enforcement standpoint, that it was the only way to ensure that this illegal activity could not be continued.

So, as a result of that, we have adopted this legislation out of the committee and brought it to the floor under this mechanism because, as I said, it is really the only way we could bring it to the floor. I urge my colleagues to support the legislation and to support the amendment offered by the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I would like to preface my comment, before I say anything specific about the legislation, commending the Senator from Arizona for his untiring and unflagging efforts, trying to perfect an amendment which I am pleased to cosponsor. The junior Senator from Arizona has spent the better part of this past year working with various groups, specifically the States' attorneys general who are the prime movers in this amendment. I believe the amendment which he has offered, and the underlying amendment which I have offered as a second-degree amendment, accomplishes the purposes that we intend.

This amendment is supported by a wide spectrum of interest. I am aware that within this Chamber there is a broad diversity of perspectives and viewpoints on gaming. Some States, such as my own, have adopted for decades open and regulated casino gaming. Other States, such as the States of Utah and Hawaii, by their public policy pronouncements through their legislative actions, permit no gaming at all. But I think it is indicative of the broad spectrum of support that this Internet gaming prohibition amendment enjoys, that from Ralph Reed to Ralph Nader, all of the groups that may represent the spectrum in between, have joined with Senator KYL and me in supporting this amendment: The Christian Coalition, the National Association of Attorneys General, from public citizen to the National Football League, and other groups as well.

Let me cite, if I may, a couple of reasons for that. The National Collegiate Athletic Association, the National

Football League, the National Hockey League, Baseball, Office of the Commissioner, National Basketball Association, major league soccer, are in strong support of the Internet gaming prohibition amendment that we are debating this evening. In a letter received by my office on March 25:

We are writing to urge you to support the passage of S. 474, [that is in effect the amendment that we have before us] the Internet Gaming Prohibition Act of 1998. As amateur and professional sports organizations, we believe that S. 474 would strengthen existing enforcement tools to combat a growing national problem—illegal sports gambling conducted over the Internet.

I ask unanimous consent the letter I have identified be printed in the RECORD.

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

MARCH 25, 1998.

Hon. RICHARD BRYAN,
U.S. Senate, Washington, DC.

DEAR SENATOR BRYAN: We are writing to urge you to support the passage of S. 474, the Internet Gambling Prohibition Act of 1998. As amateur and professional sports organizations, we believe S. 474 would strengthen existing enforcement tools to combat a growing national problem—illegal sports gambling conducted over the Internet.

Sports gambling tarnishes the integrity of athletic competition. It taints the way fans view sports contests. It creates suspicion and cynicism about game and performance outcomes and degrades players in the eyes of fans. The amateur and professional sports organizations have long understood this problem and have aggressively policed the relationship between gambling and sports.

Congress has also long recognized that gambling has no place in amateur and professional sports. For example, under the Interstate Wire Act of 1961 (18 U.S.C. 1084), it is a federal crime to use wire communication facilities in interstate or foreign commerce for purposes of sports gambling. Faced with efforts to establish sports lotteries and other forms of legalized sports betting in the late 1980s, Congress enacted the Professional and Amateur Sports Protection Act (28 U.S.C. 3701 et seq.) in 1992, prohibiting any further legalization of sports betting by states or other governmental entities.

Despite existing federal and state laws prohibiting gambling on professional and college sports, sports gambling over the Internet has become a serious—and growing—national problem. Many Internet gambling operations originate from offshore locations outside the U.S. The number of offshore Internet gambling websites has grown from two in 1996 to over 70 today. It is estimated that Internet sites will book over $600 million in sports bets in 1998, up from $60 million just two years ago. These websites not only permit offshore gambling operations to solicit and take bets from the United States in defiance of Federal and state law but also enable gamblers and would-be gamblers in the U.S. to place illegal sports wagers over the Internet from the privacy of their own home or office.

S. 474 would strengthen the tools currently available to enforce existing federal and state laws prohibiting sports gambling. If enacted, this legislation would make it more difficult for Internet gambling operators as well as the individuals who gamble to evade the law. S. 474 would extend criminal penalties to include individuals who gamble on the Internet, not just those who operate Internet gambling sites. Most importantly, S. 474 would provide law enforcement officials with an effective and much-needed civil enforcement mechanism to keep the Internet or any other interactive computer service from being used to place, receive or otherwise make a sports bet or wager.

S. 474 makes it clear that a new communications medium, the Internet, cannot be used to circumvent existing federal and state laws that prohibit sports gambling in this country. We strongly urge you to vote in favor of S. 474 when it is considered on the Senate floor.

Sincerely,

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION.
NATIONAL FOOTBALL LEAGUE.
NATIONAL HOCKEY LEAGUE.
BASEBALL, OFFICE OF THE COMMISSIONER.
NATIONAL BASKETBALL ASSOCIATION.
MAJOR LEAGUE SOCCER.

Mr. BRYAN. Mr. President, as I indicated, the National Association of Attorneys General have been the prime mover of this legislation. The distinguished occupant of the Chair has served as an attorney general from his State and, indeed, headed the National Association of Attorneys General. As the distinguished occupant of the Chair and others know, States' attorneys general do not frequently come to the Congress of the United States and ask for legislation unless they are of the opinion that State action is insufficient and incapable of addressing the problem. That is the view of the National Association of Attorneys General in urging Senator KYL and me and others to move forward with the legislation that bears the S. 474 designation, and which, in essence, is the amendment we are debating on the floor this evening.

The attorneys general make a very important point. They say, in part, in a letter which was sent to me on March 20 of this year, and signed by a number of States' attorneys general that:

The potential problems cautioned by the availability of games worldwide through the Internet are exacerbated because of the current inability of Internet technology to address many of the policy considerations that have caused states to create such widely disparate legal and regulatory schemes.

Then they go on to say in this letter:

Additionally, there is currently no [I want to emphasize "no" effective technological means to verify the physical location of players and proprietors in order to ensure the participants and businesses are operating under the laws of the individual jurisdictions where they are physically located.

That is the view of the Nation's attorneys general as they have come to the Congress and asked us to support this legislation.

Again, I ask unanimous consent that the letter sent to me dated March 20, 1998, from the National Association of Attorneys General, be printed in the RECORD.

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

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL,
Washington, DC, March 20, 1998.

Hon. RICHARD H. BRYAN,
Senate Office Building, Washington, DC.

DEAR SENATOR BRYAN:

As the members of the Internet Working Group of the National Association of Attorneys General, we write to express our support for S. 474, the Internet Gambling Prohibition Act. As introduced by Senator Kyl in March of 1997, the bill closely modeled the changes in federal law suggested by a resolution adopted by the National Association of Attorneys General in June, 1996. Although the bill has undergone several substantive changes prior to reaching the Senate floor, it continues to be the most appropriate measure to address the growing problem of gambling via the Internet.

Gambling laws and regulations have more state-to-state variety than almost any other area of law. Each state's gambling policy is carefully crafted to meet its own moral, law enforcement, consumer protection and revenue concerns. Most states believe they have crafted the perfect combinations of law and policy to address their own populations' needs. The Internet threatens to disrupt this. As recently noted by the U.S. District Court for the Western District of Wisconsin, "[The State] has a powerful interest in enforcing its anti-gambling laws which would be substantially undermined if defendant could evade enforcement through Internet gambling."

The threat of technology provides the only exception to the preeminent role of the states to regulate gambling and control gambling policy formulation. Today, the federal government's only role in gambling policy formulation relates to specific instances where technology threatens to disrupt the individual states' carefully balanced policy choices in this area. For example, the Interstate Horseracing Act, 15 U.S.C. §1301 *et seq.*, addresses the use of wires and satellites to facilitate the combination of parimutuel wagering on horse races and prevent different pools from endangering the integrity of the horse racing industry. The Lottery Act, 18 U.S.C. §1301 *et seq.*, allows states to limit import of out-of-state lottery tickets via mail and other forms of transportation. The Johnson Act, 15 U.S.C. §1171 *et seq.*, places limits on the interstate transportation of slot machines, using our national transportation infrastructure, allowing states to make their own determinations on whether they will allow those machines in their states. Finally, the Wire Act, 18 U.S.C. §1081 *et seq.*, prohibits the use of the wires to transmit wagering information.

The proposed Internet Gambling Prohibition Act would provide the same appropriate degree of federal involvement for the Internet. The Internet represents the latest form of technology that threatens to disrupt state policies: almost anything that can be done on a computer, like gambling, can be done via the Internet anyplace in the world where a connection is available. A wide variety of card, dice and other games of chance can be entertainingly simulated on a computer screen via the Internet. In addition, traditional forms of horse and race betting are well-suited to computerized participation. All of these activities can be conducted on a computer, and the Internet allows this conduct to be made available worldwide and across state lines, regardless of any state's

carefully crafted and explicitly stated gaming policy, laws and regulations.

The potential problems caused by the availability of games worldwide through the Internet are exacerbated because of the current inability of Internet technology to address many of the same policy considerations that have caused the states to create such widely disparate legal and regulatory schemes. These crucial policy concerns include general moral attitudes towards gambling, basic issues of game integrity, effective customer dispute resolution procedures, underage gambling, cash controls to hinder money laundering and other criminal activity, as well as efforts to recognize and treat problem gamblers. Additionally, there is currently no effective technological means to verify the physical location of players and proprietors in order to ensure that participants and businesses are operating under the laws of the individual jurisdictions where they are physically located.

The proposed Internet Gaming Prohibition Act, in its current form, continues to address the important policy concerns we first expressed in the summer of 1996. We urge your continued efforts in making this bill the law of the land.

Sincerely yours,

James E. Doyle, Attorney General of Wisconsin, Co-Chair, NAAG Internet Working Group, Hubert H. Humphrey, III, Attorney General of Minnesota, Co-Chair, NAAG Internet Working Group, Daniel E. Lungren, Attorney General of California, Co-Chair, NAAG Internet Working Group, Peter Verniero, Attorney General of New Jersey, Dennis C. Vacco, Attorney General of New York, Heidi Heitkamp, Attorney General of North Dakota, Betty D. Montgomery, Attorney General of Ohio, Hardy Myers, Attorney General of Oregon, Mike Fisher, Attorney General of Pennsylvania, Jeffrey B. Pine, Attorney General of Rhode Island, John Knox Walkup, Attorney General of Tennessee, William Sorrell, Attorney General of Vermont, William U. Hill, Attorney General of Wyoming, Christine O. Gregoier, Attorney General of Washington,

Mr. BRYAN. Mr. President, I think my colleague has done an extraordinarily good job and given a very clear explanation of what we are seeking to create in this amendment. This simply represents an update to reflect the change of technology. Under current law, it is illegal to wager over mail and telephone communications. We simply intend, by this amendment, to bring current technology into compliance with the technology that was covered previously by this prohibition. Internet gambling is spreading exponentially. It approaches nearly $1 billion of annual revenue; 140 web sites currently operate on the Internet. It will be, as my colleague from Arizona indicated in his comments, a multibillion-dollar industry by the turn of the century.

Why have the States' attorneys general approached us and asked us to enact this legislation? What vice exists with respect to Internet gambling that does not exist with respect to regulated gaming in the various forms the States have chosen to adopt?

First of all is access. Whether one favors gaming or one has a strong religious or moral view opposed to gaming, I believe that all would acknowledge that gaming ought to be an adult recreational activity—underscoring the word "adult." When one accesses the Internet and the various web sites that are currently on the Internet, there is no means—no means to enforce the age of that individual who is accessing the Internet. We all know from our children and grandchildren that today's youngsters enjoy a proficiency and sophistication, if you will, in terms of their ability to surf the net, to understand the world of computers. It is very easy—very easy for very young children to gain access to the Internet and thereby to participate in Internet gambling.

I repeat, whether one supports the open casino style of gaming that Nevada has legalized for more than six decades, or takes the more restrictive view that the policymakers of the States of Hawaii and Utah have adopted, and that is to permit none, no one can justify access to a gaming experience to young children who may be 12, 13, or 14 years of age. And there is no way to enforce limited access to the Internet and to limit it to only those who are adults.

Second, let me make the point that in those States that have chosen to adopt, and those tribes that have adopted forms of gaming pursuant to the Indian Gaming Regulatory Act, there is or ought to be mechanisms in place that make sure that the individuals who are licensed to operate those games have been carefully screened for both integrity, in terms of their records, and suitability. Nobody is permitted, in the State of Nevada, for example, to operate a gaming activity unless he or she, or its corporate officers, have been carefully screened by the State Gaming Control Board and ultimately approved by the State Gaming Commission.

When you participate in a gaming experience in States that permit some form of gaming, it is regulated. You know the individual operators of the game. In the world of cyberspace, you know not with whom you are communicating. Nobody, Mr. President—I repeat, nobody—has screened those individuals in terms of background, who they are, in terms of their track record, their integrity or their suitability. You are, in effect, participating in a gaming experience in which you do not know who the people are who are running that particular web site.

No. 3: the actual virtual gaming experience itself. Every gaming device that is made available in my own State for customers to participate in has been approved by the Nevada Gaming Control Board and the Gaming Commission to make sure that the device provides a reasonable and fair opportunity for the player to win, so that the game is not rigged, so that under no circumstances could the player win. None of us is naive enough not to recognize that the odds clearly favor the house. That is not my point. But the game of chance is an honest one. Participants, players, have an opportunity to win, and, indeed, many of them do.

In the world of cyberspace, no one, but no one, has regulated that particular device that is being offered. There is no way for the player to know whether that virtual game is rigged in such a way that it is impossible for him or her to win under any circumstance.

Finally, assuming for the sake of argument that one does participate and does win, how do you know whether anybody is going to be around when you come to collect the money?

Mr. President, the Internet and the e-mail system is filled with dozens and dozens of people who have had experiences that highlight the point I am seeking to make this evening. I will not impose upon the patience of this Chamber to cite all of them, but a couple of them, I think, are illustrative and make the point.

This is in a communication dated April 1 of this year by an individual who had participated in Internet gambling. I quote from his letter:

I tried both of the above online casinos, and I'm beginning to notice a strange trend. When I played the games offline just for practice, the odds seemed to conform, but when I played online for real money, the win-loss ratio seemed very disproportionate compared to what they were when I was playing offline. Of course, I may have been just very unlucky playing online, but I'm strongly suspicious. I suspect that the odds for real play and the practice are quite different. I think these guys cheat somehow, and I've given up on them and online gambling altogether. Of course, I can't prove that they cheat. Who can?

Mr. President, the point being, there is no regulator who, first of all, makes a determination as to who ought to have a web site for gaming activity, no regulator to determine whether or not the game of chance itself is a fair and honest one, and no regulator to make sure that, indeed, if the player prevails, he or she is able to collect.

Let me cite one other which I think is illustrative, and this is a letter dated April 30 of this year. The writer goes on to observe:

This is what you find at the bottom of the barrel—

Referring to the individual letter writer's experience on the Internet with his or her gambling experience.

Presumably from New Hampshire, these guys set up an online bingo site that went belly up in a hurry. The most popular theory is that they had fewer players than anticipated and couldn't afford to pay off the winners, so they pulled off a disappearing act that would turn David Copperfield green with envy.

That is the point that I am seeking to make.

The point needs to be made that Internet gambling is a bad bet. It is an unregulated activity in which children have access to the gaming experience, and it is not an enterprise that is subject to regulation. That is why the States' attorneys general have asked us to impose this.

Let me simply say that I believe that the prohibition needs to be across the board. My amendment makes one exception—and perhaps some of my colleagues have participated—and that is in the so-called fantasy sports leagues or educational games that operate over the Internet. Some have estimated that nearly 1 million Americans participate in fantasy or rotisserie sports teams on the Internet ranging from baseball to golf to auto racing.

The second-degree amendment which I have offered to the first-degree amendment of the Senator from Arizona will simply indicate that that kind of activity which exists will not be prohibited under the provisions of this legislation.

Finally, let me say that Internet gambling currently is in violation of the law. States' attorneys general and U.S. attorneys are trying to combat it, but, Mr. President, they need our help, and the enforcement tool or mechanism that they need is in the legislation offered by the junior Senator from Arizona and the Senator from Nevada. I hope that all of my colleagues will support this, irrespective of their own personal views toward gaming itself.

I thank the Chair and yield the floor.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I ask unanimous consent that the second-degree amendment offered by the Senator from Nevada be accepted.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 3267) was agreed to.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 3268 TO AMENDMENT NO. 3266

(Purpose: To clarify that Indian gaming is subject to Federal jurisdiction)

Mr. CRAIG. Mr. President, I send a second-degree amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Idaho [Mr. CRAIG], for himself, Mr. INOUYE and Mr. DOMENICI, proposes an amendment numbered 3268 to amendment No. 3266.

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

Mr. FORD. Reserving the right to object, I want to see what is in this amendment. Do you mind?

Mr. CRAIG. Not at all. I am about ready to explain it, but you can have it read if you wish.

Mr. FORD. I won't object, but I want to be sure about it.

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

The amendment is as follows:

On page 3 of the amendment, strike lines 9 through 12 and insert the following before line 13:

"(iii) a contract of indemnity or guarantee;

"(iv) a contract for life, health, or accident insurance;

"(v) lawful gaming conducted pursuant to the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.); or".

Beginning on page 13 of the amendment, strike line 4 and all that follows through page 14, line 25, and insert the following:

(2) PROCEEDINGS.—

(A) INSTITUTION BY FEDERAL GOVERNMENT.—

(i) IN GENERAL.—The United States may institute proceedings under this paragraph. Upon application of the United States, the district court may enter a temporary restraining order or an injunction against any person to prevent a violation of section 1085 of title 18, United States Code, as added by this section, if the court determines, after notice and an opportunity for a hearing, that there is a substantial probability that such violation has occurred or will occur.

(ii) INDIAN LANDS.—With respect to a violation of section 1085 of title 18, United States Code, as added by this section, that is alleged to have occurred, or may occur, in whole or in part, on Indian lands (as defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703)), the United States shall have the authority to enforce that section.

(B) INSTITUTION BY STATE ATTORNEY GENERAL.—The attorney general of a State (or other appropriate State official) in which a violation of section 1085 of title 18, United States Code, as added by this section, is alleged to have occurred, or may occur, after providing written notice to the United States, may institute proceedings under this paragraph. Upon application of the attorney general (or other appropriate State official) of the affected State, the district court may enter a temporary restraining order or an injunction against any person to prevent a violation of section 1085 of title 18, United States Code, as added by this section, if the court determines, after notice and an opportunity for a hearing, that there is a substantial probability that such violation has occurred or will occur.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I stand on the floor this evening in support of the concept of the Kyl bill, and I support the second-degree amendment that the Senator from Nevada has just successfully placed on it.

I believe that unregulated Internet gaming is and can be dangerous. It must be monitored closely and restricted to adults.

To date, the only form of gaming regulated at the Federal level is Indian gaming. I am not a big fan of most Indian gaming. We have struggled with it in my State for some time. However, through the Indian Gaming Regulatory Act, known as IGRA, Congress established clear and precise laws governing all forms of Indian gaming.

Authority to regulate Indian gaming was given by Congress to the National Indian Gaming Regulatory Commission. In addition, developments in Indian gaming are followed closely by the Senate Committee on Indian Affairs and its counterparts in the House. In fact, it is my understanding that the committee has held a series of hearings this year on examining the possible changes in IGRA.

What I want to point out is that there is an established procedure in dealing with laws which impact Indian gaming.

Mr. President, the Kyl bill ignores this procedure and changes IGRA without the input of the Indian Affairs Committee or the National Indian Gaming Regulatory Commission. The Kyl bill does this in a number of ways, including placing new restrictions on tribal gaming operations, overrides and nullifies existing State tribunal pacts, makes illegal some forms of Indian gaming determined by the courts to be authorized under IGRA.

Those who would support the bill claim that it does not impact IGRA. I cannot agree with that argument. If it, in fact, sought no change in IGRA, why do they then oppose the amendment that would guarantee no change? Because that is exactly what my amendment does. The truth of the matter is that the bill severely limits authority granted IGRA.

The Craig amendment does not expand Indian gaming. Let me repeat: The Craig amendment does not expand Indian gaming. And that would be argued by the Federal courts. The amendment would only protect a gaming enterprise if it were already legal under IGRA. The amendment would only protect a gaming enterprise that was already sanctioned by a State-tribal compact, the very kind of thing that this Congress set up in the law that created IGRA.

The amendment would not allow for any form of new Indian gaming. The reason these issues are important—and the Senator from Arizona was exactly right when he spoke in general terms about the possibilities of my amendment, speaking specifically to one Indian tribe. That Indian tribe happens to be in my State, and they have established what is known as the National Indian Lottery.

They have withstood three separate Federal court tests and have argued that they are legal, and the courts have so ruled. Yet, the Internet Gaming Prohibition Act that Senator KYL has just offered amends section 1084 of the so-called Federal Wire Act to include lotteries. Only by his act would they become illegal.

By the current law, and by the current regulatory process, they are legal; and they have been found that. This tribe has been sued. They have taken their issue to court and have successfully won. Lotteries are defined as class III gaming and are governed by

the terms of the tribal-State compacts, the rules and the regulations, the National Indian Gaming Commission. Idaho's case is no different. And that is certainly the case that I argue here tonight.

In 1992, the Coeur d'Alene Tribe signed a compact with the State of Idaho which specifically provided for the conduct of these National Indian Lottery games. Article 621 of the compact authorizes the tribe to conduct lotteries, so-called State lotteries to the compact, defined in article 419, to include a variety of things.

The compact was approved by the Secretary of the Interior in February 1993, and, therefore, noticed in the Federal Registry. Since that time it has fallen under regulation. What the Senator from Arizona is doing tonight—and I agree with him—is making illegal that which is unregulated, and provides either an outright prohibition or establishes regulatory effort.

Now, he has exempt a variety of things, exempt very powerful gaming organizations. So I do not think the Senator can argue tonight that there have not been some exemptions. He says he is after the offshore kind of Internet activity. I agree with him. The kind I am trying to protect is onshore, legal and regulated by IGRA and the National Indian Gaming Commission. I could not stand here tonight and argue for an unregulated activity. We expect them to be fair. We expect them to be honest. We expect them to be controlled and only to be made available to adults. That is exactly what is happening here and why I argue it.

All of the regulations that this Congress has put in place is adhered to by the National Indian Lottery. It is regulated, as I said, at the Federal level. It is regulated at the State level. It is regulated at the separate governmental or tribal level. And that is the way it should be. It is audited regularly by Arthur Andersen. It is protected so that only adults can participate in it. And that is constantly scanned.

My amendment would simply say that these kinds of activities—legally sought—would be regulated under the current regulatory process, because it is Indian gaming; and we have established the IGRA and the National Indian Gaming Commission for that purpose. The amendment of the Senator from Arizona would deny that right and place, by its adoption, this as an illegal activity where the Federal courts have ruled that under current process it is legal.

With that, I yield the floor.

Mr. CAMPBELL. Mr. President, I would like to lend my support to the amendment offered by my friend and colleague from Idaho, Senator CRAIG, for several reasons.

The Internet presents opportunities for education, business, and governance that were unthinkable until recently. Concepts such as "distance learning", and "e-commerce" are tied to this new and little understood technology.

As a Congress and as a nation, we must come to grips with this technology in a way that encourages development and at the same time provides protection from abuses for our most vulnerable citizens.

So let me start out by saying that I have a healthy respect for the Internet and the possibilities it holds.

Like Senator KYL, however, I am troubled by unregulated gambling and other objectionable material or services being offered on the Internet, particularly when young children and other vulnerable people are involved.

Nonetheless, as chairman of the committee on Indian affairs, I must point out that there are several objectionable provisions in the bill before us, not the least of which is that S. 474 amends the Indian Gaming Regulatory Act in significant ways, without the benefit of committee deliberations, or the input of the many affected tribes.

I firmly believe that any legislation aimed at Internet gambling should be "technology-neutral" and not tied to or focused on a specific technology.

Given the creativity and genius of computer and high-tech individuals, such as framework would quickly become obsolete—and require new legislation.

For instance, there are 30 Indian tribes operating games like "Megabingo" and "satellite bingo"; dozens of tribes that operate pari-mutuel betting and other games that are authorized by and regulated under the Indian Gaming Regulatory Act.

The IGRA provides that bingo games that rely on or use electronic or technological aids, are legal and are explicitly permitted by the IGRA.

In addition to the jurisdictional issues raised, S. 474 would criminalize certain games that are legally played as class II games under the IGRA.

When the IGRA was enacted in 1988, the position of this Congress was to "provide maximum flexibility" to tribes in terms of technology or in terms of conducting multi-state operations through the use of such technology.

The Congress' intent included the use of technological aids for bingo and similar games "on or off of Indian lands." The bill before us should provide a categorical exception for these and similar games.

The bill defines "person" as including "other governments" which may be construed to include tribal governments. Together with section 4, which authorizes state attorneys general and other state officials to bring enforcement actions against Indian tribes for violations that occur on Indian lands, this provision will alter the law regarding jurisdiction in ways that I strongly oppose.

This bill is a serious change in federal Indian law not seen since the enactment of "P.L. 280" in 1953, which conferred state jurisdiction over Indian lands without tribal consent.

Section 4 is also in direct conflict with the IGRA, which provides the United States with enforcement authority over Indian gaming activities.

The civil enforcement remedy granted to the states in S. 474 is unnecessary and unwarranted. Current law provides that class II gaming is regulated by the tribes and the federal government; and class III gaming is regulated pursuant to tribal-state compacts. Contrary to the assertions of many, the Indian gaming industry is subject to many layers of regulation.

Federal law already establishes enforcement remedies under the IGRA. These very jurisdictional issues arose when Congress considered the IGRA.

In 1987, the Supreme Court decided the Cabazon case which says that Indian tribes have the right to conduct gaming on Indian lands largely unhindered by state interference. With S. 474, we are re-opening an issue that has been settled for years.

Tribes and states can and often do resolve these issues in negotiations. Tribal-State compacts, and P.L. 280, only allow state enforcement activities with the consent of the affected tribes.

The IGRA established the mechanisms for tribes and states to negotiate and come to agreement on these matters and some tribes and states have freely entered negotiations to resolve these matters—in the form of state-tribal compacts.

Third, this bill amends the IGRA by requiring that any persons who place or receive the wagers involved be "physically located" on Indian lands.

As my friend from Idaho knows, there is ongoing litigation to determine the meaning of the term "on Indian lands" contained in the IGRA.

One question that is inherent in this debate over S. 474 is determining where the "transactions" that will be prohibited will take place?

Recognizing the complexities of Internet commerce and the tax issue, the nation's Governors recently agreed that an enlightened policy requires more information and deferred a decision regarding a "national Internet sales tax policy".

The notion that with this or any other bill, the United States can stop the flow of electronic gambling on American modems and computers is just not realistic.

For instance, the Caribbean nations of Antigua and Barbados actively promote what they call their "on-line casinos" to players both on the islands and to anyone off the islands with a computer.

So one consequence of this bill if enacted will be the elimination of American-based Internet gaming providers

to the benefit of off-shore gaming operators like our friends in the Caribbean. Will this Congress ever stop pursuing policies that send American jobs overseas?

Last, let me say a few things about the "Craig amendment" which I believe will eliminate the conflicts between S. 474 and the Indian gaming act and will appropriately provide that those games that are currently authorized and regulated under the IGRA would remain outside the purview of this legislation.

I am in favor of tribes and others being treated similarly as far as Internet gaming goes, and feel very strongly that tribes should not be singled out either for special treatment or for special scrutiny as far as the Indian Gaming Regulatory act goes.

As Chairman of the Committee on Indian Affairs, I know full well the controversy that surrounds gaming activities. I also know that the Indian gaming act represents a complex and delicate balance of competing interests—including state and tribal interests.

The tribes are seeking nothing more than what is already sanctioned under federal law in the form of the IGRA. As is the case with the Coeur d'Alene tribe, there is now pending federal litigation that the Congress ought not upset in the form of this legislation.

I urge my colleagues to join me in supporting the Craig amendment to provide equity and fairness to this Internet gaming legislation.

Mr. DASCHLE. Mr. President, the amendment offered by my colleague, Senator KYL, addresses a serious problem in our society, and I support most of its provisions.

I agree that we should protect children from having the opportunity to gamble on the Internet.

I agree that we should regulate gambling in a responsible manner.

I agree that we should take steps to protect the integrity of our amateur and professional sports.

The amendment offered by Senator KYL will address these problems, which have accompanied the rise of Internet gambling. The problem with the amendment is that it does not address these problems in a manner that treats Native Americans fairly.

To address this situation, I am cosponsoring the amendment offered by Senator CRAIG. This measure will exempt from the Kyl amendment those Indian gaming activities regulated and sanctioned by the Indian Gaming Regulatory Act, thereby retaining the current jurisdictional structure established under IGRA for Indian gaming, a structure that involves the federal courts and the National Indian Gaming Commission.

Mr. President, it would not be fair to Indian tribes to enact the restrictions of the internet gambling prohibition amendment offered by Senator KYL without retaining the regulatory structure of the Indian Gaming Regulatory Act as Senator CRAIG suggests. If Congress wants to modify the Indian Gaming Regulatory Act, it should do so only after serious review that includes the input of those parties affected directly by that change—in this case, the tribes and tribal gaming enterprises.

Therefore, I urge my colleagues to support the Craig amendment.

Mrs. FEINSTEIN. Mr. President, I rise in support of the Kyl Amendment, the Internet Gambling Prohibition Act. I am an original cosponsor of S. 474, on which this amendment is based.

This amendment takes important steps to address the dangerous, billion-dollar-a-year threat to our communities and our laws of Internet gambling.

The Senate Judiciary Subcommittee on Technology, Terrorism, and Government Information, on which I serve as Ranking Member, held hearings on the subject of Internet gambling in March of last year. At that time, I joined Senator KYL in introducing S. 474, on which this amendment is based. The bill passed the Senate Judiciary Committee by voice vote in October of last year.

Since that time, this proposal has been carefully fine-tuned to address concerns raised by various groups.

This proposal enjoys the support of a wide range of groups, including law enforcement, family and consumer advocates, and professional and amateur athletics.

Most importantly, FBI Director Louis Freeh, at a Senate Judiciary Committee hearing, when asked if the FBI supports the Internet Gambling Prohibition Act, Prohibition Act, replied, "Yes, I think it's a very effective change. We certainly support it."

Similarly, the National Association of Attorneys General explained why such legislation is important in letters to the Senate Judiciary Committee and to the full Senate. The State Attorneys General wrote:

> [M]ore than any other area of the law, gambling has traditionally been regulated on a state-by-state basis, with little uniformity and minimal federal oversight.

The availability of gambling on the Internet, however, threatens to disrupt each state's careful balancing of its own public welfare and fiscal concerns, by making gambling available across state and national boundaries, with little or no regulatory control.

This amendment brings our laws on gambling up to date with advances in technology. It ensures that the new medium of the Internet will not prove to be the latest frontier of illegal gambling.

I am proud to be an original cosponsor of the Internet Gambling Prohibition Act, and I am proud to support this amendment, to provide law enforcement with the tools it needs to keep the Internet free of the scourge of illegal gambling.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Indiana.

Mr. COATS. I rise in support of the amendment offered by the Senator from Arizona. And I want to, specifically, because it does address a serious growing problem of the utilization of the Internet to provide unregulated gaming activities, but also because there is a broader issue at stake here that I think we need to consider. We will not be voting on it this evening, but it is very much a part of this and it needs to be addressed.

First of all, the amendment offered by the Senator from Arizona is a good one because we clearly are dealing here with a new dimension in gaming, a new means by which gaming is provided to millions of Americans that is not accessible in the same way as it was before.

In 1961 Congress, wisely, I believe, passed the Wire Act. The Wire Act was designed to prohibit the utilization of telephone facilities to receive bets or send gambling information.

I do not have the regulative history in front of me, but I am almost certain Congress did that because it did not want the invasive nature of telephone lines and telephone access, which run into virtually every house in America, to be a means by which Americans could utilize that form of communication to enter into gambling. It did so because I am sure, if you went back and read the record, it understood the social cost, the consequences of gaming, and it wanted gaming to be a restricted activity.

Of course, the advent of the Internet as a communications medium was not anticipated by Congress or even envisioned by Congress at that time, so therefore this Wire Act does not cover that. The Senator's amendment extends pretty much the provisions of the Wire Act to the Internet. I think for that reason, it is legitimate in terms of updating it to comply the law to changes in technology.

The fact that it is supported by the FBI, with strong testimony from the FBI Director, the National Association of Attorneys General—as I understand, all the attorneys general have supported this from each State. Professional, amateur sports groups, including the National Football League, the NCAA, the NHL, NBA, Major League Soccer, Major League Baseball, for obvious reasons, are strongly in endorsement of this.

But then one of the most adverse collections of public interest groups and consumer advocates that have come together on an issue that I have seen for a long, long time—maybe ever—ranging from Ralph Nader's Public Citizen to the Christian Coalition, the National Coalition Against Legalized

Gambling, Focus on the Family, Family Research Council, have all endorsed the KYL language which prohibits the Internet gambling. Now, they have not just specifically done so because it only addresses Internet gambling. They have done so because Internet gambling is simply a piece of a much larger program that is having, in my opinion, a dramatically adverse and negative effect on our culture. They see the Kyl amendment as one way of addressing a broader question.

Ultimately, I think, we as Congress, we as representatives of the people, will have to come to grips as to what the impact of gambling is as it proliferates throughout our States and as access to gambling becomes more and more available to our citizens—and not just our adult citizens, but to our young people.

There is a growing concern about pathological aspects of gambling. For decades, our Nation has studied and Congress has struggled with how we deal with drug and alcohol addictions, but the rapid expansion of gambling is injecting a new narcotic into our Nation's bloodstream. The problem of pathological gambling is on the rise. The National Council on Problem Gambling places the number of Americans with serious gaming problems at around 5 percent. Most studies confirm that estimate. However, as gambling becomes more pervasive and as gambling becomes more accessible, this number is increasing dramatically. Some say it has doubled; some say it might have tripled.

As with other addictive behaviors, gambling not only affects the individual who does the gaming but it affects their families, it affects their careers, virtually every aspect of their lives. Separation, divorce, spousal and child abuse, neglect, substance abuse, and suicide have all been linked as side effects of problem gambling.

Studies of high school students which have recently been undertaken have indicated that gambling is spreading into our high schools and spreading into minors' use in dramatic ways. Of course, nothing is more accessible to gaming than the Internet. If you want to bypass the normal restrictions and regulations that are placed on gaming—and those have been loosened dramatically—the quickest and easiest and most effective way to do so is through the Internet.

I think Senator KYL's amendment is particularly relevant at this particular time to address a part of the gaming problem and the gambling problem that exists in America. It does so in a way that can be utilized to at least make it more difficult, significantly more difficult, for minors to utilize the Internet as a means of gaming. Knowing what the pathological results and the consequences are, as we see a proliferation of individuals entering into gambling, we know that the raw number of individuals who are affected by problem gaming is going to increase dramatically.

I will just say one more word about the second-degree amendment before the Senate. I think the second-degree amendment creates a huge loophole. In a sense, it creates a monopoly. It creates a monopoly for one entity to use the Internet to provide gambling access and therefore totally undermines the intent of the Kyl amendment.

I understand that there is a statute outlining procedures by which these decisions are made. Nevertheless, that doesn't invalidate the amendment of the Senator from Arizona which addresses the broader issue. If we allow a significant exception for one entity, that one entity, obviously, will take advantage of that loophole and we will accomplish virtually nothing that the Senator is attempting to accomplish.

I urge my colleagues to defeat the second-degree amendment and support the underlying amendment by the Senator from Arizona which addresses, as I said, only a part, but a very significant part, of the problem, and particularly because it addresses the infusion and the explosion of gambling that is entering the lives of our children and is becoming accessible to them in ever easier ways, and particularly through the Internet.

I urge my colleagues as we move toward a vote here to support the amendment of the Senator from Arizona.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I rise in support of Senator CRAIG's second-degree amendment to the amendment proposed by Senator KYL.

Mr. President, I am privileged to represent the State of Hawaii together with Senator AKAKA. The State of Hawaii is one of two States—Utah being the other—where all forms of gaming, gambling, are prohibited. To play bingo in Hawaii would be a crime. I support Hawaii's position.

There have been countless attempts made to introduce gaming into our islands, but in each case I am happy to report that the political leaders of Hawaii have opposed it and we have prevailed. So it may sound strange to some of my colleagues to see me standing here supporting the second-degree amendment of Senator CRAIG.

Eleven years ago, there was a very important decision rendered by the Supreme Court of the United States, the so-called Cabazon case. The decision in the Cabazon case was a most important one, because it once again declared clearly that Indian nations were sovereign. Our Constitution declares that Indian nations are sovereign. The laws of our land and the laws that we have passed in this Chamber have consistently indicated that Indian country is sovereign, whether we like it or not.

The Cabazon decision was a simple one. It said if a State does not prohibit gaming, then it cannot prohibit gaming in Indian reservations. California did not prohibit gaming. Therefore, the Cabazon Tribe had the authority to do that.

Immediately, many of us in this Chamber saw the potential for utter chaos in the United States if all of the Indian reservations rose as one to claim their right under Cabazon to conduct gaming in the various States. There would be no regulation, no supervision. Therefore, we took it upon ourselves to pass the Indian Gaming Regulatory Act, and we did so not by consultation but by advice and by the recommendation of how the law should read, from the States, the Governors, and the AGs of the States, who told us how they wanted this law to be passed.

The law that is now regulating Indian gaming is the creature of the States. We took away a bit of Indian sovereignty to bring this about because, as we all know, the sovereignty of Indian country results in a trust relationship between our Government and an Indian government; it is not a relationship between Indian government and State government.

This Kyl amendment has an ambiguity because, on one hand, it says the Feds will implement the law in Indian country, but there is another provision that says the State government will enforce the provisions of this amendment in Indian country.

What we have tried to do here is to simply carry out the intent of the amendment as set forth by Senator KYL.

I was very encouraged by the statement made in Senator KYL's recent "Dear Colleague" letter in which he stated his amendment "will neither explicitly or implicitly amend the Indian Gaming Regulatory Act."

Mr. President, Senator CRAIG's amendment is a very simple one. It would simply accomplish what Senator KYL has indicated as being his intention. The amendment will accomplish two objectives: First, make clear that gaming, which is lawful under the Indian Gaming Regulatory Act, would not be rendered unlawful by the Kyl amendment. Secondly, the amendment would conform the enforcement of Federal laws on Indian lands to the Federal regulatory scheme that has been in place for over 100 years; namely, that the United States is, and will continue to be, responsible for the enforcement of Federal criminal laws on Indian lands.

The Craig amendment is necessary because the Kyl amendment will otherwise shift the responsibility for the enforcement of this new Federal criminal statute to the States. Mr. President, I don't think that was the intention on the part of Senator KYL.

Therefore, I urge my colleagues to support the second-degree amendment

submitted by Senator CRAIG, because that will assure that there is no unintentional effect of our action on the provisions of the Kyl amendment on the lawful conduct of gaming on Indian lands.

Mr. President, if I had my way, I would recommend that gaming be outlawed. With the Craig amendment, I will be supporting the Kyl amendment to make certain that Internet gaming is not made wild and widespread throughout this whole Nation and world. I urge my colleagues to look upon the Craig amendment with seriousness. We do believe in what our Constitution says and what the Supreme Court decision has so declared.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I have been informed that the second degree I sent to the desk needs a correction. I ask unanimous consent that amendment No. 3268 be corrected as ordered in drafting.

The PRESIDING OFFICER. Is there objection?

Mr. BRYAN. Mr. President, reserving the right to object, and I shall not object. I am a little bit concerned that the hour of 9:30 is approaching and we haven't had time to fully discuss the amendment the Senator from Idaho has offered, the second-degree amendment. This is a very significant amendment. If it passes, I will vote against the amendment Senator KYL and I have cosponsored.

Mr. GREGG. If the Senator will yield, I recognize there is a considerable need for more debate on this. I don't plan to vote on this issue at 9:30. After we finish the votes in order, we will come back to the Kyl amendment, as amended by Craig, and go forward from there.

Mr. BRYAN. Mr. President, I think that would be all right.

Mr. FORD. Reserving the right to object, Mr. President, could you have a unanimous consent that we return to this immediately after the vote on the last amendment? Would that be suitable?

Mr. GREGG. Yes. I ask unanimous consent that, upon completion of the final vote in the series of votes beginning at 9:30, we return to the Kyl amendment, as amended by Craig.

Mr. KYL. Mr. President, reserving the right to object, I want to ask the Senator from Idaho a question. Is that a technical correction or a substantial change? In other words, we need to know what it is that we are talking about if the Senator has submitted a correction.

Mr. CRAIG. It is a technical correction. The intent of the amendment is as originally presented to you.

Mr. KYL. We need to have a copy of that, obviously. I will not object.

Mr. CRAIG. I will be happy to provide that. I made the mistake of amending the Bryan amendment and, as a result, now I have amended your amendment, as amended. That is the appropriate way to do it.

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

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I will be very brief. I want to associate myself, as we say, with the remarks of the Senator from Hawaii. I am probably only the second person who is going to rise today who opposes gambling. My State has decided to go that route. I have taken an unpopular position in my State. Fortunately, I am not Governor, I am a Senator, and everybody knows we don't pay attention to Senators back in the State—at least in my case.

I do support the Craig amendment on the grounds stated by the Senator from Hawaii. It seems to me that what the Craig amendment does is exactly what the Senator from Hawaii has stated, which is that it makes it clear that the intention stated by my friend from Arizona is in fact met, that it does not in fact directly, or indirectly, by inference or otherwise, amend IGRA.

It seems to me that, on a larger principle, we are always all too ready, in the 25 years I have been here, to say we believe in the sovereignty of the Indian nations. And we are very ready, whenever they do anything we don't like, to conclude that we in fact do not recognize and should not recognize their sovereignty. Further, we add insult to injury and the only time we treat them as sovereign nations is when we are handing out money, when we have programs. One of the exceptions in the crime bill is that Indian nations can apply for police officers directly, just like the State of Delaware, or the town of Wilmington, or the county of Columbus could do so.

So I find it somewhat interesting when, in fact, we find it in our interest—meaning we are not going to spend money—to recognize the sovereignty of Indian nations—we are ready to do that. But when Indian nations want to do something that somehow is viewed as impinging upon another interest in a State in which the Indian nation happens to be located, we are all ready to say, no, no, no, let's hold up.

I will not take any more time, in light of the hour. We are about to vote. I agree fully with the Senator from Hawaii. I share his view about gambling generally, and I share his view about the Craig amendment specifically.

I yield the floor.

Mr. KYL. Mr. President, I want to make something very clear since the Senator from Delaware is still on the floor.

The Senator from Idaho has proposed an amendment that is a poison pill. I want to make it very clear that if by some chance it should pass, I will urge all of my colleagues to vote against my bill, because what it will do is create a monopoly. Indian tribes will be the only people in the country that will be permitted to engage in Internet gambling. Offshore casinos, virtual casinos, and Indian tribes would be able to do it; no other citizen would be allowed to do it. This is not a violation of IGRA. We do not provide for State enforcement unless an Indian tribe has already agreed by compact to do that.

So I want to make it clear. I will read to you two sentences from a letter from the National Association of Attorneys General. I want the Senator from Delaware to listen to these words and to appreciate that this activity is illegal; it will be illegal for all Americans, and I think the last thing we want to do is create a situation in which one group of Americans can do this and nobody else can. This is a letter to Acting Chairman Deer and Commissioners Foley and Hogen of the National Indian Gaming Commission with respect to this issue:

> We are writing to you to express our strong opposition to and legal analysis regarding the use of the Internet for the purpose of engaging in gaming activity allegedly under the Indian Gaming Regulatory Act of 1988 (IGRA). The undersigned have concluded that such gaming is not authorized by IGRA.

That is signed by all of the attorneys general, including the attorneys general of Hawaii and Idaho and, as I said, all of the other attorneys general.

I have practiced law for 20 years. I am very familiar with the law in this area. I am not misreading the law. With all due respect to our colleagues from Idaho and Hawaii—and I love them both, and they are great and fine Senators—on this matter, in my opinion, they are simply not correct. The effect of their amendment is so bad, as I said, it is a poison pill. It is so bad that I would have to urge all of my colleagues to vote against this amendment that Senator BRYAN and I have proposed.

Mr. GREGG. Mr. President, what is the regular order?

AMENDMENT NO. 3257

The PRESIDING OFFICER. The regular order is that the hour of 9:30 having arrived, under the previous order the pending question is the amendment numbered 3257 offered by the Senator from Arizona, Mr. MCCAIN. Under the previous order, there will now be 2 minutes of debate equally divided.

Who yields time?

Mr. GREGG. Mr. President, I ask unanimous consent that after the completion of the McCain amendment that votes on further amendments that are in this stacked group be limited to 10 minutes in duration.

The PRESIDING OFFICER. Is there objection?

Mr. COATS. Reserving the right to object, I don't intend to object. I ask the manager of the bill if he could give

us some indication of what his intention is this evening relative to the schedule. How many votes will we have? After this series of votes, it is my understanding that we are going to return to the Kyl amendment for further debate. Does that mean further votes this evening?

Mr. GREGG. It is my expectation that what will occur is we will have maybe a minimum of five votes during this sequence, and potentially six. At the completion of that, we will go back to the Kyl amendment, as amended, by Craig. We will debate that until it is in a position to be voted on. Then we will vote on it. Then we will go on to the next amendment on this bill, and we will vote on that.

Mr. COATS. Is it the Senator's intention that we will stay on this bill this evening until this bill is completed?

Mr. GREGG. It is my hope—I know it is the hope of the ranking member—that we can work out a unanimous consent to be more accommodating to our colleagues. But that unanimous consent has not been agreed to. Our hope would be to get a unanimous consent where all the pending amendments to the bill, of which we have agreements on the list, to be debated tonight and then voted tomorrow. However, as of now there are objections to that unanimous consent. As long as there are objections, it is my intention to proceed on with votes.

Mr. COATS. So we will be here until at least 11 p.m. voting, and maybe not even be voting yet on the Kyl-Craig amendment.

Mr. GREGG. My expectation is that we will be voting until 11 p.m. on this sequence, and further debate on Kyl-Craig, which I presume will take another hour, and we will be voting on that, unless we can get agreement on unanimous consent requests, which the Senator from South Carolina and I have asked both our colleagues to support us on, which would be to allow debate on all pending amendments, of which we have a list, tonight with votes to occur stacked tomorrow morning.

Mr. COATS. Absent that, my last point, as a consequence we will continue this evening?

Mr. GREGG. That is correct. That is my intention.

Mr. COATS. I thank the Senator. I withdraw any objection.

The PRESIDING OFFICER. Has all time been yielded?

Mr. GREGG. Mr. President, I ask unanimous consent that all time be yielded on the McCain amendment.

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

The question is on agreeing to the amendment of the Senator from Arizona. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 47, nays 53, as follows:

[Rollcall Vote No. 223 Leg.]

YEAS—47

Abraham	DeWine	McCain
Allard	Dorgan	Moseley-Braun
Ashcroft	Enzi	Murkowski
Bingaman	Faircloth	Murray
Bond	Feingold	Nickles
Boxer	Frist	Reid
Brownback	Gramm	Roberts
Bryan	Grams	Roth
Burns	Grassley	Sessions
Cleland	Hagel	Shelby
Coats	Hutchinson	Smith (NH)
Cochran	Kempthorne	Smith (OR)
Collins	Kohl	Snowe
Conrad	Kyl	Thomas
Coverdell	Lugar	Thompson
Craig	Mack	

NAYS—53

Akaka	Graham	Lieberman
Baucus	Gregg	Lott
Bennett	Harkin	McConnell
Biden	Hatch	Mikulski
Breaux	Helms	Moynihan
Bumpers	Hollings	Reed
Byrd	Hutchison	Robb
Campbell	Inhofe	Rockefeller
Chafee	Inouye	Santorum
D'Amato	Jeffords	Sarbanes
Daschle	Johnson	Specter
Dodd	Kennedy	Stevens
Domenici	Kerrey	Thurmond
Durbin	Kerry	Torricelli
Feinstein	Landrieu	Warner
Ford	Lautenberg	Wellstone
Glenn	Leahy	Wyden
Gorton	Levin	

The amendment (No. 3257) was rejected.

Mr. WARNER. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The pending question is now on amendment No. 3261, offered by the Senator from Idaho, Mr. CRAIG.

Who yields time?

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

AMENDMENT NO. 3256

Mr. GREGG. I ask unanimous consent the Thompson amendment, No. 3256, be agreed to.

THE PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3256) was agreed to.

Mr. GREGG. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate majority leader.

Mr. LOTT. Mr. President, I know the Senators are trying to get some idea of how this will go from here on. I have been working with Senator DASCHLE.

Mr. President, we have four more votes in this stacked sequence, which will take us a good portion of the next hour. We are trying to work an agreement whereby we would then, at the conclusion of this series of votes, go back to the Kyl amendment and have the debate on that concluded tonight, with a vote occurring at 9 in the morning. Then we would get an agreement that all other amendments and final passage occur by noon tomorrow.

I think that is reasonable. Senator DASCHLE is working with me to see if we can get everybody to agree to that. We are trying to find a way to give you some reasonable night tonight and get this to a conclusion. I do not want to prejudge amendments that are being offered, but I really think we have reached a point where we need to get a conclusion. If we do not put an end to it, it will go on and on and on, on this bill. The alternative is to go back to Kyl and vote on that and to have other votes. I still have the luxury of going to the Executive Calendar, if all else fails, and have some votes on that.

We need cooperation so Senators can make progress so the rest of us can get a decent night's sleep and so we can complete this bill tomorrow. I am not going to ask that right now, to give both of us time to work with those who have amendments, but I think that is a very reasonable arrangement, so I hope all of our colleagues will help us by talking to other colleagues who might have amendments, and I hope we can get this worked out by the next vote.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 3261, AS MODIFIED

Mr. CRAIG. Mr. President, I say to my fellow Senators, they are being asked to vote in just a couple of minutes on what I think is an extremely important amendment. We move the Youth Crime Gun Interdiction Initiative, that is now a demonstration project in Philadelphia, nationwide over a period of 5 years. With the Bureau of Alcohol, Tobacco and Firearms, working with counties, States and local law enforcement agencies, to provide information on the illegal activity of firearms in communities, to create adult, juvenile and youth illegal firearm activities, identify them and control them, to make firearm violations Federal violations prosecutable and move it in that direction.

Mr. President, if this Senate wants to move against youth violence with the misuse of firearms, this is a major initiative and a major step in that direction. I hope my colleagues will work with us as we expand this from 17 demonstration projects to 50 to 75 to 150 across the Nation in high-crime areas going directly at juveniles and the misuse of firearms and prosecuting felons who use firearms in the commission of a crime, which is already a Federal violation of law, but now goes unprosecuted.

I hope my colleagues can join with me in supporting this amendment.

The PRESIDING OFFICER. Who yields time in opposition? The Senator from Illinois.

Mr. DURBIN. Mr. President, I started in opposition to this amendment, but I now rise in support of this amendment. I think the Senator from Idaho is right. I think we should adopt this amendment with an overwhelming margin, and I believe he was right yesterday during the course of the debate when he said:

A general firearm safety rule that must be applied to all conditions is that a firearm should be stored so that it is not accessible to untrained and unauthorized people.

The Senator went on to say:

Proper storage of firearms is the responsibility of every gun owner.

The next amendment after we adopt the Craig amendment will give us a chance to adopt a children's access prevention law which says to every gun owner in America, you have the right to bear arms; you have the responsibility to store them safely. I urge all my colleagues to vote with Senator CRAIG and then support the Durbin-Chafee amendment.

Mr. GREGG. Mr. President, in light of the Senator's statement, I ask unanimous consent that the yeas and nays on this amendment be vitiated and that the amendment be agreed to my unanimous consent.

Mr. HOLLINGS. No objection.

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

The PRESIDING OFFICER. The question is on agreeing to the Craig amendment No. 3261, as modified.

The amendment (No. 3261), as modified, was agreed to.

Mr. GREGG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3260

The PRESIDING OFFICER. The question now occurs on the amendment by the Senator from Illinois No. 3260. Who yields time?

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I am going to yield a minute to my colleague and cosponsor, Senator CHAFEE of Rhode Island. I urge my colleagues to understand that 15 States have enacted these laws to protect children. We all read about these horrible situations in Jonesboro, in Springfield, in Pearl, MS. Let us not just lament this situation, let us do something about it.

Gun owners understand their responsibility. That is why the NRA supported this law in its enactment in five different States. We can do this tonight to save children's lives.

I yield my remaining time to my colleague from Rhode Island.

Mr. CHAFEE. Mr. President, may we have order?

The PRESIDING OFFICER. Order in the Senate. Senators will take their conversations off the floor of the Senate.

The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, it is clearly recognized that if you own a pit bull and it is recognized as dangerous, you better control that pit bull. And if that pit bull slips away and injures, severely mauls a child, you are liable. So it is with guns. If you leave a gun lying around that a juvenile gets to and that juvenile causes severe damage with that gun either to himself or to another individual, then you are to be liable, likewise.

If you are liable for a pit bull, you certainly ought to be liable for a dangerous weapon like a rifle or a handgun that is left lying around. If you keep it under lock and key, that is a different matter, you are not liable. I urge everyone to support this amendment.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I say to fellow Senators, don't be fooled by this amendment. For the first time, we take the victim, the person who has had his or her firearm stolen, and we make them the criminal. For the first time, we say you can become a Federal criminal without ever being involved in the crime. That is what this amendment does.

Don't fall for the analogy of the pit bull. If the pit bull is chained in the backyard, and there is a fence around the yard, and the yard is locked and somebody gets in that yard and inside the circle of the pit bull and is injured, it is not the owner's fault. That is the law.

I hope you can join with me in opposing this. Don't make the victim the criminal. Don't say that the person should become a Federal criminal who is not even associated with the crime.

Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 3260, offered by the Senator from Illinois, Mr. DURBIN. The yeas and nays have been ordered on this question. The clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 69, nays 31, as follows:

[Rollcall Vote No. 224 Leg.]

YEAS—69

Abraham	Enzi	Lott
Allard	Faircloth	Lugar
Ashcroft	Feingold	Mack
Baucus	Ford	McCain
Bennett	Frist	McConnell
Bingaman	Gorton	Murkowski
Bond	Gramm	Nickles
Breaux	Grams	Reid
Brownback	Grassley	Roberts
Bryan	Gregg	Rockefeller
Burns	Hagel	Roth
Campbell	Hatch	Santorum
Cleland	Helms	Sessions
Coats	Hollings	Shelby
Cochran	Hutchinson	Smith (NH)
Collins	Hutchison	Smith (OR)
Conrad	Inhofe	Snowe
Coverdell	Jeffords	Specter
Craig	Johnson	Stevens
D'Amato	Kempthorne	Thomas
Daschle	Kerrey	Thompson
Domenici	Kyl	Thurmond
Dorgan	Leahy	Warner

NAYS—31

Akaka	Graham	Moseley-Braun
Biden	Harkin	Moynihan
Boxer	Inouye	Murray
Bumpers	Kennedy	Reed
Byrd	Kerry	Robb
Chafee	Kohl	Sarbanes
DeWine	Landrieu	Torricelli
Dodd	Lautenberg	Wellstone
Durbin	Levin	Wyden
Feinstein	Lieberman	
Glenn	Mikulski	

The motion to lay on the table the amendment (No. 3260) was agreed to.

Mr. GREGG. I move to reconsider the vote.

Mr. CRAIG. I move to lay the amendment on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3263

The PRESIDING OFFICER. The next order of business is the Bumpers amendment numbered 3263, with 2 minutes equally divided.

Mr. BUMPERS addressed the Chair.

The Senator from Arkansas.

Mr. BUMPERS. Mr. President, if you vote no on this amendment, you should be prepared to go home and say to your constituents that you really don't believe in privacy. When we have a law in this country that allows people to tape-record a conversation with you and only they know it is being taped and you don't and that is quite legal, we no longer have any privacy in this country. How do you explain that to your constituents?

This bill would make it a criminal offense, as Janet Reno said she favored in Florida, as 15 States have already adopted. We overwhelmingly passed a law to make it a criminal offense to intercept a cellular phone call. What I am trying to do is to extend that to the old archaic rule—think of this, think of this. You can be talking to a person who is your best friend; he or she can be tape-recording that conversation and publish it on the front page of the New York Times or the Washington Post, and there isn't a thing you can do about it.

I have exempted law enforcement; I have exempted intelligence agencies; I

have exempted everybody who has to make telephone calls in their business; I have exempted people who are threatened or stalked.

Please, let's correct this once and for all.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, usually I have some empathy for what my colleague is saying, but this amendment requires both parties to consent before phone calls are being taped. This hasn't been debated before the Judiciary Committee and involves all kinds of ramifications.

It is setting a Federal standard where one is not needed, because many States now allow taping by one party. It is brought up only after the Linda Tripp situation.

I frankly think it is the wrong thing to do. We are willing to look at this, but we are willing to look into this on the Judiciary Committee, and we certainly will do it. But I think it is the wrong thing to do right now. I don't believe we should federalize this at this point.

Mr. BUMPERS. I ask unanimous consent for 10 seconds.

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

Mr. BUMPERS. Mr. President, I offered this amendment in 1984 when Charles Wick, head of the United States Information Agency, said that he had taped 84 phone calls, including Reagan, Cabinet Members, President Carter. I offered it then, and I got 41 votes. I offered it again in 1993. Linda Tripp has nothing to do with this.

This is plain decency. It is constitutional. It is an invasion of your privacy for somebody to record a conversation of you and you not know it.

It is offensive in the extreme.

Mr. HATCH. Mr. President, I ask unanimous consent for 10 seconds.

The way to do this is not to federalize it. Let's at least not impose something on the States without full committee hearings before the Judiciary Committee and find out what should be done.

I am not necessarily saying I am rejecting what the Senator said, but I have to reject it under these circumstances. I hope we will reject it.

The PRESIDING OFFICER. Time on the amendment has expired.

Mr. GREGG. Mr. President, I remind the Members, this is a 10-minute vote, and the faster we can get it done, the faster we can get out.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. GREGG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

The question is on the amendment of the Senator from Arkansas.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced—yeas 50, nays 50, as follows:

[Rollcall Vote No. 225 Leg.]

YEAS—50

Akaka	Durbin	Lautenberg
Baucus	Feingold	Leahy
Biden	Feinstein	Levin
Bingaman	Ford	Lieberman
Boxer	Glenn	Mikulski
Breaux	Graham	Moseley-Braun
Bryan	Harkin	Murray
Bumpers	Hollings	Reed
Byrd	Hutchinson	Reid
Chafee	Inouye	Robb
Cleland	Jeffords	Rockefeller
Coats	Johnson	Sarbanes
Conrad	Kennedy	Snowe
Coverdell	Kerrey	Torricelli
Daschle	Kerry	Wellstone
Dodd	Kohl	Wyden
Dorgan	Landrieu	

NAYS—50

Abraham	Gorton	Moynihan
Allard	Gramm	Murkowski
Ashcroft	Grams	Nickles
Bennett	Grassley	Roberts
Bond	Gregg	Roth
Brownback	Hagel	Santorum
Burns	Hatch	Sessions
Campbell	Helms	Shelby
Cochran	Hutchison	Smith (NH)
Collins	Inhofe	Smith (OR)
Craig	Kempthorne	Specter
D'Amato	Kyl	Stevens
DeWine	Lott	Thomas
Domenici	Lugar	Thompson
Enzi	Mack	Thurmond
Faircloth	McCain	Warner
Frist	McConnell	

The amendment (No. 3263) was rejected.

MOTION TO TABLE MOTION TO RECONSIDER

Mr. LOTT. Mr. President, I move to reconsider the vote and to lay that motion on the table.

Mr. BUMPERS. Mr. President, is the motion to reconsider debatable?

The PRESIDING OFFICER. The motion to reconsider is not debatable.

Mr. BUMPERS. Has a motion to table been made, Mr. President?

The PRESIDING OFFICER. Yes.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to reconsider.

The clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 51, nays 49, as follows:

[Rollcall Vote No. 226 Leg.]

YEAS—51

Abraham	Burns	Craig
Allard	Campbell	D'Amato
Ashcroft	Coats	DeWine
Bennett	Cochran	Domenici
Bond	Collins	Enzi
Brownback	Coverdell	Faircloth
Frist	Kempthorne	Santorum
Gorton	Kyl	Sessions
Gramm	Lott	Shelby
Grams	Lugar	Smith (NH)
Grassley	Mack	Smith (OR)
Gregg	McCain	Specter
Hagel	McConnell	Stevens
Hatch	Murkowski	Thomas
Helms	Nickles	Thompson
Hutchison	Roberts	Thurmond
Inhofe	Roth	Warner

NAYS—49

Akaka	Feinstein	Levin
Baucus	Ford	Lieberman
Biden	Glenn	Mikulski
Bingaman	Graham	Moseley-Braun
Boxer	Harkin	Moynihan
Breaux	Hollings	Murray
Bryan	Hutchinson	Reed
Bumpers	Inouye	Reid
Byrd	Jeffords	Robb
Chafee	Johnson	Rockefeller
Cleland	Kennedy	Sarbanes
Conrad	Kerrey	Snowe
Daschle	Kerry	Torricelli
Dodd	Kohl	Wellstone
Dorgan	Landrieu	Wyden
Durbin	Lautenberg	
Feingold	Leahy	

The motion to lay on the table the motion to reconsider was agreed to.

Mr. LOTT. Mr. President, I would like to propound a unanimous consent request now. If we can get this worked out, then we will have one remaining vote tonight.

Mr. BURNS. Mr. President, the Senate is not in order.

UNANIMOUS CONSENT REQUEST

Mr. LOTT. If we can get this unanimous consent agreement worked out, then there will be one remaining vote tonight and then the first recorded vote will be about 9:20, I believe, in the morning. Then we will go on to other issues with time limits, and we will probably have another series of stacked votes on over in the morning after consultation with the managers, if that would be all right.

I ask unanimous consent that following the next vote, the Senate resume the pending Craig amendment to the Kyl amendment and a vote occur on or in relation to the Craig amendment at 9:15 on Thursday, with 10 minutes equally divided for closing remarks prior to the vote.

I further ask that following the vote in relation to the Craig amendment, the Senate proceed to vote in relation to the Kyl amendment, as amended. I further ask, following the Kyl amendment, the following amendments be the only amendments to be offered to the pending legislation other than the managers' amendment, with no second-degree amendments in order, and limited to the times, where specified, all to be equally divided.

The list is as follows: A Nickles amendment regarding defense attorneys, 10 minutes; a Bingaman amendment regarding trademark and Indian tribes, 20 minutes; a Bumpers amendment regarding immigrant investor program, 20 minutes; a Kerrey of Nebraska amendment regarding copper, 40 minutes; a Kerry of Massachusetts

amendment regarding Vietnam, 20 minutes; a Wellstone amendment regarding abuse of immigrant spouses, 30 minutes; a Hatch amendment regarding gun prosecutions, 20 minutes; a Grams amendment regarding criminal court, 10 minutes; a Grams amendment regarding U.S. nationals, 10 minutes; a Grams amendment regarding budget certification, U.N., 10 minutes; a Smith of Oregon amendment regarding guest workers, 10 minutes.

I further ask that following the debate on the above-listed amendments, the Senate proceed to vote in a stacked sequence, with 2 minutes for debate to be equally divided prior to each vote, and following those stacked votes, Senator GREGG be recognized to offer the managers' amendment, and following its disposition, all other provisions of the previous consent agreement with respect to the passage vote then occur.

Before the Chair puts this to a question, I thank Senator DASCHLE for his cooperation in getting reasonable time agreements here. I think maybe some of these amendments would actually require less time than has been identified. But we are trying to make sure that all Senators have the time that they need.

Mr. DASCHLE. If the majority leader will yield——

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Reserving the right to object.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, the Senator from California had made a request that she be on that list, as had the Senator from New Jersey. The Senator from California had asked for a half-hour on her amendment. She is continuing to negotiate with the managers. The Senator from New Jersey had asked for an amendment, 10 minutes as well.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Reserving the right to object, if we could get 20 minutes on the guest worker, with the possibility of a second-degree amendment and 30 minutes evenly divided on the second-degree amendment.

Mr. LOTT. Mr. President, I think I hear additional amendments which would require second-degree amendments beginning to evolve here. The alternative is, we go ahead and keep voting tonight. We have had plenty of debate here. I would like to find a way that we can get this completed at a reasonable hour tomorrow.

Does the Senator from California have something worked out that I could include in this request?

Mrs. FEINSTEIN. Yes. If I could have a half-hour.

Mr. LOTT. The problem with all of these is that if we have them offered, then second degrees would be requested by others. So if we can't get this agreed to, then I think we will just have to go on with this vote and keep going tonight.

Now, we can work during this vote and see if we can work it out. But it is 30 minutes for first degree, 30 minutes for a second degree, and there is no end to it. We have tried to work up a reasonable agreement here.

I would like for Senators to work during this vote. We cannot tell you this is the last vote now. So you are not going to be able to vote and leave unless we can get something worked out very quickly.

Any other reservations we need to be made aware of here?

Mr. BIDEN. Mr. President, as they say, reserving the right to object, I don't think there is a problem; we may be able to work it out. But you mentioned two amendments Senator GRAMS of Minnesota has regarding the United Nations. If we can't work out the second one relating to U.N. arms, I would want a second-degree amendment, or else I would object.

Mr. LOTT. Mr. President, let's proceed to vote.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The request has been withdrawn.

AMENDMENT NO. 3264

The question is on agreeing to the amendment of the Senator from Wisconsin. There is 2 minutes of debate equally divided.

Who yields time?

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, this amendment simply states what we all know to be true, and that is that cable rates across the country have risen steadily since the Telecommunications Act of 1996. And there is virtually no competition in the industry. The amendment instructs the FCC to report to us whether this situation is consistent with the FCC's responsibilities, which it still has until March of 1999, to make sure that cable TV rates are reasonable. If not, the amendment asks the FCC to give us an action plan; in other words, what is it going to do to carry out its duties?

This is an amendment designed to hold the FCC accountable. We gave it a mission to promote competition and ensure that the rates are reasonable. The American people deserve to know why the agency has not succeeded. The amendment is supported by the Consumers Union and will be a signal whether this body is content to see cable rates rise as high as three to four times the rate of inflation, as has happened during the past year.

I urge my colleagues to vote in favor of this simple amendment.

The PRESIDING OFFICER (Mr. ENZI). The time of the Senator has expired. Who yields time?

The Senator from Arizona.

Mr. MCCAIN. Mr. President, I will take 30 seconds and give the other 30 seconds to the Senator from Montana.

This is not the time or place to take such action which would represent the beginning of cable reregulation. Mr. President, I hope my good friend from Wisconsin will withdraw the amendment and testify before the Commerce Committee next Tuesday, where we are examining the issue of cable rates. This is not the place to have this kind of amendment, which has such profound effects. It requires separate legislation. I understand his problem, but this is not the solution.

Mr. President, I move to table the amendment.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I am concerned that the Feingold amendment is an inappropriate attempt to continue excessive government regulation of the cable industry. I believe that additional reports on the industry by the Federal Communications Commission would be an unnecessary waster of taxpayer money. Furthermore, any efforts to deal with cable rates should be dealt with in the upcoming hearing we have scheduled before the Commerce Committee this Tuesday.

The Cable Bureau is largely a product of the 1992 Cable Act. I opposed that Act because I believed it was overly regulatory and heavy handed. I believe that my concerns were proven to be correct. However, in 1996, Congress responded to some of the excesses of the 1992 Act and to the growing competitiveness of the marketplace by adopting several Cable Act reform provisions as part of the Telecommunications Act.

The aim of the Telecommunications Act as it related to cable services was to provide increased choices at lower cost by opening up historically monopolistic, regulated markets to new entrants. In return, cable operators would be allowed to enter new communications markets such as telephone and information services. As we move beyond traditional models of monopolies and excessive regulation to a climate of open competition, exciting new educational and commercial opportunities are beginning to appear.

I am also very concerned about the recent spate of increases in cable rates. However, the answer to increasing rates is not found in ever-increasing government regulation but in providing for increased consumer choice. Rather than engaging in micromanaging the rate-structure of the cable systems, government should create a

level playing field where new entrants can compete effectively with incumbent providers.

It was for this reason that I must oppose further misguided efforts to engage the government in regulating cable rates.

Mr. President, this issue has been studied to death. When this Congress decided to deregulate the cable industry, it was to expand services and enhance services of the cable industry. That has happened. If you look at the services and the expanded television coverage that we have now on cable as compared to as near as 5 years ago, you would see a big difference in the services that you receive today.

There is a hearing on next Tuesday. We invite the Senator from Wisconsin to testify. This is no place to deal with this situation.

I yield the floor.

The PRESIDING OFFICER. All time has expired. The question is on the motion to table. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MACK (when his name was called). Present.

The result was announced, yeas 63, nays 36, as follows:

[Rollcall Vote No. 227 Leg.]

YEAS—63

Abraham	Ford	McCain
Allard	Frist	McConnell
Ashcroft	Gramm	Moynihan
Bennett	Grams	Murkowski
Bingaman	Grassley	Nickles
Bond	Gregg	Reed
Breaux	Hagel	Reid
Brownback	Hatch	Roberts
Bryan	Helms	Roth
Burns	Hollings	Santorum
Campbell	Hutchinson	Sessions
Chafee	Hutchison	Shelby
Coats	Inhofe	Smith (NH)
Cochran	Inouye	Smith (OR)
Collins	Kempthorne	Snowe
Craig	Kerrey	Stevens
Daschle	Kerry	Thomas
DeWine	Kyl	Thompson
Domenici	Landrieu	Thurmond
Enzi	Lott	Torricelli
Faircloth	Lugar	Warner

NAYS—36

Akaka	Durbin	Leahy
Baucus	Feingold	Levin
Biden	Feinstein	Lieberman
Boxer	Glenn	Mikulski
Bumpers	Gorton	Moseley-Braun
Byrd	Graham	Murray
Cleland	Harkin	Robb
Conrad	Jeffords	Rockefeller
Coverdell	Johnson	Sarbanes
D'Amato	Kennedy	Specter
Dodd	Kohl	Wellstone
Dorgan	Lautenberg	Wyden

ANSWERED "PRESENT"—1

Mack

BOYS AND GIRLS CLUB CAPITAL FLAGSHIP CLUB

Mr. HATCH. I would like to engage the distinguished manager of the bill, Senator GREGG, in a colloquy.

Mr. GREGG. I would be pleased to respond to the chairman of the Judiciary Committee on a matter that I know is of great importance to him.

Mr. HATCH. I thank the floor manager and subcommittee chairman.

I was pleased that the Commerce, Justice, State, Judiciary appropriations bill as reported to the Senate included an increase of $20,000,000 over current levels for the Boys and Girls Clubs, bringing total funding for this outstanding organization to $40,000,000 in fiscal year 1999.

As the chairman knows, I support additional funding in his bill to allow the Boys and Girls Club of Greater Washington and the national organization to establish a state-of-the-art national capital flagship Boys and Girls Club facility in Washington, DC, near the Capitol.

Mr. GREGG. I am aware of the Senator's deep interest in this meritorious project and for his longstanding support of the Boys and Girls Clubs.

Mr. HATCH. I thank my colleague.

Although there is no clarifying language contained in the Senate committee report regarding how the additional $20,000,000 over last year's level would be utilized by the Boys and Girls Clubs, I would hope that the committee's intent was that a significant portion of those additional Boys and Girls Clubs appropriations would be used to cover the cost of establishing the national capital flagship club facility in the Nation's Capital at a site to be selected by the Boys and Girls Clubs of Greater Washington in consultation with the national organization.

Mr. GREGG. The Senator and chairman of the Judiciary Committee is absolutely correct. The additional $20,000,000 provided in our bill for the Boys and Girls Clubs was in part to cover the cost of the proposed national capital flagship club facility in Washington and for other purposes. It is my understanding that at least $6,000,000 will be require for the site, design and construction of the proposed flagship facility and that amount would be covered by these additional funds.

Mr. HATCH. I thank the distinguished chairman of the subcommittee for that clarification and I deeply appreciate his strong support for the national capital flagship club facility in Washington. The flagship club will be run by the Boys and Girls Clubs of Greater Washington in concert with the Boys and Girls Clubs of America and will provide a prototype, technology-based club facility to help troubled youth both here and around the nation.

Mr. GREGG. I look forward to working with the Senator to make sure that this flagship project is fully funded and that the Office of Justice programs carries out this project effectively, beginning in fiscal year 1999.

FUNDING TO IMPLEMENT THE 2000 CENSUS

Mrs. FEINSTEIN. Mr. President, I rise today to commend the bi-partisan leaders of the appropriations subcommittee, Chairman GREGG and Senator HOLLINGS, for providing adequate funding to allow the Census Bureau's census 2000 plan to proceed. The funding will permit the census professionals to continue their plan to guarantee that everyone in every city and rural area will be counted.

I ask that when this Appropriations bill goes to conference with the House that the Senate conferees stand united against any effort to reduce the decennial census funding level or micromanage the professional census gathering process.

I am very concerned about the critical 2000 census, because I believe Senator GREGG and Senator HOLLINGS will face a difficult conference with the House. Contrary to the Senate plan, the House funds the Census Bureau for only six months, crippling the bureau and denying the census professionals the tools they believe will help them conduct the most accurate 2000 census possible.

The House leadership has also challenged the Census Bureau sampling plan in federal court, asserting it violates the United States Constitution. The federal court should proceed with their review, but the Census Bureau professionals need to proceed with their plan, which represents the best efforts of census professionals and academics to measure the population.

Before we look forward to conference, I would like to briefly look back and put the current sampling dispute in its historical context. Regrettably, the public debate over the 2000 census has been dominated by the use of sampling, a simple, statistical method proposed by the Census Bureau to count the historically "difficult to count" populations of the nation's urban and rural poor. The Bureau's sampling plan was developed in direct response to the unprecedented census error rates in 1990, the first census in US history to be both more costly and less accurate than the census that preceded it.

Why is an accurate census important for the nation? The decennial census is the basis for distributing funds throughout the country for more than one hundred federal programs.

Is the local police force eligible for federal grants for cops on the beat or drug education programs? Check the census, which sets eligibility for Byrne grants, DARE funds or community policing grants.

How about education funds for schools? The census determines title one or title two education grants.

How about funds for homelessness, mass transit or other transportation funds? Again, the census determines state and local government eligibility for Social Services block grant money, highway and mass transit grants.

What about health care for low-income families? Again, the census helps set state Medicaid reimbursement levels.

The census is instrumental for the effective administration of government at all levels, providing the basis for distributing billions of dollars throughout

the country through hundreds of programs. The nation cannot afford the error rates and inaccuracy experienced in the 1990 census.

The General Accounting Office, the investigative arm of Congress, concluded the 1990 census failed to count about 15 million Americans, while an additional 11 million Americans were double-counted. The California population was undercounted by more than 2.7%, representing 20% of the nation's net undercount.

If we squander this opportunity for reform and the 2000 census proves to be equally inaccurate as its 1990 predecessor, between 5 and 6 million individuals, would be "missed." If we do not reform our census plan, 1 to 1.2 million Californians, 3% of the state's population, will fail to be counted. If the census misses 1 million people in California, about 300,000 children will not be counted, depressing state education funding and seriously compromising education in the state.

Mr. President, concerns for undercounting the United States population are as old as the nation itself. Thomas Jefferson, transmitting the first census to President Washington, commented, "we know in fact that the omissions have been very great." However, the Census Bureau sampling plan, which enjoys the support of the National Academy of Sciences, academics and census professionals, is a reasoned response to the unprecedented error rates of the 1990 census. Congress cannot make the same mistake again.

The Census Bureau plan needs to go forward. It's time to allow the census professionals to implement their best plan to improve on the 1990 undercount and deliver the most accurate 2000 census possible.

I thank the chairman, Senator GREGG, and ranking Democrat, Senator HOLLINGS, for their efforts and extend my continuing support.

IRAQ WAR CRIMES TRIBUNAL

Mr. SPECTER. Mr. President, I want to commend my colleagues, Chairman GREGG and Senator HOLLINGS, for including in this legislation $5 million to cover initial costs of establishing a War Crimes Tribunal for prosecution of Saddam Hussein and other Iraqi government officials for crimes committed during the Gulf War and afterward.

I sought these funds in a letter to Chairman GREGG dated April 24, 1998, because I believe it is critical that we have the prosecutorial infrastructure in place to deal with Iraqi war crimes. I also noted in my letter that every effort must be made to obtain contributions from our allies and other U.N. member countries for this vital effort.

I look forward to working with my colleagues as this bill moves forward to ensure that these funds are retained in Conference.

OECD

Mr. LIEBERMAN. Mr. President, I rise today to bring my colleagues' attention to the excellent work being done by an important international organization—the Organization for Economic Cooperation and Development (OECD). Since 1961, when it was founded, the OECD has worked to open up and help develop the world economy, not only for its member states but also for those nations outside the OECD area.

We live in an era when the term global economy is redundant. There is one economy, and it is global. And one of the things we need as a nation to keep us competitive is accurate, up-to-date information. We also need a forum in which to work with other nations equally committed to economic openness to achieve the highest sustainable growth and standard of living. That is what the OECD is all about: helping its member nations achieve a better standard of living and higher sustainable growth rate by providing a forum for the exchange of information and policy prescriptions.

While the OECD has 29 member nations, its reach is global. For example, for a number of years, the OECD had in place the Center for Cooperation with the Economies in Transition (CCET). The CCET was initiated by the U.S. as a result of an amendment I introduced to the SEED Act. My colleagues will recall the SEED Act was designed to help the economies of Central and Eastern Europe build market economies. Well the work of the CCET was so successful, that three nations from that region—Poland, Hungary and the Czech Republic—have become members of the OECD.

Now, the OECD has revised its approach to helping non-member nations to reach beyond the CEE nations. For example, the OECD does a lot work with Russia. It is also closely following the Chinese economy. It has been part of the team of international organizations and governments who have been working on what to do about the economic crisis in Asia.

The OECD's work is not limited to handling macroeconomic issues. It works on a number of other key economic areas. The Convention to combat Bribery and Corruption is an example of an important OECD initiative. It is also taking the lead on helping governments can best respond to the rapidly changing world of electronic commerce. It is involved with issues relating to regulatory reform, corporate governance, and sustainable development to name a few.

But perhaps what really distinguishes the OECD from other international organizations is its internal reform efforts. The OECD has undertaken on its own, a significant reform effort. Specifically, it has pledged to cut its overall spending by 10% during the three year period beginning in 1996. It is well on its way toward reaching this. So far that has meant a loss of 180 staff, more than 10% of its total.

It is my understanding that the subcommittee has decided to use a formula to cut the budgets of international organizations that have administrative costs above 15%. But the data it is using is based on a 1997 State Department study that only goes up to 1995. The OECD has told me that it has brought down administrative costs to about 12.4% of its budget.

I agree with the committee's goal of trying to get international organizations to make necessary reforms and reductions. The era of big government ought to be over not only at home but with international organizations as well. The OECD is a good story. It has reformed on its own. My fear is that if despite all its efforts to enact cuts, the Congress calls for further arbitrary cuts of the OECD based on data that is not up-to-date, then it will undermine the reformers in the organization who share our goal of getting international organizations to be "leaner and meaner."

I, therefore, urge the committee and the Administration to fully fund the OECD at the request level made by the Administration. Let's show that we are willing to reward and encourage organizations like the OECD that make real reforms.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

UNANIMOUS CONSENT AGREEMENT

Mr. LOTT. Again, Mr. President, I thank Members for the cooperation we have been receiving. We have worked out time agreements on which I believe we can get a unanimous consent agreement. Let me read the whole thing once again. We have made changes.

I ask unanimous consent that the Senate resume the pending Craig amendment to the Kyl amendment and that a vote occur on, or in relation to, the Craig amendment at 9:15 a.m. on Thursday, with 10 minutes for closing remarks, to be equally divided. I further ask unanimous consent that following the vote in relation to the Craig amendment, the Senate proceed to a vote in relation to the Kyl amendment, as amended, with 2 minutes equally divided prior to the vote.

I further ask unanimous consent that following the Kyl amendment, the following amendments be the only remaining amendments to be offered to the pending legislation, other than the managers' amendments, with no second-degree amendments in order, unless specified, and limited to the times where specified, all to be equally divided.

The list is as follows: Senator Nickless amendment regarding defense attorneys, 10 minutes; Senator BINGAMAN, 20 minutes; Senator BUMPERS, 20 minutes; Senator KERREY of Nebraska, 40 minutes; Senator KERRY of Massachusetts, 20 minutes; Senator Wellstone amendment for 30 minutes;

Senator Hatch amendment, 20 minutes; the first Grams amendment for 10 minutes regarding criminal courts; a second Grams amendment regarding U.S. nationals for 10 minutes, with a possible second-degree amendment by Senator BIDEN with 10 minutes; a Senator Grams amendment regarding budget certification for 10 minutes; Senator Smith of Oregon amendment regarding guest workers with 20 minutes, with a second-degree amendment for 20 minutes by Senator KENNEDY. We are still hoping they can work this out. If this matter is not resolved, we will have an amendment by Senator DASCHLE on this subject for 10 minutes, and an amendment by Senator LOTT for 10 minutes. Also, a Torricelli amendment regarding nonpoint source, 20 minutes; a Lieberman amendment regarding Asian financial crisis, 20 minutes; and a Lautenberg amendment regarding police cars, 20 minutes.

I further ask unanimous consent that following the debate on the above-listed amendments, the Senate proceed to vote in a stacked sequence, with 2 minutes for debate to be equally divided prior to each vote, and following those stacked votes Senator GREGG be recognized to offer the managers' amendment, and following its disposition, all other provisions of the previous consent agreement with respect to the passage vote then occur.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. In light of this agreement, then, thanks again for the cooperation of all Senators. There will be no further votes tonight. The next vote will occur at approximately 9:15 a.m. in the morning, perhaps slipping a minute or two to 9:20 on Thursday, and then a series of votes to be announced at a specified time later in the morning on Thursday.

Thank you. I yield the floor.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire.

AMENDMENT NO. 3268

Mr. GREGG. As I understand it, under the previous order we are now to return to the Kyl amendment, as amended by Craig, for debate with the votes to occur tomorrow morning. I ask unanimous consent that the debate on this amendment, for this evening's purposes, be limited to 20 minutes, 10 minutes on each side.

Mr. KYL. Ten minutes per side is fine for me. Five minutes per side is fine with me.

Mr. GREGG. I ask unanimous consent that we have 10 minutes, 5 minutes on each side.

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

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. CRAIG. Mr. President, I think many of us have spoken tonight to the issue of Internet gaming and our opposition to it; most assuredly, our opposition to unregulated offshore Internet gaming. The Senator from Arizona has brought forth an amendment that controls that, in fact, prohibits that. But it also prohibits something else that we in the Congress and law, by agreements, treaties with American Indians, have said is separate, should be, and should be regulated. And we have said Indian gaming should be regulated. And it is. But the Senator from Arizona has made the exception as it relates to any Indian gaming on the Internet. I am saying, that is an intrusion that should not be allowed.

Regulate? Absolutely. Control? Absolutely. Build and maintain a tribal-State compact? Absolutely. We have wrestled with this issue over the years. When I was in the House, I worked with a Congresswoman from Nevada. We were outruled by the courts. The Senator from Hawaii has clearly spoken to the issue of the courts.

What I am saying is that I sense there is a clear and important division. Through the Indian Gaming Regulatory Act, Congress established a clear and precise law governing all forms of Indian gaming. And I think it is important that I repeat that—all forms of Indian gaming. Authority to regulate Indian gaming was given by Congress to the National Indian Gaming Regulatory Commission.

I believe the Kyl bill ignores this procedure and IGRA. I do not believe we can ignore that as a Congress. The Kyl bill does this in a number of ways, including placing new restrictions on tribal gaming operations, and overrides and nullifies existing State-tribal compacts.

My amendment simply sets the issue of Indian gaming aside as it pertains to that. But it recognizes, as I think we all should, that Indian gaming via the Internet ought to be regulated and it ought to be controlled. And that is exactly what is happening today.

So I hope that for any of my colleagues who might be listening this late into the evening, that we could revisit this for a short time tomorrow, because the Internet Gaming Prohibition Act by Senator KYL goes in and amends section 1084 of the Federal Wire Act to include lotteries. It is excluded there today. Decisions have been rendered on behalf of Indians as it relates to this in Federal courts. We think this is the appropriate decision, and it exempts them currently. And they are regulated now.

This is not an unregulated activity that I advocate by this amendment. It is a fully regulated activity under Federal law, under the Indian gaming laws as controlled by the National Indian Gaming Commission. That is the appropriate intent of this amendment.

I retain the balance of my time.

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER (Mr. KYL). The Senator from Wyoming.

Mr. ENZI. I yield from the time 1 minute.

I wish that I had 1 hour. This could be the most important thing we debate in this session of Congress. Yes, there is Indian gambling. Yes, there is some limited gambling on the Internet. The wording in this amendment can change the national flow. This can provide for a national lottery by an Internet monopoly—an Internet monopoly. This could eliminate the grocery store sales in each person's State that allows a lottery at the present time, because it would be much easier to pick it up on the Internet.

There is a good reason why gambling is limited to on premises for the most part. That is so you can enforce the age requirements. That is so you can check on the different kinds of gaming that there are, so you can check on the dollar limits that there are, so you can audit the process. The Internet is not something you can audit. This will not be a protection for any of the States.

Some of our States have had a referendum on whether we want any kind of local gambling, whether we want any kind of State gambling. And it has lost 2 to 1. We do not want gambling in Wyoming. But there is no protection against gambling in Wyoming. There is no protection on age in Wyoming. So kids can take parents' credit cards, get into this national lottery and violate State law.

I yield the remainder of my time.

Mr. BRYAN. Mr. President, I ask unanimous consent for 2 minutes.

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

Mr. BRYAN. Mr. President, I want to make very clear what is at issue here. If you oppose kids gambling on the Internet, then you are with Senator KYL and the Senator from Nevada. We think that is a disastrous policy for American families. Your 10-year-old child can dial up a site on the web and gamble without you knowing it and without any ability to control it. So the Kyl-Bryan amendment opposes Internet gambling in America for everyone.

Now, if that policy makes sense to you, and I think it makes sense for American families, then you have to oppose the amendment offered by the Senator from Idaho who says, in effect, Internet gambling should be prohibited for everyone except Indian tribes.

Now, what logic is that that a child in Utah, which is prohibited from all forms of gaming, would be able to surf the web, access the Indian gaming site in Idaho, and be able to participate over the Internet. That makes no sense at all. I think most families, if they were tuned into the debate tonight,

would say KYL and BRYAN are correct, we don't want our kids on the Internet, and we believe it ought to be prohibited.

Senator CRAIG's amendment would emasculate that by saying the Indian tribes have an exception. No compact in America, none entered into by any Governor, any State or Indian tribe, authorizes Internet gambling. None. And no court in America, State or Federal, has ever held that Indian tribes are entitled to gamble on the Internet at such web sites.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, a few moments ago you talked about this destroying lottery systems. The national Indian lottery is up and operating today, and State lotteries are not falling by the wayside. In fact, they are stronger than ever in their level of participation. They are as tightly regulated as is this national lottery. That is the reality with which we talk about this, tightly regulated control.

Do I advocate 10-year-olds using this? I do not, and they cannot. There is a screening process. They would be in violation of it. They would have to go through all of the procedures of an adult. Yes, I guess if they stole their parent's credit card in the first instance it might work; in the second, it would not. Any winnings would be repealed and they might be in violation of the law.

So you can talk about scare tactics, if you will. The reality is we have a national Indian lottery today that is deemed legal on the Internet. The amendment by Senator KYL attempts to make it illegal. That is the reality with which we are dealing. I suggest that any effort to talk about great fears and scare tactics just doesn't fit because it is tightly, tightly controlled.

What the Senator from Arizona talks about, about offshore, I agree with an unlimited approach in an unregulated way. That is what is important. That is what my amendment does. We should allow Indian gaming to be regulated under Federal law as it currently is.

The PRESIDING OFFICER. The Senator from Arizona has 2 minutes.

Mr. KYL. Mr. President, let me respond, then, to my friend from Idaho. First, let me begin by saying that the Presiding Officer, when he spoke a few minutes ago, I think hit the nail right on the head. The Presiding Officer, the Senator from Wyoming, pointed out that it didn't really matter who conducts the activity on the Internet. Whether it is an Indian tribe or an offshore virtual casino, the result is the same for the people of the State which has established the public policy of protecting its people from such activity. You can't do it. You can't protect your citizens.

The State of Wyoming has made that decision, and yet if the Indians were allowed an exemption under this bill, they would be permitted to run Internet gambling operations, they could reach every citizen in every State and every young person in every State, as the Presiding Officer pointed out.

No one is allowed to do that today. No one would be allowed to do that under the legislation, but under the Craig amendment, a special exception would be made for the Indians. The Senator from Idaho argues that it is legal for the tribes to do that. In this he is simply wrong.

Again, let me quote from a letter from all 50 attorneys general, including the attorney general of Idaho, on this exact point. They are writing to the National Indian Gaming Commission.

> We are writing to you to express our strong opposition to and legal analysis regarding the use of the Internet for the purpose of engaging in gaming activity allegedly under the Indian Gaming Regulatory Act of 1998. The undersigned have concluded that such gaming is not authorized by IGRA. [One of the reasons, I might say, contained in the next sentence] As you know, under IGRA, gaming activity is allowed only on Indian lands.

This goes beyond that. It goes to any State, into any home, to be used by any child who might log on to the Internet. All the people I quoted before who testified before the Judiciary Committee said this is a pernicious activity for young people who get into the Internet and begin gambling. It could become the most addictive way for children and, later, adults to become addicted to gambling.

As a result, it is an activity that needs to be stopped before it is allowed to spread. What we should not do is create an exception just for the Indian tribes, because, in effect, that is an exception that precludes us from protecting our children. I urge, tomorrow, that we defeat the Craig amendment.

The PRESIDING OFFICER. All time has expired.

MORNING BUSINESS

Mr. GREGG. Mr. President, I ask unanimous consent there now be a period for the transaction of routine morning business with Senators permitted to speak up to 10 minutes each.

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

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, July 21, 1998, the federal debt stood at $5,535,209,449,941.52 (Five trillion, five hundred thirty-five billion, two hundred nine million, four hundred forty-nine thousand, nine hundred forty-one dollars and fifty-two cents).

One year ago, July 21, 1997, the federal debt stood at $5,363,683,000,000 (Five trillion, three hundred sixty-three billion, six hundred eighty-three million).

Five years ago, July 21, 1993, the federal debt stood at $4,336,609,000,000 (Four trillion, three hundred thirty-six billion, six hundred nine million).

Ten years ago, July 21, 1988, the federal debt stood at $2,552,565,000,000 (Two trillion, five hundred fifty-two billion, five hundred sixty-five million).

Fifteen years ago, July 21, 1983, the federal debt stood at $1,329,511,000,000 (One trillion, three hundred twenty-nine billion, five hundred eleven million) which reflects a debt increase of more than $4 trillion—$4,205,698,449,941.52 (Four trillion, two hundred five billion, six hundred ninety-eight million, four hundred forty-nine thousand, nine hundred forty-one dollars and fifty-two cents) during the past 15 years.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING JULY 17TH

Mr. HELMS. Mr. President, the American Petroleum Institute has reported that for the week ending July 17 that the U.S. imported 8,750,000 barrels of oil each day, 605,000 barrels a day more than the 8,145,000 imported during the same week a year ago.

Americans relied on foreign oil for 58.1 percent of their needs last week. There are no signs that the upward spiral will abate. Before the Persian Gulf War, the United States imported about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970s, foreign oil accounted for only 35 percent of America s oil supply.

All Americans should ponder the economic calamity certain to occur in the U.S. if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the U.S.: now 8,750,000 barrels a day at a cost of approximately $98,875,000 a day.

LOBBING ONE MORE GRENADE AT MICROSOFT

Mr. GORTON. Mr. President, tomorrow the Senate Judiciary Committee will hold yet another hearing designed solely to lob one more grenade at Microsoft. It is entitled "Competition and Innovation in the Digital Age: Beyond the Browser Wars."

Just as I have said of the Justice Department's case against Microsoft, the Judiciary Committee's efforts to paint Microsoft in a negative light seems to be merely an attempt to give software companies that cannot compete against Microsoft on their own merits an opportunity to catch up. It is this practice, the practice of using the United States Senate and the Department of Justice as a means to help less successful companies compete against Microsoft, that is unfair—not Microsoft's business practices.

As all of my colleagues will remember, the Committee held a similar hearing only a few months ago. At that hearing in March, Microsoft's CEO, Bill Gates, patiently answered questions from committee members and witnesses representing his competitors for four hours. The questioning focused primarily on whether Microsoft has the right to integrate new and innovative products into its Windows operating system—specifically, Microsoft's Internet Explorer.

This is precisely that issue that a gaggle of lawyers over at the Justice Department's Antitrust Division and a dozen state attorneys general are currently litigating. The DOJ and state attorneys general allege that Microsoft, in including its browser software in Windows 98, is in violation of U.S. antitrust laws.

Only a few weeks after this case was filed, Microsoft won a major court victory in a related battle. On June 23, a three judge United States Circuit Court of Appeals panel overturned the preliminary injunction issued against Microsoft last December by U.S. District Court Judge Thomas Penfield Jackson. In my opinion, this ruling is so significant as to make the Department of Justice's current case against Microsoft even more questionable than it was at the time of filing.

The question before the panel was whether Microsoft violated antitrust law and a 1995 consent decree by integrating its web browser into Windows 95. The panel ruled that Microsoft's actions did not violate the consent decree and that Microsoft should indeed be allowed to integrate new and improved features into Windows. Such integration, the judges ruled, benefits consumers.

The judges went on to warn that the government is ill-suited to make technological determinations and that the dangers of doing so far outweigh the potential benefits that "antitrust scholars have long recognized the undesirability of having courts oversee product design, and any dampening of technological innovation would be at cross-purpose with antitrust law."

The Judiciary Committee's hearing will apparently focus on issues other than the integration of browser software into Windows 98. The witnesses will instead give testimony, among other subjects, alleging that Microsoft competes unfairly in the server operating system market—a market in which Microsoft is one of many competitors and in which no one company is dominant. No monopoly here—what's the beef?

The network server market includes competitors such as IBM, Sun Microsystems, Novell, Microsoft and several others. Many of these companies have chosen strategic business models in which they sell their customers not only the software that runs network servers, but sometimes the servers themselves, the applications that run on the servers, and even the workstations that sit on employees' desks. In such models, every piece of hardware and software is designed to work together, and as long as customers use only that one company's products, everything works fine.

Sales volumes in the network server market are fairly low but profit margins are high. Once a customer decides to buy a one-company network, he tends to stick with that system because the cost of switching to something else is quite high. Thus, this business model is a good one that can make, and has made, some companies very successful.

Microsoft has chosen a different business model for the network server market. It's model is not unfair, illegal, or anti-competitive. It is merely a different way of doing business. Microsoft doesn't make hardware or enterprise applications that run on servers. It does not make the workstation computers that sit on employees' desks. Microsoft makes network operating system called Windows NT. For a customer to use Windows NT on its server, it does not need to buy anything else from Microsoft. NT is designed to work with *any* manufacturer's hardware and support *any* company's software. It is a high volume, low profit margin model.

It is certainly not difficult to understand why companies like Novell, Sun, and IBM might be concerned about competition in the server market. After all, they have been in this market for a long time and have done very well in it. Because the margins on their sales are high, lost sales are more damaging to them than they are to their competitors whose margins on each sale are much lower. But if Sun, IBM, and Novell continue to respond to the needs of their customers, they will continue to do well in the server market.

Just as the appeals panel ruled last month on the browser issue, the decision on whether the business model chosen by Sun, IBM, and Novell or that chosen by Microsoft is a decision best made by the free market and the free market alone. The Department of Justice and the Senate Judiciary Committee have no legitimate role to play in this determination.

Let me make it clear, Mr. President, that throughout this attack, Microsoft has gone out of its way to cooperate both with the Committee and with the Justice Department. Even while its reputation is being tarnished by these two organizations, Microsoft has provided them both with everything it has been asked to provide and more.

So, I admonish my friend and colleague Senator HATCH to reciprocate. Given the list of witnesses scheduled to testify, however, I am afraid that the deck is already stacked against Microsoft. That is precisely why I advised Bill Gates to decline an invitation from the Committee to appear at the hearing. Once is enough, Mr. President. The Committee can drag Mr. Gates and his company through the mud if it so choose, but Mr. Gates does not have to be there to validate a travesty.

DENVER-LONDON DIRECT FLIGHT HOLDUP

Mr. ALLARD. Mr. President, I am here today to tell my colleagues about an issue of great importance to the people of my state of Colorado. This summer, the state of Colorado has lost an estimated $23 million, at least, due to the problem I am here to address. We have been assured again and again by the Administration that the situation would soon be resolved. I no longer have faith in that assurance, and I believe that I am going to have to make my point stronger and louder in order to secure fair treatment for the State of Colorado. I am disappointed that the problem has lingered for this long, and that my attempts to cooperate with the Department of Transportation have been met with apathy and diluted efforts.

This is a problem that I have been working on for months, and I am continually and increasingly frustrated by the lack of concern shown by the Administration. I was first made aware in April of this year that an application for international service into Denver International Airport was near approval. A foreign airline filed an application with the Department of Transportation to provide direct service between Denver and London. This flight was to be the first overseas flight at Denver's young international airport. British Airways wants to provide this service, and to date is the only airline that has applied to do so. Of course the prospect of a direct flight to Europe is exciting for the people of Colorado; our booming economy, growing business sector, and tourism industry are primed for this direct international service.

The application process under the bilateral Air Transport Services agreement between the United States and the United Kingdom is designed to be a routine step. By law, final review by the United States of the British Airways flight is intended only to assure compliance with technical requirements for air safety and ownership.

At some point in the review process, the Department decided to hold the British Airways flight hostage to influence an unrelated situation. An American airline had approval to provide service between Charlotte, North Carolina and London, but being a new entrant into the market, choice slots were not available for their service. That airline, US Airways, and the Department of Transportation demanded that British Airways relinquish its established slots into London's Gatwick

Airport before the Denver-London service would be approved.

The Senior Senator from Colorado, Senator CAMPBELL, and I met with Secretary Slater. We offered our assistance and shared our concerns, and the Secretary assured us that the situation would be resolved soon. Subsequently, US Airways participated in an international slot conference, and legitimately negotiated more desirable slots at Gatwick. The original conditions for approval of Denver-London service were met. Still, the Department refused to approve the British Airways application.

My patience in this matter has not been respected. Frankly, the expanding complaints of US Airways have absolutely no connection to the pending Denver-London service, and Department is inappropriately using the people of Colorado. I do not approve of the Department leveraging the concerns of one state against another, or using our international flights as a bargaining chip in an unrelated matter.

This is the first time the Department has withheld final approval on a US/UK flight to influence the status of another flight. The precedent being set indicates bureaucratic abuse and blatant disregard for a fair resolution of Colorado's problem. The Department should focus on the international flights between London and Charlotte; there is no need to push Coloradans around while the Administration and US Airways are engaged in an unrelated fight.

It is reasonable to think that this service would easily win support from the Transportation Secretary. British Airways has a clear right to operate this service under the term of the UK/US Air Services Agreement. In addition, Secretary Slater is attempting to negotiate an open skies aviation agreement with Britain. In light of this fact alone, failure to approve the Denver-London route is ridiculous. After this episode with the Denver flight, does the Administration really believe that the British authorities will have faith in the ability of the United States to be forthright in international flight negotiations?

The issue of approving Denver-London service was postponed recently when the Secretary and several of his top staffers traveled to Africa. Patiently awaiting his return, I came across a story on the AP wire about the Secretary's activities in Africa. I was stunned to see the story that began, and I quote, "Transportation Secretary Rodney Slater Friday called on European authorities to respect aviation agreements negotiated by the United States with individual countries." It is ironic that the Secretary lectured Europe on fulfilling its obligations under air service pacts when he will not honor the current US/UK pact and approve Denver-London service. How the Secretary could make these comments while keeping a straight face is beyond me.

Speaking of that trip, I would like to know why the Secretary has been able to find so little time to deal with this pressing issue. When I last spoke to Mr. Slater on the phone, he told me that he was working to resolve the issue in the next few days. I expected his call at the end of that week and hoped to learn that they had approved service. It was the week before our July recess, and the call never came. After waiting for another week and investigating the delay, I learned that the Secretary was traveling to Africa for the second time this year, and that Colorado's problems would have to wait until July 15. While he simply set the issue aside, I could not. Unfortunately, neither myself nor my staff could reach the Secretary or his top aides on this issue because they were all traveling and unavailable. I am concerned that the Secretary and Assistant Secretaries have so much time for traveling and so little time for important issues here at home. I am outraged to know that my constituents' tax dollars, and mine as well, are buying flights to Africa while the state is losing money because of the Department's inaction. There is absolutely no reason that the Secretary could not have approved Denver-London service before he and his staff left for Africa. Now, after being assured that this would be his top priority upon returning from his trip, I am astounded that Mr. Slater is not prepared to be straightforward and make this decision.

Several Colorado officials have told Secretary Slater, in no uncertain terms, that this is an important issue to Colorado. I watched the original start date for British Airways service move from June First to August First, and saw it again postponed to September First. The Secretary knew very well that the service had to be approved by the end of last week for the airline to be prepared to begin on that date. Failure to approve the flight has resulted in moving the start date to October first. Colorado has already lost four months of direct Denver-London service, and the reasons that the Department has provided for this delay are inadequate. I am through standing by while the Department is delinquent on its approval of Denver-London direct air service. I am prepared to consider using any means available to me to hasten a decision by the Department.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

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

REPORT CONCERNING ABATEMENT OF INTEREST ON UNDER-PAYMENTS BY TAXPAYERS IN PRESIDENTIALLY DECLARED DISASTER AREAS—MESSAGE FROM THE PRESIDENT—PM 147

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on the Budget.

To the Congress of the United States:

Pursuant to section 3309(c) of the Internal Revenue Service Restructuring and Reform Act of 1998, I hereby designate the provisions of subsections (a) and (b) of section 3309 of such Act as an emergency requirement pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 22, 1998.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–6110. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, a report on military expenditures for countries receiving U.S. assistance; to the Committee on Appropriations.

EC–6111. A communication from the Administrator of the Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Subordination of Direct Loan Security to Secure a Guaranteed Line of Credit; Correction" (RIN0560-AE92) received on July 17, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6112. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the report of a rule regarding disclosures of energy consumption and water use for certain home appliances received on July 20, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6113. A communication from the Director of the Office of Rulemaking Coordinator, Department of Energy, transmitting, pursuant to law, the report of a rule entitled "Security and Control of Nuclear Explosives and Nuclear Weapons" (DOE O 452.4) received on July 8, 1998; to the Committee on Energy and Natural Resources.

EC–6114. A communication from the Secretary of Defense, transmitting, pursuant to law, the Department's semiannual report on audit, inspection and investigation activities; to the Committee on Governmental Affairs.

EC–6115. A communication from the Secretary of the Securities and Exchange Commission, transmitting, pursuant to law, the report of a major rule relative to interpretation of the Investment Advisers Act (Rls. No. IA–1732.1) received on July 20, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–6116. A communication from the Secretary of the Securities and Exchange Commission, transmitting, pursuant to law, the report of a minor rule relative to interpretation of the Investment Advisers Act (Rls. No. IA–1732.2) received on July 20, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–6117. A communication from the Acting Comptroller of the Currency, transmitting, pursuant to law, the Comptroller's annual report for 1997 and a report on opinions relating to the preemption of state law for the period January 1992 through December 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC–6118. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Issuance of Advisory Opinions by the Office of Inspector General" (RIN0991–AA85) received on July 16, 1998; to the Committee on Labor and Human Resources.

EC–6119. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on Youth Programs of the Family Youth Service Bureau for fiscal year 1996; to the Committee on Labor and Human Resources.

EC–6120. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a certification regarding International Monetary Fund proposals relative to the Russian Federation; to the Committee on Foreign Relations.

EC–6121. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, the Department's report on Military Assistance, Military Exports and Military Imports under the Foreign Assistance Act; to the Committee on Foreign Relations.

EC–6122. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, the Department's report on the Proliferation of Missiles and Essential Components of Nuclear, Biological and Chemical Weapons for fiscal year 1992 and 1993; to the Committee on Foreign Relations.

EC–6123. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule regarding the discharge of pollutants from organic pesticide manufacture (FRL6126–6) received on July 17, 1998; to the Committee on Environment and Public Works.

EC–6124. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule regarding land disposal restrictions for petroleum refining process wastes (FRL6122–7) received on July 17, 1998; to the Committee on Environment and Public Works.

EC–6125. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Identification of Additional Ozone Areas Attaining the 1-Hour Standard and to Which the 1-Hour Standard is No Longer Applicable" (FRL6126–8) received on July 17, 1998; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMPSON, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 712. A bill to provide for a system to classify information in the interests of national security and a system to declassify such information (Rept. No. 105–258).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 643. A bill to designate the United States courthouse to be constructed at the corner of Superior and Huron Roads, in Cleveland, Ohio, as the "Carl B. Stokes United States Courthouse".

H.R. 3504. A bill to amend the John F. Kennedy Center Act to authorize appropriations for the John F. Kennedy Center for the Performing Arts and to further define the criteria for capital repair and operation and maintenance.

S. 1700. A bill to designate the headquarters building of the Department of Housing and Urban Development in Washington, District of Columbia, as the "Robert C. Weaver Federal Building."

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. WARNER, from the Committee on Rules and Administration:

Scott E. Thomas, of the District of Columbia, to be a Member of the Federal Election Commission for a term expiring April 30, 2003. (Reappointment)

Darryl R. Wold, of California, to be a Member of the Federal Election Commission for a term expiring April 30, 2001.

David M. Mason, of Virginia, to be a Member of the Federal Election Commission for a term expiring April 30, 2003.

Kark J. Sandstrom, of Washington, to be a Member of the Federal Election Commission for a term expiring April 30, 2001.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HARKIN (for himself and Ms. MIKULSKI):

S. 2340. A bill to amend title XVIII of the Social Security Act to provide for coverage of qualified acupuncturist services under part B of the medicare program, and to amend title 5, United States Code, to provide for coverage of such services under the Federal Employees Health Benefits Program; to the Committee on Finance.

By Mr. DEWINE (for himself, Mr. COVERDELL, Mr. GRAHAM, Mr. FAIRCLOTH, Mr. BROWNBACK, Mr. BOND, Mr. HELMS, Mr. ABRAHAM, Mr. HUTCHINSON, Mr. ALLARD, Mr. FRIST, Mr. MACK, Mr. MURKOWSKI, Mr. HATCH, Mr. CRAIG, and Mr. GRASSLEY):

S. 2341. A bill to support enhanced drug interdiction efforts in the major transit countries and support a comprehensive supply eradication and crop substitution program in source countries; to the Committee on Foreign Relations.

By Mr. BURNS:

S. 2342. A bill to amend title XVIII of the Social Security Act to exempt certain facilities from the 3-year transition period under the prospective payment system for skilled nursing facilities; to the Committee on Finance.

By Mr. BINGAMAN:

S. 2343. A bill to amend the Radiation Exposure Compensation Act to provide for partial restitution to individuals who worked in uranium mines, or transport which provided uranium for the use and benefit of the United States Government, and for other purposes; to the Committee on the Judiciary.

By Mr. COVERDELL (for himself, Mr. FAIRCLOTH, Mr. LOTT, Mrs. HUTCHISON, Mr. GRAMM, Mr. SHELBY, Mr. LUGAR, and Mr. COCHRAN):

S. 2344. A bill to amend the Agricultural Market Transition Act to provide for the advance payment, in full, of the fiscal year 1999 payments otherwise required under production flexibility contracts; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. MURKOWSKI (for himself, Mr. LOTT, Mr. DASCHLE, Mr. D'AMATO, Mr. HELMS, Mr. GRASSLEY, Mr. HATCH, Mr. BIDEN, Mr. CLELAND, Mr. DURBIN, Mr. TORRICELLI, Mrs. FEINSTEIN, and Mr. INOUYE):

S. Res. 257. A resolution expressing the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HARKIN (for himself and Ms. MIKULSKI):

S. 2340. A bill to amend title XVIII of the Social Security Act to provide for coverage of qualified acupuncturist services under part B of the medicare program, and to amend title 5, United States Code, to provide for coverage of such services under the Federal Employees Health Benefits Program; to the Committee on Finance.

THE PATIENT ACCESS TO ACUPUNCTURE SERVICES ACT OF 1998

Mr. HARKIN. Mr. President, I am pleased today to introduce the Patient Access to Acupuncture Services Act of 1998, to provide limited coverage for acupuncture under Medicare and the

Federal Employees Health Benefits Program. This is an important bill that reflects an appropriate and needed response to both progress in science, and to the demand for complementary and alternative treatments of pain and illness.

I would like to acknowledge Senator MIKULSKI, who is cosponsoring this bill with me. Senator MIKULSKI has been a strong supporter of effective alternative therapies and has long realized and appreciated the importance and significance of such therapies to our health care system.

Mr. President, approximately 90 million Americans suffer from chronic illnesses, which, each year, cost society roughly $659 billion in health care expenditures, lost productivity and premature death. Despite the high costs of this care, studies published in the Journal of the American Medical Association reveal that the health care delivery system is not meeting the needs of the chronically ill in the United States.

Many of these Americans are looking desperately for effective, less costly alternative therapies to relieve the debilitating pain they suffer. In 1990 alone, Americans spent nearly $14 billion out-of-pocket on alternative therapies. Harvard University researchers have found that fully one-third of Americans regularly use complementary and alternative medicine, making an estimated 425 million visits to complementary and alternative practitioners of these therapies—surpassing those made to conventional primary care practitioners!

And with good reason. Last November, a consensus conference of the National Institutes of Health approved the use of acupuncture in standard U.S. medical care. It was the first time that the NIH had endorsed as effective a major alternative therapy, and it was just the type of medical breakthrough that I had hoped for and envisioned when I worked to establish the Office of Alternative Medicine at NIH.

The NIH experts cited data showing that acupuncture can effectively relieve certain conditions, such as nausea, vomiting and pain, and shows promise in treating chronic conditions such as lower back pain, substance addictions, osteoarthritis and asthma.

In 1993, the FDA reported that Americans spent $500 million for up to 12 million acupuncture visits. In 1996, after reviewing the science, the FDA removed acupuncture needles from the category of "experimental medical devices" and now regulates them just as it does other devices, such as surgical scalpels and hypodermic syringes. Acupuncture is effectively used by practitioners around the world. The World Health Organization has approved its use to treat a variety of medical conditions, including pulmonary problems and rehabilitation from neurological damage.

It has been reported that more than 1 million Americans currently receive acupuncture each year. Access to qualified acupuncture professionals for appropriate conditions should be ensured. Including this important therapy under Medicare and FEHBP coverage will promote a progressive health system that integrates treatment from both acupuncturists and physicians. It will expand patient care options. I also believe it will reduce health care costs because of the relatively low cost of acupuncture compared to conventional pain management therapies.

Research is still needed to demonstrate the effectiveness of other alternative therapies. This research is vitally important, but we must act now to help the millions Americans who can benefit from the knowledge we have already gained.

The 21st century is just around the corner. Less than 50 years ago, treatments that are now considered conventional—organ transplants, nitroglycerin for heart patients, immunology, and x-ray and laser technology—were decried as quackery by the medical establishment. Everyday we face new biological and emotional challenges for which modern Western medicine has no remedy. Now science is revealing the effectiveness of many complementary and alternative treatments, including acupuncture, and increasingly more Americans are choosing them to manage their health and treat their illness.

Let us listen to the science, and heed the urgent need for progress. Mr. President, the nation's leading scientists have demonstrated the safety and effectiveness of acupuncture as a treatment for a wide range of pain and illness. It makes common sense that Medicare and FEHBP cover this legitimate course of therapy.

Mr. President, I ask unanimous consent that a copy of this bill be entered into the RECORD.

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

S. 2340

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 "Patient Access to Acupuncture Services Act of 1998".

SEC. 2. COVERAGE OF ACUPUNCTURIST SERVICES UNDER MEDICARE.

(a) IN GENERAL.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) (as amended by section 4557 of the Balanced Budget Act of 1997) is amended—

(1) in subparagraph (S), by striking "and" at the end;

(2) in subparagraph (T), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(U) qualified acupuncturist services (as defined in subsection (uu));".

(b) PAYMENT RULES.—

(1) DETERMINATION OF AMOUNT OF PAYMENT.—Section 1833(a)(1) of the Social Security Act (42 U.S.C. 1395l(a)(1)) (as amended by section 4556(b) of the Balanced Budget Act of 1997) is amended—

(A) by striking "and" before "(S)", and

(B) by striking the semicolon at the end and inserting the following: ", and (T) with respect to qualified acupuncturist services described in section 1861(s)(2)(U), the amounts paid shall be the amount determined by a fee schedule established by the Secretary for purposes of this subparagraph;".

(2) SEPARATE PAYMENT FOR SERVICES OF INSTITUTIONAL PROVIDERS.—Section 1832(a)(2)(B)(iii) of the Social Security Act (42 U.S.C. 1395k(a)(2)(B)(iii)) is amended—

(A) by striking "and services" and inserting "services"; and

(B) by striking the semicolon at the end and inserting the following: ", and qualified acupuncturist services described in section 1861(s)(2)(U);".

(c) SERVICES DESCRIBED.—Section 1861 of the Social Security Act (42 U.S.C. 1395x) (as amended by section 4611(b) of the Balanced Budget Act of 1997) is amended by adding at the end the following:

"Qualified Acupuncturist Services

"(uu)(1) The term 'qualified acupuncturist services' means such services (with such frequency limits as the Secretary determines appropriate) furnished by a qualified acupuncturist (as defined in paragraph (2)) and such services and supplies (with such limits) furnished as an incident to services furnished by the qualified acupuncturist that the qualified acupuncturist is legally authorized to perform under State law (or under a State regulatory mechanism provided by State law).

"(2) The term 'qualified acupuncturist' means an individual who has been certified, licensed, or registered as an acupuncturist by a State (or under a State regulatory mechanism provided by State law).".

(d) GUIDANCE BY SECRETARY OF HEALTH AND HUMAN SERVICES.—The Secretary of Health and Human Services shall provide States with guidance regarding what services a qualified acupuncturist (as defined in section 1861(uu)(2) of the Social Security Act (42 U.S.C. 1395x(uu)(2)) (as added by subsection (c)) should be legally authorized to perform under State law (or under a State regulatory mechanism provided by State law). In providing such guidance, the Secretary of Health and Human Services shall take into consideration the recommendations of the Director of the National Institutes of Health relating to the effectiveness of certain acupuncture services and modalities.

(e) EFFECTIVE DATE.—The amendments made by this section apply to services furnished on or after January 1, 1999.

SEC. 3. COVERAGE OF ACUPUNCTURIST SERVICES UNDER FEDERAL EMPLOYEES HEALTH BENEFIT PLANS.

(a) IN GENERAL.—Section 8902(k)(1) of title 5, United States Code, is amended by inserting "acupuncturist," after "nurse midwife," each place it appears.

(b) APPLICABILITY.—The amendment made by subsection (a) applies with respect to services provided on or after January 1, 1999.

• Ms. MIKULSKI. Mr. President, today I join my good friend and colleague, Senator HARKIN, in introducing a bill to allow for coverage of acupuncture services under Part B of Medicare and the Federal Employee Health Benefits Program (FEHBP). I am proud to be the lead cosponsor of this legislation.

I like this bill for three reasons: it gives patients access to affordable,

quality health care; it offers patients choice of treatment; and it lets patients decide what treatment works for them.

Some years ago I had some very severe illnesses. Western medicine was of limited utility for me and I turned to acupuncture. Acupuncture helped me get well and has helped me stay well. Time after time, constituents have confirmed what I already know about acupuncture—it is an effective treatment for a number of conditions.

Last November, the Western medical establishment formally endorsed what American consumers have been saying for a long time. The National Institutes of Health convened a federal panel of experts in medicine, anthropology, biostatistics, epidemiology and other scientific disciplines to discuss the validity of acupuncture as an effective treatment option. The panel concluded that there is clear evidence that acupuncture is an effective treatment for certain kinds of pain and nausea and may be effective for other conditions. Equally important, acupuncture has fewer side effects and is less invasive than many "traditional" medical practices. The panel decided that, given its good safety profile and the fact that it is often less expensive than conventional medicine, it's time to take acupuncture seriously.

I think it's time that the federal government take it seriously, too. The time has come for Medicare and FEHBP to cover acupuncture for American patients who seek this treatment option. I urge the Senate to approve this legislation to allow American patients to choose this less invasive, less costly, and effective treatment option. I applaud Senator HARKIN for taking the lead on this important effort.•

By Mr. DEWINE (for himself, Mr. COVERDELL, Mr. GRAHAM, Mr. FAIRCLOTH, Mr. BROWNBACK, Mr. BOND, Mr. HELMS, Mr. ABRAHAM, Mr. HUTCHINSON, Mr. ALLARD, Mr. FRIST, Mr. MACK, Mr. MURKOWSKI, Mr. HATCH, Mr. CRAIG, and Mr. GRASSLEY):

S. 2341. A bill to support enhanced drug interdiction efforts in the major transit countries and support a comprehensive supply eradication and crop substitution program in source countries; to the Committee on Foreign Relations

WESTERN HEMISPHERE DRUG ELIMINATION ACT

• Mr. DEWINE. Mr. President, I rise today to introduce legislation proposing a new and comprehensive strategy to deal with one of the central challenges facing America's young people—the plague of illegal drugs.

Recently, President Clinton and House Speaker NEWT GINGRICH unveiled the latest investment in our war against illegal drug use: a $2 billion-dollar advertising campaign to send our children a hard-hitting message about the life-destroying dangers of drugs.

Anti-drug ad campaigns like this one are important. But we should remember that the creative minds on Madison Avenue are not our best or only weapon to get people off drugs. History has proven that a successful anti-drug strategy is balanced and comprehensive in three key areas: demand reduction (such as education and treatment); domestic law enforcement; and international supply reduction.

Today, though, we are on the wrong side of history. Our overall drug strategy is neither balanced nor comprehensive. That's because Washington has not done its part. It has not carried out its sole responsibility—to reduce the illegal drug imports, either by working with foreign governments, or by seizing drugs or disrupting drug trafficking routes outside our borders.

That is why, today, I rise to introduce this legislation. It is a bill that will fix our current drug strategy deficit. I, along with Senators COVERDELL, GRAHAM and 11 other Senators will introduce the "Western Hemisphere Drug Elimination Act"—a bill to support enhanced drug interdiction efforts in the major transit countries, and support a comprehensive supply eradication and crop substitution program in source countries.

Mr. President, this is a $2.6 billion authorization initiative over three years for enhanced international eradication, interdiction and crop substitution efforts. Let me mention a few highlights of what this bill would accomplish, very specifically.

It would improve our aircraft, maritime and radar coverage of both drug-source and drug-transit countries. It would do this by (1) authorizing funds for construction, operation and maintenance of additional U.S. Customs/Defense aircraft, Coast Guard cutters and patrol vessels, and Customs/Coast Guard "go-fast" boats for drug interdiction efforts; (2) authorizing funds to establish an airbase to support counter-narcotics operations in the Southern Caribbean, Northern South America, and the Eastern Pacific; and (3) authorizing funds to the Department of Defense to restore, operate, and maintain critical radar coverage in these regions.

It would enhance drug-eradication and interdiction efforts in source countries—by authorizing funds to the Departments of State and Defense to provide necessary resources, equipment, training and other assistance needed for the support of eradication and interdiction programs in Bolivia, Colombia, Peru and Mexico.

It would enhance the development of alternative crops in drug-source countries, by authorizing funds to the United States Agency for International Development to support alternative development programs designed to encourage farmers to substitute for narcotic producing crops in Bolivia, Colombia, and Peru.

It would support international law enforcement training—by (1) establishing three separate international law enforcement academies operated by the Department of Justice, to provide training assistance in Latin America, Asia, and Africa; (2) establishing a training center for maritime law enforcement instruction, including customs-related ports management; and (3) authorizing funds for the promotion of law enforcement training and support for Caribbean, Central American and South American countries.

It would enhance law enforcement interdiction operations by authorizing funding to the Drug Enforcement Administration, U.S. Coast Guard, and Department of Defense for the support of counter-narcotics operations and equipment in drug transit and source countries.

Mr. President, as you can see, this is a very targeted and specific investment. And it is necessary. The budget numbers tell an alarming—undeniable—story: In 1987, the federal government's drug control budget of $4.79 billion was divided as follows: 29% for demand reduction programs; 38% for domestic law enforcement; and 33% for international supply reduction. This funding breakdown was the norm during the Reagan and Bush Administrations' war on drugs, from 1985–92.

During that time, drug interdiction was serious business. President Bush even tasked the Defense Department to engage in the detection and monitoring of drugs in transit to the U.S. As a member of the House of Representatives at that time, I can recall very well the major commitment we made to reduce the amount of drugs going into the U.S.

After President Clinton took office in 1993, his administration immediately pursued policies that upset the careful balance in drug funding. For example, in 1995, the federal drug control budget of $13.3 billion was divided as follows: 35% was allocated for demand reduction programs; 53% for domestic law enforcement, and 12% for international supply reduction. Think of it—only 12% of our drug control budget was dedicated to stop drugs from coming to our country—down from 33% in 1987. Though the overall drug budget increased threefold from 1987 to 1995, the piece of the drug budget pie allocated for international and interdiction efforts had decreased.

Key components of our drug interdiction strategy were slashed. For example, Coast Guard funding for counter-narcotics fell 32% from 1992 to 1995. Not surprisingly, Coast Guard drug seizures dropped from 90,335 lbs in 1991 to 28,585 lbs in 1996. In addition, interdiction no longer remains a priority within the Department of Defense, which currently ranks counter narcotics dead

last in importance in its Global Military Force Policy.

What were the results of these two clearly different approaches? The Reagan-Bush approach achieved real success. From 1988 to 1991, total drug use was down 13 percent. Cocaine use dropped by 35 percent. Marijuana use was reduced by 16 percent.

In contrast, under the Clinton approach, since 1992 overall drug use among teens aged 12 to 17 rose by 70 percent. Drug-abuse related arrests more than doubled for minors between 1992 and 1996. Since 1992, there has been an overall 80 percent increase in illicit drug use among graduating high school seniors. Further, in 1995 number of heroin related emergency room admissions jumped 58% since 1992. And in the first half of 1995, methamphetamine related emergency room admissions were 321% higher compared to the first half of 1991.

The price of drugs also decreased during this time period. For instance, the price of a pure heroin gram in 1992 was $1,647—and in February 1996 it was only $966 per gram.

These negative effects have sent shockwaves throughout our communities and our homes.

The rise of drug use is not at all surprising. With the Clinton administration's decline in emphasis on drug interdiction, it has become easier to bring drugs into the U.S. This makes drugs more available and more affordable. The Office of National Drug Control Policy reported that small "pieces" or "rocks" of crack, which once sold for ten to twenty dollars, are now available for three to five dollars.

No question, continued investments to deal with the "demand side" of the drug situation are necessary. We have to find ways to persuade Americans, particularly young people, that doing drugs is wrong—that it destroys lives, families, schools and communities. As long as there is a demand for drugs, education and treatment remain essential long-term components of our anti-drug efforts.

Casual drug users also are influenced by price, which is why a balanced anti-drug strategy includes fighting drugs beyond our borders. The drug lords in South America are well aware that the U.S. is no longer pursuing a tough interdiction strategy. I have seen Coast Guard operations first hand, and while the Coast Guard and other agencies can detect and monitor drug trafficking operations, they usually stand by helpless because they lack necessary equipment to turn detection into seizures and arrests. Of the total drug air events in the Bahamas from April 1997 to April 1998, there was only an 8% success rate in stopping drug air flights that have been detected. That means over 92% got away. Without doubt, the drug lords can get a larger flow of drugs into the U.S.

With additional resources, we can make it more difficult to import illegal narcotics, and drive up the cost for the drug cartels to engage in this illicit and immoral practice. Interdiction drives up the price—and drives down the purity—of cocaine on the street. Also, seizing or destroying a ton of cocaine outside our borders is more cost effective than trying to seize the same quantity of drugs at the point of sale.

Mr. President, that is why I think that this bill is absolutely essential. The bill can get us back on the right track. I want to take this opportunity to acknowledge Representative BILL MCCOLLUM's tireless efforts and dedication to this initiative. He has shown tremendous leadership on anti-drug efforts.

Mr. President, it is time to reverse the current administration's policy and get right with history. It is time we returned to a comprehensive, balanced drug control strategy that will put us back on a course toward ridding our schools and communities of illegal and destructive drugs. The evidence clearly shows that with a balanced strategy, we were making great progress. We significantly reduced drug use. For the sake of our children, it is time for us to embrace the lessons of history, and stop trying to escape them.•

• Mr. GRAHAM. Mr. President, I am proud to join Senator DEWINE and my other colleagues in introducing the Western Hemisphere Drug Elimination Act of 1998. This bill will provide an additional $2.6 billion over a 3-year period to implement a more comprehensive eradication, interdiction, and crop substitution strategy for our nation's counter-drug efforts.

The bill will help the United States meet its goal of reducing the flow of cocaine and heroin into the U.S. by 80 percent in three years by combining a reduction in availability with demand reduction efforts. This is accomplished by providing more funding to those doing the heavy lifting in this fight—the Coast Guard, the Customs Service, the Drug Enforcement Administration, and the Department of Defense.

The U.S. needs to focus its resources in a comprehensive way to protect the entire southern frontier of the United States from San Diego to San Juan. Previously, resources were shifted from one part of the country to another, alternating between those states along the Southwest border and the Caribbean. This created "gates" where drug smugglers could move their product without fear of U.S. interdiction. This bill will provide the necessary resources to eliminate the chinks from the anti-drug fence, so that we do not have to choose between stopping drug smuggling in one area of the country or another.

On June 22 of this year, I chaired a field hearing in Miami on behalf of the Senate Caucus on International Narcotics Control. The purpose was to examine the flow of drugs into the United States through the Caribbean into Florida. I wanted to gain a clearer picture of the current patterns of narcotics trafficking from the Southwest border back to the Caribbean and South Florida, obtain a better understanding for what the United States needs to do to increase our anti-drug effectiveness, and improve our efforts to stem this flow which threatens our youth. We held the hearing on the deck of a U.S. Coast Guard Medium Endurance Cutter named the *Valiant*, which had just returned from a seven week counter-narcotics patrol in the Caribbean.

We selected the Coast Guard venue to underscore a number of very important realities in the United States' current strategy to fight the drug war. One of our principal interdiction forces—the United States Coast Guard—is conducting its mission on vessels such as the *Valiant*, a ship that is more than 30 years old, with an equally antiquated surface search radar. The Coast Guard needs new ships and newer radars. As I approached the *Valiant*, I noticed that there were a number of weapons systems on board, including two .50 caliber machine guns and a 25mm chain gun. These weapons reminded me that this effort is indeed a war. Despite the words of some officials who prefer not to characterize the effort as such, it is indeed. We are fighting a well-organized, well-financed, and doggedly determined enemy whose objective is to inundate our nation with a chemical weapon that demeans, degrades, and defeats the most precious asset we have—our people. What more do we need to know to energize ourselves to fight back?

The individuals who testified at the field hearing painted a very disturbing picture. Consider the following facts:

The United States Southern Command cannot maintain adequate radar and airborne early warning coverage of the region or sustain the right number of tracker aircraft to perform its mission to provide counter-drug support to states in South America and the Caribbean.

The Joint Interagency Task Force East, located in Key West, Florida, does not know the extent of drug smuggling in the Eastern Pacific because the Department of Defense has not provided the necessary assets to conduct its Detection & Monitoring mission.

The Coast Guard had to end a very successful counter-narcotics operation in the Caribbean, OPERATION FRONTIER LANCE, because of a lack of funding.

The United States Customs Service is limited in its ability to capture drug runners in go-fast boats because of a lack of funds to procure newer and faster boats, as well as a lack of personnel to adequately maintain those

go-fast boats currently in service due to lack of funding.

The Drug Enforcement Administration lacks sufficient special agents in the Caribbean, as well as accompanying administrative and intelligence personnel, because the DEA does not have sufficient funds to hire and retain these individuals.

The South Florida High Intensity Drug Trafficking Area—responsible for coordinating and integrating federal, state, and local law enforcement agencies' counter-drug efforts—is constrained in its ability to conduct investigations by paying overtime salaries because of the lack of funding.

If there is a trend underlying all these problems, it is the lack of funds being made available to those agencies responsible for performing the supply reduction component of the drug war. By adding resources to the supply side of the drug war—more planes, helicopters, radars, personnel, and boats—we will eliminate the need to constantly shift resources from one area of the country to another. Drug smugglers will no longer be able to exploit our weaknesses, such as the lack of Coast Guard, Customs, and DEA resources in the Caribbean. South Florida will no longer be a gate through which drug smugglers have entry into the United States.

Those responsible for coordinating the national drug control strategy say that reducing our own demand for drugs is tremendously important. I could not agree more. That is why I was an original co-sponsor of the Drug Free Communities Act, and why I took steps to create and fund the Central Florida High Intensity Drug Trafficking Area. But addressing our demand for drugs is only one part of the solution, and that reduction will take time. We must take strong steps to interrupt the supply side of the equation as well. And quite frankly, we are not doing as much on the supply side as we should, or as much as we can.

I am committed to seeing that more is done, and this legislation goes a long way towards achieving our goals. By restoring the support we provide to eradication and interdiction, I believe we can make a difference in this war, and the time to make that difference is now.•

By Mr. BURNS:

S. 2342. A bill to amend title XVIII of the Social Security Act to exempt certain facilities from the 3-year transition period under the prospective payment system for skilled nursing facilities; to the Committee on Finance.

THE SKILLED NURSING FACILITY PAYMENT FAIRNESS ACT OF 1998

• Mr. BURNS. Mr. President, today I am pleased to introduce legislation to put more equality into the Medicare payment system for skilled nursing facilities (SNFs). The Skilled Nursing Facility Payment Fairness Act of 1998 will allow certain SNFs—those which will suffer a real cut in Medicare payments—to use a more equitable payment formula that more closely reflects their actual costs.

The Balanced Budget Act of 1997 required HCFA to develop a prospective payment system (PPS) for Medicare-covered services provided by skilled nursing facilities. Under the PPS, SNFs will be paid a single federal per diem rate for all routine, ancillary, and capital-related Part A costs. For SNFs that participated in Medicare before October 1, 1995, there is a three-year transition period to the PPS. During this transition period, facilities will be paid a blended rate based on a facility-specific rate and a federal rate. In the first year of the transition, the blended rate will be 75% of the facility-specific rate and 25% of the federal rate; in the second year the split will be 50%–50%; and in the third year 25%–75%.

For facilities that have had a substantial change in the level of services they provide since 1995, the transitional blended payment rate will have a severe impact. And of those facilities adversely affected, a significant number are low-utilization SNFs is rural areas. For example, facilities in Montana provide fewer services as measured by Medicare patient days than the national average. They are hit in two ways: first, their utilization levels (length of stay, level of acuity), though still low, are higher today than they were in 1995, so the facility-specific rate which is based on 1995 cost reports does not reflect today's costs; second, the low-utilization facilities are less able to absorb Medicare payment reductions and are more likely to drop out of Medicare altogether. As a result, rural communities with few providers may have no post-hospital services. Patients will then have to leave their communities to seek services elsewhere or go without these services.

The bill I'm introducing today will allow facilities to skip the transition period and go directly to the more equitable federal rate if (1) the Secretary of Health and Human Services determines that the facility's level of services has changed substantially since 1995, or (2) the facility had fewer than 1500 Medicare patient days in its last cost reporting period. By receiving payments based on the federal rate, which is adjusted for case-mix, geographic variations in wages, and inflation, facilities will be compensated in an amount closer to their actual costs. On the other hand, the facility-specific portion of the current blended rate bases costs in part on 1995 expenses, which does not reflect current costs.

Rural areas will suffer under the current prospective payment system. In Montana alone, cuts in Medicare payments to skilled nursing facilities are estimated at $5.6 million in the first year of the prospective payment system, which began on July 1, 1998. It will result in decreased access to care for Medicare patients as fewer services are offered and fewer facilities participate in Medicare. This bill provides a straightforward, workable solution and is supported by the Montana Health Care Association and the American Health Care Association. It will correct the unintended negative consequences of the transition to a prospective payment system and restore fairness to the process.•

By Mr. BINGAMAN:

S. 2343. A bill to amend the Radiation Exposure Compensation Act to provide for partial restitution to individuals who worked in uranium mines, or transport which provided uranium for the use and benefit of the United States Government, and for other purposes; to the Committee on the Judiciary.

RADIATION EXPOSURE COMPENSATION IMPROVEMENT ACT

Mr. BINGAMAN. Mr. President, I rise to make a few remarks regarding a bill I am introducing today, the Radiation Exposure Compensation Improvement Act.

Mr. President, the Radiation Exposure Compensation Act or RECA was originally enacted as a means of compensating thousands of individuals who suffered from exposure to radiation as a result of the federal government's nuclear testing program and federal uranium mining activities. While the government can never fully compensate for the loss of a life or the reduction in the quality of life, RECA serves as a cornerstone for the national apology Congress extended in 1990 to the victims of the radiation tragedies. In keeping with the spirit of that apology, the legislation I introduce today will further correct existing injustices and provide compensation for those whose lives and health were sacrificed as part of our nation's effort to win the Cold War.

In 1990, I was pleased to have been a sponsor of the RECA legislation here in the Senate. I was very optimistic that after years of waiting, some degree of redress would be given to the thousands of miners in my state of New Mexico. I chaired the Senate oversight hearing on this issue in Shiprock, N.M. for the Senate Labor and Human Resources Committee in 1993 and began to hear of changes that were necessary. To that end, I worked to facilitate changes in the regulatory and administrative areas.

Unfortunately, I have heard from many of my constituents that the program still does not work as intended. I have received compelling letters of need from constituents telling me how RECA needs to be amended. The letters come from widows unable to access the

current compensation. Miners and millers tied to oxygen tanks, in respiratory distress or dying from cancer write to tell me how they have been denied compensation under the current act. Family members write of the pain of fathers who worked in the mills. They recount how their fathers came home covered in the "yellow cake" of uranium oxide that was floating in the air of the mills. The story of their father's cancers and painful breathing are vivid in these letters and yet the current act does not address their needs.

Mr. President, the bill I introduce today will address the issues they raise in their sometimes angry and often tear stained letters. Their points are backed by others as well. In fact, the bill incorporates findings by the prestigious Committee on the Biological Effects of Ionizing Radiation (BEIR) which has, since 1990, enlarged scientific evidence about radiogenic cancers and the health effects of radiation exposures. In other words, because of their good work, we know more now than we did in 1990 and we need to make sure the compensation we provide keeps pace with our medical knowledge.

Other amendments will, in essence, adopt and incorporate into RECA the recommendations made in October 1995 by the President's Advisory Committee on Human Radiation Experiments. This blue-ribbon committee determined that U.S. uranium miners were used as subjects of an experiment which had tragic results. It used this language to condemn the ethical outcome of this study:

> The grave injustice that the government did to the uranium miners, by failing to take action to control the hazard and by failing to warn the miners of the hazard, should not be compounded by unreasonable barriers to receiving the compensation the miners deserve for the wrongs and harms inflicted upon them as they served their country.

Mr. President, I would like to cite several of the key provisions in the Radiation Exposure Compensation Improvement Act. Currently RECA covers those exposed to radiation released in underground uranium mines that were providing uranium for the primary use and benefit of the nuclear weapons program of the U.S. government. The bill would make all uranium workers eligible for compensation including above ground miners, millers, and transport workers.

RECA currently covers individual termed "downwinders" who were in the areas of Nevada, Utah, and Arizona affected by atmospheric nuclear testing in the 1950's. This bill expands the geographical area eligible for compensation to include the Navajo Reservation. In addition, the bill expands the compensable diseases for the downwind population by adding salivary gland, urinary bladder, brain, colon, and ovarian cancers.

Currently, the law has disproportionately high levels of radiation exposure requirements for miners to qualify for compensation as compared to the "downwinders." My legislation would set a standard of proof for uranium workers that is more realistic given the availability of mining and mill data. The bill also removes the provision that only permits a claim for respiratory disease if the uranium mining occurred on a reservation. Thus, the bill will allow for further filing of a claim by those miners, millers, and transport workers who did not have a work history on a reservation. In addition, the bill would change the current law so that requirements for written medical documentation is updated to allow for use of high resolution CAT scans and allow for written diagnoses by physician in either the Department of Veterans Affairs or the Indian Health Service to be considered conclusive.

In 1990, we joined together in a bipartisan, bicameral effort and assured passage of the Radiation Exposure Compensation Act (RECA). Now, either years later, I put forward this comprehensive amendment to RECA to correct some omissions, make RECA consistent with current medical knowledge, and to address what have become administrative horror stories for the claimants. I look forward to the debate in the Senate on this issue and hope that we can move to amend the current statue to ensure our original intent . . . fair and rapid compensation to those who served so well.

Mr. President, I ask unanimous consent to have the text of the Radiation Improvement Compensation Act printed in the RECORD.

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

S. 2343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the "Radiation Exposure Compensation Improvement Act".

(b) FINDINGS.—Congress finds the following:

(1) The intent of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note), enacted in 1990, was to apologize to victims of the weapons program of the Federal Government, but uranium workers who have applied for compensation under the Act have faced a disturbing number of challenges.

(2) The congressional oversight hearing conducted by the Committee on Labor and Human Resources of the Senate has shown that since passage of the Radiation Exposure Compensation Act, former uranium workers and their families have not received prompt and efficient compensation.

(3) There is no plausible justification for the Federal Government's failure to warn and protect the lives and health of uranium workers.

(4) Progress on implementing the Radiation Exposure Compensation Act has been impeded by criteria for compensation that is far more stringent than for other groups for which compensation is provided.

(5) The President's Advisory Committee on Human Radiation Experiments recommended that amendments to the Radiation Exposure Compensation should be made.

(6) Uranium millers, aboveground miners, and individuals who transported uranium ore should be provided compensation that is similar to that provided for underground uranium miners in cases in which those individuals suffered disease or resultant death as a result of the failure of the Federal Government to warn of health hazards.

SEC. 2. TRUST FUND.

Section 3(d) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended by striking "of this Act" and inserting "of the Radiation Exposure Compensation Improvement Act".

SEC. 3. AFFECTED AREA; CLAIMS RELATING TO SPECIFIED DISEASES.

(a) AFFECTED AREA.—Section 4(b)(1) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—

(1) by striking "and" at the end of subparagraph (B); and

(2) by adding at the end the following:

"(D) those parts of Arizona, Utah, and New Mexico comprising the Navajo Nation Reservation that were subjected to fallout from nuclear weapons testing conducted in Nevada; and".

(b) CLAIMS RELATING TO SPECIFIED DISEASES.—Section 4(b)(2) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—

(1) by striking "the onset of the disease was between 2 and 30 years of first exposure," and inserting "the onset of the disease was at least 2 years after first exposure, lung cancer (other than in situ lung cancer that is discovered during or after a post-mortem exam),";

(2) by striking "(provided initial exposure occurred by the age of 20)" after "thyroid";

(3) by inserting "male or" before "female breast";

(4) by striking "(provided initial exposure occurred prior to age 40)" after "female breast";

(5) by striking "(provided low alcohol consumption and not a heavy smoker)" after "esophagus";

(6) by striking "(provided initial exposure occurred before age 30)" after "stomach";

(7) by striking "(provided not a heavy smoker)" after "pharynx";

(8) by striking "(provided not a heavy smoker and low coffee consumption)" after "pancreas";

(9) by inserting "salivary gland, urinary bladder, brain, colon, ovary," after "gall bladder,"; and

(10) by inserting before the period at the end the following: ", and chronic lymphocytic leukemia".

SEC. 4. URANIUM MINING AND MILLING AND TRANSPORT.

(a) AMENDMENT TO HEADING.—Section 5 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended by striking the section heading and inserting the following:

"SEC. 5. CLAIMS RELATING TO URANIUM MINING OR MILLING OR TRANSPORT.".

(b) MILLING.—Section 5(a) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—

(1) by striking "Any" and inserting "Any individual who was employed to transport or handle uranium ore or any"; and

(2) by inserting "or in any other State in which uranium was mined, milled, or transported" after "Utah".

(c) MINES.—Section 5(a) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note), as amended by subsection (a) of this section, is amended by striking "a uranium mine" and inserting "a uranium mine (including a mine located aboveground or an open pit mine in which uranium miners worked, or a uranium mill)".

(d) DATES.—Section 5(a) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note), as amended by subsections (b) and (c) of this section, is amended by striking "January 1, 1947, and ending on December 31, 1971" and inserting "January 1, 1942, and ending on December 31, 1990".

(e) AMENDMENT OF PERIOD OF EXPOSURE; EXPANSION OF COVERAGE; INCREASE IN COMPENSATION AWARDS; AND REMOVAL OF SMOKING DISTINCTION.—Section 5(a) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note), as amended by subsections (b) through (d) of this section, is amended—

(1) by striking paragraph (1) and all that follows through the end of the subsection and inserting the following:

"(2) COMPENSATION.—Any individual shall receive $200,000 for a claim made under this Act if—

"(A) that individual—

"(i) was exposed to 40 or more working level months of radiation and submits written medical documentation that the individual, after exposure developed—

"(I) lung cancer,

"(II) a nonmalignant respiratory disease, or

"(III) any other medical condition associated with uranium mining or milling, or

"(ii) worked in uranium mining, milling, or transport for a period of at least 1 year and submits written medical documentation that the individual, after exposure, developed—

"(I) lung cancer,

"(II) a nonmalignant respiratory disease, or

"(III) any other medical condition associated with uranium mining, milling, or transport,

"(B) the claim for that payment is filed with the Attorney General by or on behalf of that individual, and

"(C) the Attorney General determines, in accordance with section 6, that the claim meets the requirements of this Act.".

(2) by striking "(a) ELIGIBILITY OF INDIVIDUALS.—Any" and inserting the following: "(a) ELIGIBILITY.—

"(1) IN GENERAL.—Any"; and

(3) in paragraph (1), as so designated, by striking the dash at the end and inserting a period.

(f) CLAIMS RELATED TO HUMAN RADIATION EXPERIMENTATION AND DEATH RESULTING FROM CAUSE OTHER THAN RADIATION.—Section 5 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—

(1) by redesignating subsection (b) as subsection (d); and

(2) by inserting after subsection (a) the following:

"(b) CLAIMS RELATING TO HUMAN USE RESEARCH AND DEATH RESULTING FROM NONRADIOLOGICAL CAUSES.—

"(1) IN GENERAL.—

"(A) PAYMENT.—Any individual described in subparagraph (B) shall receive $50,000 if—

"(i) a claim for that payment is filed with the Attorney General by or on behalf of that individual; and

"(ii) the Attorney General determines, in accordance with section 6, that the claim meets the requirements of this Act.

"(B) DESCRIPTION OF INDIVIDUALS.—An individual described in this subparagraph is an individual who—

"(i) was employed in a uranium mining, milling, or transport within any State referred to in subsection (a) at any time during the period referred to in that subsection, and

"(ii)(I) in the course of that employment, without the individual's knowledge or informed consent, was intentionally exposed to radiation for purposes of testing, research, study, or experimentation by the Federal Government (including any agency of the Federal Government) to determine the effects of that exposure on the human body; or

"(II) in the course of or arising out of the individual's employment, suffered death, that, because the individual or the estate of the individual was barred from pursuing recovery under a worker's compensation system or civil action available to similarly situated employees of mines or mills that are not uranium mines or mills, is not otherwise—

"(aa) compensable under subsection (a); or

"(bb) redressable.

"(2) PAYMENTS.—Payments under this subsection may be made only in accordance with section 6.".

(g) OTHER INJURY OR DISABILITY.—Section 5 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note), as amended by subsection (f) of this section, is amended by adding after subsection (b) the following:

"(c) OTHER INJURY OR DISABILITY.—

"(1) IN GENERAL.—

"(A) PAYMENT.—Any individual described in subparagraph (B) shall receive $20,000 if—

"(i) a claim for that payment is filed with the Attorney General by or on behalf of that individual; and

"(ii) the Attorney General determines, in accordance with section 6, that the claim meets the requirements of this Act.

"(B) DESCRIPTION OF INDIVIDUALS.—An individual described in this subparagraph is an individual who—

"(i) was employed in a uranium mine or mill or transported uranium ore within any State referred to in subsection (a) at any time during the period referred to in that subsection; and

"(ii) submits written medical documentation that individual suffered injury or disability, arising out of or in the course of the individual's employment that, because the individual or the estate of the individual was barred from pursuing recovery under a worker's compensation system or civil action available to similarly situated employees of mines or mills that are not uranium mines or mills, is not otherwise—

"(I) compensable under subsection (a); or

"(II) redressable.

"(2) PAYMENTS.—Payments under this subsection may be made only in accordance with section 6.".

(h) DEFINITIONS.—Subsection (d) of section 5 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note), as redesignated by subsection (f) of this section, is amended—

(1) in paragraph (1)—

(A) by striking "radiation exposure" and inserting "exposure to radon and radon progeny"; and

(B) by inserting "based on a 6-day workweek," after "every work day for a month,";

(2) by striking paragraph (2) and inserting the following:

"(2) the term 'affected Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, that is recognized as eligible for special programs and services provided by the United States to Indian tribes because of their status as Native Americans, whose people engaged in uranium mining or milling or were employed where uranium mining or milling was conducted;";

(3) by striking paragraphs (3) and (4); and

(4) by adding at the end the following:

"(3) the term 'course of employment' means—

"(A) any period of employment in a uranium mine or uranium mill before or after December 31, 1971, or

"(B) the cumulative period of employment in both a uranium mine and uranium mill in any case in which an individual was employed in both a uranium mine and a uranium mill;

"(4) the term 'lung cancer' means any physiological condition of the lung, trachea, and bronchus that is recognized under that name or nomenclature by the National Cancer Institute, including any in situ cancer;

"(5) the term 'nonmalignant respiratory disease' means fibrosis of the lung, pulmonary fibrosis, corpulmonale related to pulmonary fibrosis, or moderate or severe silicosis or pneumoconiosis;

"(6) the term 'other medical condition associated with uranium mining, milling, or uranium transport' means any medical condition associated with exposure to radiation, heavy metals, chemicals, or other toxic substances to which miners and millers are exposed in the mining and milling of uranium;

"(7) the term 'uranium mill' includes milling operations involving the processing of uranium ore or vanadium-uranium ore, including carbonate and acid leach plants;

"(8) the term 'uranium transport' means human physical contact involved in moving uranium ore from 1 site to another, including mechanical conveyance, physical shoveling, or driving a vehicle;

"(9) the term 'uranium mine' means any underground excavation, including dog holes, open pit, strip, rim, surface, or other aboveground mines, where uranium ore or vanadium-uranium ore was mined or otherwise extracted;

"(10) the term 'working level' means the concentration of the short half-life daughters (known as 'progeny') of radon that will release (1.3×10^5) million electron volts of alpha energy per liter of air; and

"(11) the term 'written medical documentation' for purposes of proving a nonmalignant respiratory disease means, in any case in which the claimant is living—

"(A) a chest x-ray administered in accordance with standard techniques and the interpretive reports thereof by 2 certified 'B' readers classifying the existence of the nonmalignant respiratory disease of category 1/0 or higher according to a 1989 report of the International Labour Office (known as the 'ILO'), or subsequent revisions;

"(B) a high resolution computed tomography scan (commonly known as an 'HCRT scan') and any interpretive report for that scan;

"(C) a pathology report of a tissue biopsy;

"(D) a pulmonary function test indicating restrictive lung function (as defined by the American Thoracic Society); or

"(E) an arterial blood gas study.".

SEC. 5. DETERMINATION AND PAYMENT OF CLAIMS.

(a) DETERMINATION AND PAYMENT OF CLAIMS, GENERALLY.—Section 6 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by adding at the end the following: "All reasonable doubt with regard to whether a claim meets the requirements of this Act shall be resolved in favor of the claimant.";

(B) by redesignating paragraph (2) as paragraph (5); and

(C) by inserting after paragraph (1) the following:

"(2) EVIDENCE.—In support of a claim for compensation under section 5, the Attorney General shall permit the introduction of, and a claimant may use and rely upon, affidavits and other documentary evidence, including medical evidence, to the same extent as permitted by the Federal Rules of Evidence.

"(3) INTERPRETATION OF CHEST X-RAYS.—For purposes of this Act, a chest x-ray and the accompanying interpretive report required in support of a claim under section 5(a), shall—

"(A) be considered to be conclusive, and

"(B) be subject to a fair and random audit procedure established by the Attorney General.

"(4) CERTAIN WRITTEN DIAGNOSES.—

"(A) IN GENERAL.—For purposes of this Act, in any case in which a written diagnosis is made by a physician described in subparagraph (B) of a nonmalignant pulmonary disease or lung cancer of a claimant that is accompanied by written medical documentation that meets the definition of that term under subsection (b)(11), that written diagnosis shall be considered to be conclusive evidence of that disease.

"(B) DESCRIPTION OF PHYSICIANS.—A physician described in this subparagraph is a physician who—

"(i) is employed by—

"(I) the Indian Health Service of the Department of Health and Human Services, or

"(II) the Department of Veterans Affairs, and

"(ii) is responsible for examining or treating the claimant involved.";

(2) in subsection (c)(2)—

(A) in subparagraph (A)(ii), by striking "in a uranium mine" and inserting "in uranium mining, milling, or transport"; and

(B) in subparagraph (B)(ii), by striking "by the Federal Government" and inserting "through the Department of Veterans Affairs";

(3) in subsection (d)—

(A) by striking "(d) ACTION ON CLAIMS.—The Attorney General" and inserting the following:

"(d) ACTION ON CLAIMS.—

"(1) IN GENERAL.—The Attorney General"; and

(B) by adding at the end the following:

"(2) DETERMINATION OF PERIOD.—For purposes of determining the tolling of the 12-month period under paragraph (1), a claim under this Act shall be considered to have been filed as of the date of the receipt of that claim by the Attorney General.

"(3) ADMINISTRATIVE REVIEW.—If the Attorney General denies a claim referred to in paragraph (1), the claimant shall be permitted a reasonable period of time in which to seek administrative review of the denial by the Attorney General.

"(4) FINAL DETERMINATION.—The Attorney General shall make a final determination with respect to any administrative review conducted under paragraph (3) not later than 90 days after the receipt of the claimant's request for that review.

"(5) EFFECT OF FAILURE TO RENDER A DETERMINATION.—If the Attorney General fails to render a determination during the 12-month period under paragraph (1), the claim shall be deemed awarded as a matter of law and paid.";

(4) in subsection (e), by striking "in a uranium mine" and inserting "uranium mining, milling, or transport";

(5) in subsection (k), by adding at the end the following: "With respect to any amendment made to this Act after the date of enactment of this Act, the Attorney General shall issue revised regulations, guidelines, and procedures to carry out that amendment not later than 180 days after the date of enactment of that amendment."; and

(6) in subsection (l)—

(A) by striking "(l) JUDICIAL REVIEW.—An individual" and inserting the following:

"(l) JUDICIAL REVIEW.—

"(1) IN GENERAL.—An individual"; and

(B) by adding at the end the following:

"(2) ATTORNEY'S FEES.—If the court that conducts a review under paragraph (1) sets aside a denial of a claim under this Act as unlawful, the court shall award claimant reasonable attorney's fees and costs incurred with respect to the court's review.

"(3) INTEREST.—If, after a claimant is denied a claim under this Act, the claimant subsequently prevails upon remand of that claim, the claimant shall be awarded interest on the claim at a rate equal to 8 percent, calculated from the date of the initial denial of the claim.

"(4) TREATMENT OF ATTORNEY'S FEES, COSTS, AND INTEREST.—Any attorney's fees, costs, and interest awarded under this section shall—

"(A) be considered to be costs incurred by the Attorney General, and

"(B) not be paid from the Fund, or set off against, or otherwise deducted from, any payment to a claimant under this section.".

(b) FURTHERANCE OF SPECIAL TRUST RESPONSIBILITY TO AFFECTED INDIAN TRIBES; SELF-DETERMINATION PROGRAM ELECTION.—In furtherance of, and consistent with, the trust responsibility of the United States to Native American uranium workers recognized by Congress in enacting the Radiation Exposure Compensation Act (42 U.S.C. 2210 note), section 6 of that Act, as amended by subsection (a) of this section, is amended—

(1) in subsection (a), by adding at the end the following: "In establishing any such procedure, the Attorney General shall take into consideration and incorporate, to the fullest extent feasible, Native American law, tradition, and custom with respect to the submission and processing of claims by Native Americans.";

(2) in subsection (b), by inserting after paragraph (3) the following:

"(4) PULMONARY FUNCTION STANDARDS.—In determining the pulmonary impairment of a claimant, the Attorney General shall evaluate the degree of impairment based on ethnic-specific pulmonary function standards.";

(3) in subsection (b)(5)—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by inserting after subparagraph (C) the following:

"(D) in consultation with any affected Indian tribe, establish guidelines for the determination of claims filed by Native American uranium miners, millers, and transport workers pursuant to section 5.";

(4) in subsection (b), by adding after paragraph (5) the following:

"(6) SELF-DETERMINATION PROGRAM ELECTION.—

"(A) IN GENERAL.—The Attorney General on the request of any affected Indian tribe by tribal resolution, may enter into 1 or more self-determination contracts with a tribal organization of that Indian tribe pursuant to the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) to plan, conduct, and administer the disposition and award of claims under this Act to the extent that members of the affected Indian tribe are concerned.

"(B) APPROVAL.—(i) On the request of an affected Indian tribe to enter into a self-determination contract referred to in subparagraph (A), the Attorney General shall approve or reject the request in a manner consistent with section 102 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f).

"(ii) The Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) shall apply to the approval and subsequent implementation of a self-determination contract entered into under clause (i) or any rejection of such a contract, if that contract is rejected.

"(C) USE OF FUNDS.—Notwithstanding any other provision of law, funds authorized for use by the Attorney General to carry out the functions of the Attorney General under subsection (i) may be used for the planning, training, implementation, and administration of any self-determination contract that the Attorney General enters into with an affected Indian tribe under this section."; and

(5) in subsection (c)(4), by adding at the end the following:

"(D) APPLICATION OF NATIVE AMERICAN LAW.—In determining the eligibility of individuals to receive compensation under this Act by reason of marriage, relationship, or survivorship, the Attorney General shall take into consideration and give effect to established law, tradition, and custom of affected Indian tribes.".

SEC. 6. CHOICE OF REMEDIES.

Section 7(b) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended to read as follows:

"(b) CHOICE OF REMEDIES.—

"(1) IN GENERAL.—Except as provided in paragraph (1), the payment of an award under any provision of this Act does not preclude the payment of an award under any other provision of this Act.

"(2) LIMITATION.—No individual may receive more than 1 award payment for any compensable cancer or other compensable disease.".

SEC. 7. LIMITATION ON CLAIMS; RETROACTIVE APPLICATION OF AMENDMENTS.

Section 8 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended to read as follows:

"SEC. 8. LIMITATION ON CLAIMS.

"(a) BAR.—After the date that is 20 years after the date of enactment of the Radiation Exposure Compensation Improvement Act no claim may be filed under this Act.

"(b) APPLICABILITY OF AMENDMENTS.—The amendments made to this Act by the Radiation Exposure Compensation Improvement Act shall apply to any claim under this Act that is pending or commenced on or after October 5, 1990, without regard to whether payment for that claim could have been awarded before the date of enactment of the Radiation Exposure Compensation Improvement Act as the result of previous filing and prior payment under this Act.".

SEC. 9. REPORT.

Section 12 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 12. REPORTS.";

and

(2) by adding at the end the following:

"(c) URANIUM MILL AND MINE REPORT.—Not later than January 1, 2000, the Secretary of Health and Human Services in consultation with the Secretary of Energy shall prepare and submit to Congress a report that—

"(1) summarizes medical knowledge concerning adverse health effects sustained by residents of communities who reside adjacent to—

"(A) uranium mills or mill tailings,

"(B) aboveground uranium mines, or

"(C) open pit uranium mines; and

"(2) summarizes available information concerning the availability and accessibility of medical care that incorporates the best available standards of practice for individuals with malignancies and other compensable diseases relating to exposure to uranium as a result of uranium mining and milling activities;

"(3) summarizes the reclamation efforts with respect to uranium mines, mills, and mill tailings in Colorado, New Mexico, Arizona, Wyoming, and Utah; and

"(4) makes recommendations for further actions to ensure health and safety relating to the efforts referred to in paragraph (3).".

By Mr. COVERDELL (for himself, Mr. FAIRCLOTH, Mr. LOTT, Mrs. HUTCHISON, Mr. GRAMM, Mr. SHELBY, Mr. LUGAR, and Mr. COCHRAN):

S. 2344. A bill to amend the Agricultural Market Transition Act to provide for the advance payment, in full, of the fiscal year 1999 payments otherwise required under production flexibility contracts; to the Committee on Agriculture, Nutrition, and Forestry.

THE EMERGENCY FARM FINANCIAL RELIEF ACT

• Mr. COVERDELL. Mr. President, the past several years have been devastating for a large number of Georgia farmers. Due to the large amounts of weather damage and associated agriculture production losses, numerous farmers and agribusinesses are faced with dire financial situations.

Farmers from across the state of Georgia are facing their worst crop disaster in many years. Currently, damages are estimated at about $450 million and rising. The drought in Georgia has already lasted 3 months and has caused farmers water supplies to dry up, leaving many without a source of irrigation water. I understand fully that it is not only in my home state where farmers are suffering. It is occuring in many parts of the country.

To help alleviate farmers' financial difficulties, today I am proud to introduce legislation with my esteemed colleagues Majority Leader LOTT, Senator COCHRAN, Senator FAIRCLOTH, Senator SHELBY, Senator GRAMM, Senator LUGAR and Senator HUTCHISON, which will help provide American farmers with much needed financial relief. The bill—The Emergency Farm Financial Relief Act—would allow farmers the option of receiving all of the Agriculture Market Transition Act (AMTA) contract payments for FY 1999 immediately after the beginning of the fiscal year. Annual payments can now be made two times a year, in December or January and again in September. The legislation we introduce today is a Senate companion to House legislation introduced by Representative BOB SMITH, Chairman of the House Agriculture Committee.

The bill would make $5.5 billion available much earlier in order to help farmers cope with the cash shortages they are now experiencing due to low prices and poor production. This important initiative leaves the decision to accept early payments or not solely with the farmer. Since all of the 1999 AMTA payments occur within the same fiscal year, the Congressional Budget Office (CBO) has determined that this proposal would not cost any additional taxpayer funds.

While this legislation is not the only answer to helping farmers during their time of economic hardship, it is a much needed overture which provides farmers with immediate financial relief. Certainly we have other measures to consider, but this is a good first step. I look forward to working with my colleagues in the Senate on this proposal and urge its speedy consideration.•

• Mr. FAIRCLOTH. Mr. President, I rise as a co-sponsor of the Emergency Farm Financial Relief Act of 1998, which will permit farmers to receive their fiscal year 1999 Agriculture Market Transition Act (AMTA) payments at the start of the fiscal year in October of 1998 rather than the semi-annual payments in December of 1998 and September of 1999.

This bill thus readies some $5.5 billion to help farmers cope with their current cash shortage that stems from high debts and low commodity prices.

This is a first to address the farm crisis, and it will help some farmers with their cash flow, but there are a lot of other growers in rough straits. Therefore, this is just a first step, and we need to take more aggressive steps to open export markets to American commodities.

This bill will not solve the farm crisis in North Carolina. In fact, because we managed to preserve the tobacco and peanut programs in the 1996 farm bill, the acceleration of AMTA contract payments will be limited, for the most part, to cotton, corn, and wheat growers.

The fields of North Carolina, Mr. President, are dry. All the farmers are in the same dire situation, and the scope of this bill is limited, but we need to address the tobacco growers.

I am concerned that efforts to bring the tobacco program to the Senate floor will get torn to shreds, but, certainly, the anti-tobacco crowd needs to rise above politics and realize that this is about farm families and family farms.

In addition to cash flow assistance, farmers need aggressive leadership to boost exports, and President Clinton needs to pay attention to farmers and to use the tools we gave him—like the Export Enhancement Program—to secure foreign markets for American agricultural commodities. Farmers just can't afford this continued silence from President Clinton. Agriculture is our number one export, so, clearly, we need the White House to engage on this issue.

Thank you, Mr. President, and I urge my colleagues to join us in support of the Emergency Farm Financial Relief Act of 1998.•

ADDITIONAL COSPONSORS

S. 263

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

S. 981

At the request of Mr. LEVIN, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 981, a bill to provide for analysis of major rules.

S. 1321

At the request of Mr. TORRICELLI, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 1321, a bill to amend the Federal Water Pollution Control Act to permit grants for the national estuary program to be used for the development and implementation of a comprehensive conservation and management plan, to reauthorize appropriations to carry out the program, and for other purposes.

S. 1344

At the request of Mr. BROWNBACK, the name of the Senator from Minnesota (Mr. GRAMS) was added as a cosponsor of S. 1344, a bill to amend the Foreign Assistance Act of 1961 to target assistance to support the economic and political independence of the countries of South Caucasus and Central Asia.

S. 1647

At the request of Mr. BAUCUS, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 1647, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 1759

At the request of Mr. HATCH, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 1759, A bill to grant a Federal charter to the American GI Forum of the United States.

S. 1924

At the request of Mr. MACK, the names of the Senator from Alaska (Mr.

STEVENS) and the Senator from Arizona (Mr. KYL) were added as cosponsors of S. 1924, a bill to restore the standards used for determining whether technical workers are not employees as in effect before the Tax Reform Act of 1986.

S. 2049

At the request of Mr. KERREY, the names of the Senator from Illinois (Ms. MOSELEY-BRAUN) and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. 2049, a bill to provide for payments to children's hospitals that operate graduate medical education programs.

S. 2112

At the request of Mr. ENZI, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of S. 2112, a bill to make the Occupational Safety and Health Act of 1970 applicable to the United States Postal Service in the same manner as any other employer.

S. 2118

At the request of Mr. CHAFEE, the name of the Senator from Illinois (Ms. MOSELEY-BRAUN) was added as a cosponsor of S. 2118, A bill to amend the Internal Revenue Code of 1986 to reduce the tax on vaccines to 25 cents per dose.

S. 2145

At the request of Mr. SHELBY, the names of the Senator from Mississippi (Mr. LOTT), the Senator from North Carolina (Mr. HELMS), and the Senator from Oklahoma (Mr. INHOFE) were added as cosponsors of S. 2145, a bill to modernize the requirements under the National Manufactured Housing Construction and Safety Standards Act of 1974 and to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes.

S. 2152

At the request of Mr. DURBIN, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 2152, a bill to establish a program to provide credit and other assistance for encouraging microenterprises in developing countries, and for other purposes.

S. 2154

At the request of Mrs. BOXER, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2154, a bill to promote research to identify and evaluate the health effects of silicone breast implants, and to ensure that women and their doctors receive accurate information about such implants.

S. 2181

At the request of Mr. AKAKA, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2181, a bill to amend section 3702 of title 38, United States Code, to make permanent the eligibility of former members of the Selected Reserve for veterans housing loans.

S. 2208

At the request of Mr. FRIST, the name of the Senator from Florida (Mr. MACK) was added as a cosponsor of S. 2208, a bill to amend title IX of the Public Health Service Act to revise and extend the Agency for Healthcare Policy and Research.

S. 2216

At the request of Ms. COLLINS, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 2216, a bill to amend title XVIII of the Social Security Act to make certain changes related to payments for graduate medical education under the medicare program.

S. 2217

At the request of Mr. FRIST, the names of the Senator from Massachusetts (Mr. KERRY) and the Senator from Illinois (Ms. MOSELEY-BRAUN) were added as cosponsors of S. 2217, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 2291

At the request of Mr. GRAMS, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2291, a bill to amend title 17, United States Code, to prevent the misappropriation of collections of information.

S. 2295

At the request of Mr. MCCAIN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2295, a bill to amend the Older Americans Act of 1965 to extend the authorizations of appropriations for that Act, and for other purposes.

S. 2322

At the request of Mr. BREAUX, the names of the Senator from Oklahoma (Mr. INHOFE) and the Senator from Louisiana (Ms. LANDRIEU) were added as cosponsors of S. 2322, a bill to amend the Internal Revenue Code of 1986 to change the determination of the 50,000-barrel refinery limitation on oil depletion deduction from a daily basis to an annual average daily basis.

S. 2337

At the request of Mr. SMITH, the names of the Senator from Idaho (Mr. KEMPTHORNE), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from North Carolina (Mr. FAIRCLOTH), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2337, a bill to establish a system of registries of temporary agricultural workers to provide for a sufficient supply of such workers and to amend the Immigration and Nationality Act to streamline procedures for the admission and extension of stay of nonimmigrant agricultural workers, and for other purposes.

SENATE CONCURRENT RESOLUTION 80

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of Senate Concurrent Resolution 80, a concurrent resolution urging that the railroad industry, including rail labor, management and retiree organization, open discussions for adequately funding an amendment to the Railroad Retirement Act of 1974 to modify the guaranteed minimum benefit for widows and widowers whose annuities are converted from a spouse to a widow or widower annuity.

SENATE RESOLUTION 257—EXPRESSING THE SENSE OF THE SENATE THAT OCTOBER 15, 1998, SHOULD BE DESIGNATED AS "NATIONAL INHALANT ABUSE AWARENESS DAY"

Mr. MURKOWSKI (for himself, Mr. LOTT, Mr. DASCHLE, Mr. D'AMATO, Mr. HELMS, Mr. GRASSLEY, Mr. HATCH, Mr. BIDEN, Mr. CLELAND, Mr. DURBIN, Mr. TORRICELLI, Mrs. FEINSTEIN, and Mr. INOUYE) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 257

Whereas inhalant abuse is nearing epidemic proportions with over 20 percent of all students admitting to experimenting with inhalants by the time they graduate from high school and only 4 percent of parents suspecting their children of inhalant use;

Whereas according to the National Institute on Drug Abuse, inhalant use ranks third behind use of alcohol and tobacco for all youths through the eighth grade;

Whereas the over 1,000 products that are being inhaled to get high are legal, inexpensive, and found in nearly every home and every corner market;

Whereas using inhalants even once can lead to kidney failure, brain damage, and even death;

Whereas inhalants are considered a gateway drug, one that leads to the use of harder, more deadly drugs; and

Whereas because inhalant use is difficult to detect, the products used are accessible and affordable, and abuse is so common, increased education of young people and their parents regarding the dangers of inhalants is an important step in our battle against drug abuse: Now, therefore, be it

Resolved, That—

(1) it is the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day", to be observed with appropriate activities; and

(2) the Senate requests that the President issue a proclamation designating October 15, 1998, as "National Inhalant Abuse Awareness Day".

• Mr. MURKOWSKI. Mr. President, today with 12 of my colleagues, including our distinguished Majority and Minority Leaders, I submit an important resolution that affects the health and safety of all of our children. My resolution would designate October 15th, 1998 as National Inhalant Abuse Awareness Day.

What is inhalant abuse? Many of you may know it as "sniffing" addiction. At alarmingly high rates, today's young people are using common household products to get high. In my state

of Alaska alone, 22% of the high school and 19% of middle school students admit to experimenting with inhalants. 21% of students nationally will have tried inhalants by the time they graduate from high school.

Inhalant abusers often start in elementary school, as young as 7 years old. In Alaska, there is even a report of a three year old using inhalants, having probably been taught to do so from an older sibling. Inhalant abusers are both male and female and cut across all socio-economic backgrounds. It is a national epidemic which affects all of our communities.

Inhalant abuse is so prevalent because of the availability and affordability of the products. The over 1,000 products being abused include nail and furniture polish, markers, whip cream aerosols, glue, gasoline, and air fresheners. These products are available in every home across the country and are sold for only a few dollars in every corner market. Unlike other substances young people abuse—alcohol, cigarettes, and harder drugs like cocaine, marijuana and heroin—these are perfectly legal products and harmless if used according to the directions.

All of us have these products in our homes and at some point, we have all asked our children to follow those directions and polish the living room furniture or fix a broken dish. But how many of us knew these items, which we so casually use, could someday kill our children? According to a recent study, only four percent of parents suspected their children of inhaling when in fact, 21% of them have.

With the products accessible and cheap, how do we stop the abuse without more laws? Congress can't just enact another law this time, we can't outlaw furniture polish or gasoline. Instead, I strongly believe the solution lies within our communities and our families. We, as community leaders, parents, and grandparents, should make a concerted effort to involve young people in other activities—teach them a trade or give them a summer job. I suggest that families pray together and eat their meals together. Children who have loving supportive homes and who are involved in a job or their community are less likely to be enticed by drugs, including inhalants.

We can also provide information. Inhalant abuse could be reduced if parents knew what symptoms they should be looking for. The warning signs for abuse include: unusual breath odor, chemical odor on clothing, a drunk or dazed appearance, hand tremors, red or runny nose and eyes, spots or sores around the mouth and anxiety and restlessness.

A sudden drop in grades and school attendance can also be an indication of drug abuse.

Most importantly, teenagers and children need to be told over and over again that even one try, one sniff, can kill. What they may view as simple experimentation can kill them. If they don't die from inhalant abuse, they may be left with permanent brain, liver and kidney damage.

I hope that on October 15th, my colleagues in the Senate will join me in a nationwide conversation about inhalant abuse. Together, as community leaders, parents, and concerned citizens, we can educate parents and young people while encouraging community and family oriented solutions to drug abuse. •

AMENDMENTS SUBMITTED

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

SESSIONS (AND HATCH) AMENDMENT NO. 3245

Mr. SESSIONS (for himself and Mr. HATCH) proposed an amendment to the bill (S. 2260) making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1999, and for other purposes; as follows:

On page 30, line 7, strike "$100,000,000" and insert "$150,000,000".

On page 36, line 20, strike "$95,000,000" and insert "$45,000,000".

KERREY (AND HAGEL) AMENDMENT NO. 3246

(Ordered to lie on the table.)

Mr. KERREY (for himself and Mr. HAGEL) submitted an amendment intended to be proposed by them to the bill, S. 2260, supra; as follows:

At the end of the bill insert the following:

SEC. . TEMPORARY PROHIBITION ON IMPLEMENTATION OR ENFORCEMENT OF PUBLIC WATER SYSTEM TREATMENT REQUIREMENTS FOR COPPER ACTION LEVEL.

(a) IN GENERAL.—None of the funds made available by this or any other Act for any fiscal year may be used by the Administrator of the Environmental Protection Agency to implement or enforce the national primary drinking water regulations for lead and copper in drinking water promulgated under the Safe Drinking Water Act (42 U.S.C. 300f et seq.), to the extent that the regulations pertain to the public water system treatment requirements related to the copper action level, until—

(1) the Administrator and the Director of the Centers for Disease Control and Prevention jointly conduct a study to establish a reliable dose-response relationship for the adverse human health effects that may result from exposure to copper in drinking water, that—

(A) includes an analysis of the health effects that may be experienced by groups within the general population (including infants) that are potentially at greater risk of adverse health effects as the result of the exposure;

(B) is conducted in consultation with interested States;

(C) is based on the best available science and supporting studies that are subject to peer review and conducted in accordance with sound and objective scientific practices; and

(D) is completed not later than 30 months after the date of enactment of this Act; and

(2) based on the results of the study and, once peer reviewed and published, the 2 studies of copper in drinking water conducted by the Centers for Disease Control and Prevention in the State of Nebraska and the State of Delaware, the Administrator establishes an action level for the presence of copper in drinking water that protects the public health against reasonably expected adverse effects due to exposure to copper in drinking water.

(b) CURRENT REQUIREMENTS.—Nothing in this section precludes a State from implementing or enforcing the national primary drinking water regulations for lead and copper in drinking water promulgated under the Safe Drinking Water Act (42 U.S.C. 300f et seq.) that are in effect on the date of enactment of this Act, to the extent that the regulations pertain to the public water system treatment requirements related to the copper action level.

INTERNATIONAL MONETARY FUND APPROPRIATIONS ACT OF 1998

HUTCHINSON (AND WELLSTONE) AMENDMENTS NOS. 3247–3248

(Ordered to lie on the table.)

Mr. HUTCHINSON (for himself and Mr. WELLSTONE) submitted two amendments intended to be proposed by them to the bill (S. 2334) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes; as follows:

AMENDMENT NO. 3247

On page 99, between lines 17 and 18, insert the following:

TITLE IX

HUMAN RIGHTS IN CHINA

Subtitle A—Forced Abortions in China

SEC. 9001. This subtitle may be cited as the "Forced Abortion Condemnation Act".

SEC. 9002. Congress makes the following findings:

(1) Forced abortion was rightly denounced as a crime against humanity by the Nuremberg War Crimes Tribunal.

(2) For over 15 years there have been frequent and credible reports of forced abortion and forced sterilization in connection with the population control policies of the People's Republic of China. These reports indicate the following:

(A) Although it is the stated position of the politburo of the Chinese Communist Party that forced abortion and forced sterilization have no role in the population control program, in fact the Communist Chinese Government encourages both forced abortion and forced sterilization through a combination of strictly enforced birth quotas and immunity for local population control officials who engage in coercion. Officials acknowledge that there have been instances of forced abortions and sterilization, and no evidence has been made available to suggest that the perpetrators have been punished.

(B) People's Republic of China population control officials, in cooperation with employers and works unit officials, routinely monitor women's menstrual cycles and subject women who conceive without government authorization to extreme psychological pressure, to harsh economic sanctions, including unpayable fines and loss of employment, and often to physical force.

(C) Official sanctions for giving birth to unauthorized children include fines in amounts several times larger than the per capita annual incomes of residents of the People's Republic of China. In Fujian, for example, the average fine is estimated to be twice a family's gross annual income. Families which cannot pay the fine may be subject to confiscation and destruction of their homes and personal property.

(D) Especially harsh punishments have been inflicted on those whose resistance is motivated by religion. For example, according to a 1995 Amnesty International report, the Catholic inhabitants of 2 villages in Hebei Province were subjected to population control under the slogan "better to have more graves than one more child". Enforcement measures included torture, sexual abuse, and the detention of resisters' relatives as hostages.

(E) Forced abortions in Communist China often have taken place in the very late stages of pregnancy.

(F) Since 1994 forced abortion and sterilization have been used in Communist China not only to regulate the number of children, but also to eliminate those who are regarded as defective in accordance with the official eugenic policy known as the "Natal and Health Care Law".

SEC. 9003. (a) Notwithstanding any other provision of law, the Secretary of State may not utilize any funds appropriated or otherwise available for the Department of State for fiscal year 1999 to issue any visa to any national of the People's Republic of China, including any official of the Communist Party or the Government of the People's Republic of China and its regional, local, and village authorities (except the head of state, the head of government, and cabinet level ministers) who the Secretary finds, based on credible information, has been involved in the establishment or enforcement of population control policies resulting in a woman being forced to undergo an abortion against her free choice, or resulting in a man or woman being forced to undergo sterilization against his or her free choice.

(b) Notwithstanding any other provision of law, the Attorney General may not utilize any funds appropriated or otherwise available for the Department of Justice for fiscal year 1999 to admit to the United States any national covered by subsection (a).

(c) The President may waive the prohibition in subsection (a) or (b) with respect to a national of the People's Republic of China if the President—

(1) determines that it is in the national interest of the United States to do so; and

(2) provides written notification to Congress containing a justification for the waiver.

Subtitle B—Freedom on Religion in China

SEC. 9011. (a) It is the sense of Congress that the President should make freedom of religion one of the major objectives of United States foreign policy with respect to China.

(b) As part of this policy, the Department of State should raise in every relevant bilateral and multilateral forum the issue of individuals imprisoned, detained, confined, or otherwise harassed by the Chinese Government on religious grounds.

(c) In its communications with the Chinese Government, the Department of State should provide specific names of individuals of concern and request a complete and timely response from the Chinese Government regarding the individuals' whereabouts and condition, the charges against them, and sentence imposed.

(d) The goal of these official communications should be the expeditious release of all religious prisoners in China and Tibet and the end of the Chinese Government's policy and practice of harassing and repressing religious believers.

SEC. 9012. (a) Notwithstanding any other provision of law, no funds appropriated or otherwise made available for the Department of State for fiscal year 1999 for the United States Information Agency or the United States Agency for International Development may be used for the purpose of providing travel expenses and per diem for the participation in conferences, exchanges, programs, and activities of the following nationals of the People's Republic of China:

(1) The head or political secretary of any of the following Chinese Government-created or approved organizations:

(A) The Chinese Buddhist Association.

(B) The Chinese Catholic Patriotic Association.

(C) The National Congress of Catholic Representatives.

(D) The Chinese Catholic Bishops' Conference.

(E) The Chinese Protestant "Three Self" Patriotic Movement.

(F) The China Christian Council.

(G) The Chinese Taoist Association.

(H) The Chinese Islamic Association.

(2) Any military or civilian official or employee of the Government of the People's Republic of China who carried out or directed the carrying out of any of the following policies or practices:

(A) Formulating, drafting, or implementing repressive religious policies.

(B) Imprisoning, detaining, or harassing individuals on religious grounds.

(C) Promoting or participating in policies or practices which hinder religious activities or the free expression of religious beliefs.

(b)(1) Each Federal agency subject to the prohibition in subsection (a) shall certify in writing to the appropriate congressional committees, on a quarterly basis during fiscal year 1999, that it did not pay, either directly or through a contractor or grantee, for travel expenses or per diem of any national of the People's Republic of China described in subsection (a).

(2) Each certification under paragraph (1) shall be supported by the following information:

(A) The name of each employee of any agency of the Government of the People's Republic of China whose travel expenses or per diem were paid by funds of the reporting agency of the United States Government.

(B) The procedures employed by the reporting agency of the United States Government to ascertain whether each individual under subparagraph (A) did or did not participate in activities described in subsection (a)(2).

(C) The reporting agency's basis for concluding that each individual under subparagraph (A) did not participate in such activities.

SEC. 9013. (a) Notwithstanding any other provision of law, the Secretary of State may not utilize any funds appropriated or otherwise available for the Department of State for fiscal year 1999 to issue a visa to any national of the People's Republic of China described in section 9012(a)(2) (except the head of state, the head of government, and cabinet level ministers).

(b) Notwithstanding any other provision of law, the Attorney General may not utilize any funds appropriated or otherwise available for the Department of Justice for fiscal year 1999 to admit to the United States any national covered by subsection (a).

(c) The President may waive the prohibition in subsection (a) or (b) with respect to an individual described in such subsection if the President—

(1) determines that it is vital to the national interest to do so; and

(2) provides written notification to the appropriate congressional committees containing a justification for the waiver.

SEC. 9014. In this subtitle, the term "appropriate congressional committees" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

Subtitle C—Monitoring of Human Rights Abuses in China

SEC. 9021. This subtitle may be cited as the "Political Freedom in China Act of 1998".

SEC. 9022. Congress makes the following findings:

(1) Congress concurs in the following conclusions of the United States State Department on human rights in the People's Republic of China in 1996:

(A) The People's Republic of China is "an authoritarian state" in which "citizens lack the freedom to peacefully express opposition to the party-led political system and the right to change their national leaders or form of government".

(B) The Government of the People's Republic of China has "continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms, stemming from the authorities' intolerance of dissent, fear of unrest, and the absence or inadequacy of laws protecting basic freedoms".

(C) "[a]buses include torture and mistreatment of prisoners, forced confessions, and arbitrary and incommunicado detention".

(D) "[p]rison conditions remained harsh [and] [t]he Government continued severe restrictions on freedom of speech, the press, assembly, association, religion, privacy, and worker rights".

(E) "[a]lthough the Government denies that it holds political prisoners, the number of persons detained or serving sentences for 'counterrevolutionary crimes' or 'crimes against the state', or for peaceful political or religious activities are believed to number in the thousands".

(F) "[n]onapproved religious groups, including Protestant and Catholic groups * * * experienced intensified repression".

(G) "[s]erious human rights abuses persist in minority areas, including Tibet, Xinjiang, and Inner Mongolia[, and] [c]ontrols on religion and on other fundamental freedoms in these areas have also intensified".

(H) "[o]verall in 1996, the authorities stepped up efforts to cut off expressions of protest or criticism. All public dissent against the party and government was effectively silenced by intimidation, exile, the imposition of prison terms, administrative detention, or house arrest. No dissidents were known to be active at year's end.".

(2) In addition to the State Department, credible independent human rights organizations have documented an increase in repression in China during 1995, and effective destruction of the dissident movement through

the arrest and sentencing of the few remaining pro-democracy and human rights activists not already in prison or exile.

(3) Among those were Li Hai, sentenced to 9 years in prison on December 18, 1996, for gathering information on the victims of the 1989 crackdown, which according to the court's verdict constituted "state secrets"; Liu Nianchun, an independent labor organizer, sentenced to 3 years of "re-education through labor" on July 4, 1996, due to his activities in connection with a petition campaign calling for human rights reforms; and Ngodrup Phuntsog, a Tibetan national, who was arrested in Tibet in 1987 immediately after he returned from a 2-year trip to India, where the Tibetan government in exile is located, and following a secret trial was convicted by the Government of the People's Republic of China of espionage on behalf of the "Ministry of Security of the Dalai clique".

(4) Many political prisoners are suffering from poor conditions and ill-treatment leading to serious medical and health problems, including—

(A) Gao Yu, a journalist sentenced to 6 years in prison in November 1994 and honored by UNESCO in May 1997, has a heart condition; and

(B) Chen Longde, a leading human rights advocate now serving a 3-year reeducation through labor sentence imposed without trial in August 1995, has reportedly been subject to repeated beatings and electric shocks at a labor camp for refusing to confess his guilt.

(5) The People's Republic of China, as a member of the United Nations, is expected to abide by the provisions of the Universal Declaration of Human Rights.

(6) The People's Republic of China is a party to numerous international human rights conventions, including the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

SEC. 9023. (a) The Secretary of State, in all official meetings with the Government of the People's Republic of China, should request the immediate and unconditional release of Ngodrup Phuntsog and other prisoners of conscience in Tibet, as well as in the People's Republic of China.

(b) The Secretary of State should seek access for international humanitarian organizations to Drapchi prison and other prisons in Tibet, as well as in the People's Republic of China, to ensure that prisoners are not being mistreated and are receiving necessary medical treatment.

(c) The Secretary of State, in all official meetings with the Government of the People's Republic of China, should call on that country to begin serious discussions with the Dalai Lama or his representatives, without preconditions, on the future of Tibet.

SEC. 9024. (a) There is authorized to be appropriated for fiscal year 1999, $1,100,000 for support personnel to monitor political repression in the People's Republic of China in the United States Embassies in Beijing and Kathmandu, as well as the American consulates in Guangzhou, Shanghai, Shenyang, Chengdu, and Hong Kong.

(b) Amounts appropriated pursuant to the authorization of appropriations in subsection (a) are in addition to any other amounts appropriated or otherwise available in fiscal year 1999 for the personnel referred to in that subsection.

SEC. 9025. (a)(1) There is authorized to be appropriated for fiscal year 1999 for the National Endowment for Democracy, $2,500,000 for the promotion of democracy, civil society, and the development of the rule of law in China.

(2) Amounts appropriated pursuant to the authorization of appropriations in subsection (a) are in addition to any other amounts appropriated or otherwise made available in fiscal year 1999 for the National Endowment for Democracy.

(b) The Secretary of State shall, in fiscal year 1999, utilize funds available in the East Asia-Pacific Regional Democracy Fund to provide grants to nongovernmental organizations to promote democracy, civil society, and the development of the rule of law in China.

SEC. 9026. (a) The Secretary of State shall utilize funds appropriated or otherwise available for the Department of State for fiscal year 1999 submit to the International Relations Committee of the House of Representatives and the Foreign Relations Committee of the Senate, in that fiscal year, a report on human rights in China, including religious persecution, the development of democratic institutions, and the rule of law. The report shall provide information on each region of China.

(b)(1) The Secretary of State shall utilize funds referred to in subsection (a) to establish a Prisoner Information Registry for China which shall provide information on all political prisoners, prisoners of conscience, and prisoners of faith in China.

(2) Such information shall include the charges, judicial processes, administrative actions, use of forced labor, incidences of torture, length of imprisonment, physical and health conditions, and other matters related to the incarceration of such prisoners in China.

(3) The Secretary may make funds available to nongovernmental organizations presently engaged in monitoring activities regarding Chinese political prisoners to assist in the creation and maintenance of the registry.

SEC. 9027. It is the sense of Congress that Congress, the President, and the Secretary of State should work with the governments of other countries to establish a Commission on Security and Cooperation in Asia which would be modeled after the Commission on Security and Cooperation in Europe.

SEC. 9028. It is the sense of Congress that—

(1) the people of Hong Kong should continue to have the right and ability to freely elect their legislative representatives; and

(2) the procedure for the conduct of the elections of the first legislature of the Hong Kong Special Administrative Region should be determined by the people of Hong Kong through an election law convention, a referendum, or both.

SEC. 9029. It is the sense of Congress that—

(1) the Government of the People's Republic of China should stop the practice of harvesting and transplanting organs for profit from prisoners that it executes;

(2) the Government of the People's Republic of China should be strongly condemned for such organ harvesting and transplanting practice;

(3) the President should bar from entry into the United States any and all officials of the Government of the People's Republic of China known to be directly involved in such organ harvesting and transplanting practice;

(4) individuals determined to be participating in or otherwise facilitating the sale of such organs in the United States should be prosecuted to the fullest possible extent of the law; and

(5) the appropriate officials in the United States should interview individuals, including doctors, who may have knowledge of such organ harvesting and transplanting practice.

AMENDMENT NO. 3248

On page 99, between lines 17 and 18, insert the following:

TITLE IX

HUMAN RIGHTS IN CHINA

Subtitle A—Forced Abortions in China

SEC. 9001. This subtitle may be cited as the "Forced Abortion Condemnation Act".

SEC. 9002. Congress makes the following findings:

(1) Forced abortion was rightly denounced as a crime against humanity by the Nuremberg War Crimes Tribunal.

(2) For over 15 years there have been frequent and credible reports of forced abortion and forced sterilization in connection with the population control policies of the People's Republic of China. These reports indicate the following:

(A) Although it is the stated position of the politburo of the Chinese Communist Party that forced abortion and forced sterilization have no role in the population control program, in fact the Communist Chinese Government encourages both forced abortion and forced sterilization through a combination of strictly enforced birth quotas and immunity for local population control officials who engage in coercion. Officials acknowledge that there have been instances of forced abortions and sterilization, and no evidence has been made available to suggest that the perpetrators have been punished.

(B) People's Republic of China population control officials, in cooperation with employers and works unit officials, routinely monitor women's menstrual cycles and subject women who conceive without government authorization to extreme psychological pressure, to harsh economic sanctions, including unpayable fines and loss of employment, and often to physical force.

(C) Official sanctions for giving birth to unauthorized children include fines in amounts several times larger than the per capita annual incomes of residents of the People's Republic of China. In Fujian, for example, the average fine is estimated to be twice a family's gross annual income. Families which cannot pay the fine may be subject to confiscation and destruction of their homes and personal property.

(D) Especially harsh punishments have been inflicted on those whose resistance is motivated by religion. For example, according to a 1995 Amnesty International report, the Catholic inhabitants of 2 villages in Hebei Province were subjected to population control under the slogan "better to have more graves than one more child". Enforcement measures included torture, sexual abuse, and the detention of resisters' relatives as hostages.

(E) Forced abortions in Communist China often have taken place in the very late stages of pregnancy.

(F) Since 1994 forced abortion and sterilization have been used in Communist China not only to regulate the number of children, but also to eliminate those who are regarded as defective in accordance with the official eugenic policy known as the "Natal and Health Care Law".

SEC. 9003. (a) Notwithstanding any other provision of law, the Secretary of State may not utilize any funds appropriated or otherwise available for the Department of State for fiscal year 1999 to issue any visa to any national of the People's Republic of China, including any official of the Communist

Party or the Government of the People's Republic of China and its regional, local, and village authorities (except the head of state, the head of government, and cabinet level ministers) who the Secretary finds, based on credible information, has been involved in the establishment or enforcement of population control policies resulting in a woman being forced to undergo an abortion against her free choice, or resulting in a man or woman being forced to undergo sterilization against his or her free choice.

(b) Notwithstanding any other provision of law, the Attorney General may not utilize any funds appropriated or otherwise available for the Department of Justice for fiscal year 1999 to admit to the United States any national covered by subsection (a).

(c) The President may waive the prohibition in subsection (a) or (b) with respect to a national of the People's Republic of China if the President—

(1) determines that it is in the national interest of the United States to do so; and

(2) provides written notification to Congress containing a justification for the waiver.

Subtitle B—Freedom on Religion in China

SEC. 9011. (a) It is the sense of Congress that the President should make freedom of religion one of the major objectives of United States foreign policy with respect to China.

(b) As part of this policy, the Department of State should raise in every relevant bilateral and multilateral forum the issue of individuals imprisoned, detained, confined, or otherwise harassed by the Chinese Government on religious grounds.

(c) In its communications with the Chinese Government, the Department of State should provide specific names of individuals of concern and request a complete and timely response from the Chinese Government regarding the individuals' whereabouts and condition, the charges against them, and sentence imposed.

(d) The goal of these official communications should be the expeditious release of all religious prisoners in China and Tibet and the end of the Chinese Government's policy and practice of harassing and repressing religious believers.

SEC. 9012. (a) Notwithstanding any other provision of law, no funds appropriated or otherwise made available for the Department of State for fiscal year 1999 for the United States Information Agency or the United States Agency for International Development may be used for the purpose of providing travel expenses and per diem for the participation in conferences, exchanges, programs, and activities of the following nationals of the People's Republic of China:

(1) The head or political secretary of any of the following Chinese Government-created or approved organizations:

(A) The Chinese Buddhist Association.

(B) The Chinese Catholic Patriotic Association.

(C) The National Congress of Catholic Representatives.

(D) The Chinese Catholic Bishops' Conference.

(E) The Chinese Protestant "Three Self" Patriotic Movement.

(F) The China Christian Council.

(G) The Chinese Taoist Association.

(H) The Chinese Islamic Association.

(2) Any military or civilian official or employee of the Government of the People's Republic of China who carried out or directed the carrying out of any of the following policies or practices:

(A) Formulating, drafting, or implementing repressive religious policies.

(B) Imprisoning, detaining, or harassing individuals on religious grounds.

(C) Promoting or participating in policies or practices which hinder religious activities or the free expression of religious beliefs.

(b)(1) Each Federal agency subject to the prohibition in subsection (a) shall certify in writing to the appropriate congressional committees, on a quarterly basis during fiscal year 1999, that it did not pay, either directly or through a contractor or grantee, for travel expenses or per diem of any national of the People's Republic of China described in subsection (a).

(2) Each certification under paragraph (1) shall be supported by the following information:

(A) The name of each employee of any agency of the Government of the People's Republic of China whose travel expenses or per diem were paid by funds of the reporting agency of the United States Government.

(B) The procedures employed by the reporting agency of the United States Government to ascertain whether each individual under subparagraph (A) did or did not participate in activities described in subsection (a)(2).

(C) The reporting agency's basis for concluding that each individual under subparagraph (A) did not participate in such activities.

SEC. 9013. (a) Notwithstanding any other provision of law, the Secretary of State may not utilize any funds appropriated or otherwise available for the Department of State for fiscal year 1999 to issue a visa to any national of the People's Republic of China described in section 9012(a)(2) (except the head of state, the head of government, and cabinet level ministers).

(b) Notwithstanding any other provision of law, the Attorney General may not utilize any funds appropriated or otherwise available for the Department of Justice for fiscal year 1999 to admit to the United States any national covered by subsection (a).

(c) The President may waive the prohibition in subsection (a) or (b) with respect to an individual described in such subsection if the President—

(1) determines that it is vital to the national interest to do so; and

(2) provides written notification to the appropriate congressional committees containing a justification for the waiver.

SEC. 9014. In this subtitle, the term "appropriate congressional committees" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

TREASURY DEPARTMENT, THE UNITED STATES POSTAL SERVICE, THE EXECUTIVE OFFICE OF THE PRESIDENT, AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999

HUTCHINSON AMENDMENTS NOS. 3249–3250

(Ordered to lie on the table.)

Mr. HUTCHINSON submitted two amendments intended to be proposed by him to the bill (H.R. 2312) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes; as follows:

AMENDMENT NO. 3249

At the appropriate place, insert the following new section:

SEC. ___. TERMINATION OF INTERNAL REVENUE CODE OF 1986; NEW FEDERAL TAX SYSTEM.

(a) TERMINATION.—

(1) IN GENERAL.—No tax shall be imposed by the Internal Revenue Code of 1986—

(A) for any taxable year beginning after December 31, 2002, and

(B) in the case of any tax not imposed on the basis of a taxable year, on any taxable event or for any period after December 31, 2002.

(2) EXCEPTION.—Paragraph (1) shall not apply to taxes imposed by—

(A) chapter 2 of such Code (relating to tax on self-employment income),

(B) chapter 21 of such Code (relating to Federal Insurance Contributions Act), and

(C) chapter 22 of such Code (relating to Railroad Retirement Tax Act).

(b) NEW FEDERAL TAX SYSTEM.—

(1) STRUCTURE.—The Congress hereby declares that any new Federal tax system should be a simple and fair system that—

(A) applies a low rate to all Americans,

(B) provides tax relief for working Americans,

(C) protects the rights of taxpayers and reduces tax collection abuses,

(D) eliminates the bias against savings and investment,

(E) promotes economic growth and job creation, and

(F) does not penalize marriage or families.

(2) TIMING OF IMPLEMENTATION.—In order to ensure an easy transition and effective implementation, the Congress hereby declares that any new Federal tax system should be approved by Congress in its final form not later than July 4, 2002.

AMENDMENT NO. 3250

In lieu of the matter proposed to be inserted by the amendment, insert the following:

SEC. ___. SATELLITE CONTROLS UNDER THE UNITED STATES MUNITIONS LIST.

(a) CONTROL OF SATELLITES ON THE UNITED STATES MUNITIONS LIST.—Notwithstanding any other provision of law, the export control of satellites and related items on the Commerce Control List of dual-use items in the Export Administration Regulations (15 C.F.R. Part 730 et seq.) on the day before the effective date of this section shall be considered, on or after such date, to be transferred to the United States Munitions List under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(b) REPORT.—Each report to Congress submitted pursuant to section 902(b) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246) to waive the restrictions contained in that Act on the export to the People's Republic of China of United States-origin satellites and defense articles on the United States Munitions List shall be accompanied by a detailed justification setting forth—

(1) a detailed description of all militarily sensitive characteristics integrated within, or associated with, the satellite;

(2) an estimate of the number of United States civilian contract personnel expected to be needed in country to carry out the proposed satellite launch;

(3) a detailed description of—

(A) the United States Government's plan to monitor the proposed satellite launch to ensure that no unauthorized transfer of technology occurs, together with an estimate of the number of officers and employees of the United States Government expected to be needed in country to carry out monitoring of the proposed satellite launch; and

(B) the manner in which the costs of such monitoring shall be borne; and

(4) the reasons why the proposed satellite launch is in the national security interest of the United States, including—

(A) the impact of the proposed export on employment in the United States, including the number of new jobs created in the United States, on a State-by-State basis, as a direct result of the proposed export;

(B) the number of existing jobs in the United States that would be lost, on a State-by-State basis, as a direct result of the proposed export not being licensed;

(C) the impact of the proposed export on the balance of trade between the United States and China and a reduction in the current United States trade deficit with China;

(D) the impact of the proposed export on China's transition from a nonmarket to a market economy and the long-term economic benefit to the United States;

(E) the impact of the proposed export on opening new markets to American-made products through China's purchase of United States-made goods and services not directly related to the proposed export;

(F) the impact of the proposed export on reducing acts, policies, and practices that constitute significant trade barriers to United States exports or foreign direct investment in China by United States nationals;

(G) the increase in the United States overall market share for goods and services in comparison to Japan, France, Germany, the United Kingdom, and Russia;

(H) the impact of the proposed export on China's willingness to modify its commercial and trade laws, practices, and regulations to make American-made goods and services more accessible to that market; and

(I) the impact of the proposed export on China's willingness to reduce formal and informal trade barriers and tariffs, duties, and other fees on American-made goods and services entering China.

(c) NATIONAL SECURITY WAIVER FOR THE EXPORT OF SATELLITES TO CHINA.—Section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246; 22 U.S.C. 2151 note) is amended by inserting before the period at the end the following: ", except that, in the case of a proposed export of a satellite under subsection (a)(5), on a case-by-case basis, that it is in the national security interests of the United States to do so".

(d) DEFINITIONS.—In this section:

(1) MILITARILY SENSITIVE CHARACTERISTICS.—The term "militarily sensitive characteristics" includes, but is not limited to, antijamming capability, antennas, crosslinks, baseband processing, encryption devices, radiation-hardened devices, propulsion systems, pointing accuracy, or kick motors.

(2) RELATED ITEMS.—The term "related items" means the satellite fuel, ground support equipment, test equipment, payload adapter or interface hardware, replacement parts, and non-embedded solid propellant orbit transfer engines described in the report submitted to Congress by the Department of State on February 6, 1998, pursuant to section 38(f) of the Arms Export Control Act (22 U.S.C. 2778(f)).

(e) EFFECTIVE DATE.—This section shall take effect 15 days after the date of enactment of this Act.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

McCAIN AMENDMENT NO. 3251

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill, S. 2260, supra; as follows:

On page 62, strike "*Provided further,*" on line 3 and all that follows through line 16 and insert the following: "*Provided further,* That none of the funds appropriated or otherwise made available under this Act or under any other provision of law may be obligated or expended by the Secretary of Commerce, through the Patent and Trademark Office, to plan for the design, construction, or lease of any new facility for that office until the date that is 90 days after the date of submission to Congress by the Administrator of General Services of a report on the results of a cost-benefit analysis that analyzes the costs versus the benefits of relocating the Patent and Trademark Office to a new facility, and that includes an analysis of the cost associated with leasing, in comparison with the cost of any lease-purchase, Federal construction, or other alternative for new space for the Patent and Trademark Office and a recommendation on the most cost-effective option for consolidating the Patent and Trademark Office: *Provided further,* That the report submitted by the Administrator of General Services shall consider any appropriate location or facility for the Patent and Trademark Office, and shall not be limited to any geographic region: *Provided further,* That the Administrator of General Services shall submit the report to Congress not later than May 1, 1999.".

WELLSTONE (AND LANDRIEU) AMENDMENT NO. 3252

Mr. WELLSTONE (for himself and Ms. LANDRIEU) proposed an amendment to the bill, S. 2260, supra; as follows:

On page 51, between lines 9 and 10, insert the following:

SEC. 121. MENTAL HEALTH SCREENING AND TREATMENT FOR PRISONERS.

(a) ADDITIONAL REQUIREMENTS FOR THE USE OF FUNDS UNDER THE VIOLENT OFFENDER INCARCERATION AND TRUTH-IN-SENTENCING GRANTS PROGRAM.—Section 20105(b) of the Violent Crime Control and Law Enforcement Act of 1994 is amended to read as follows:

"(b) ADDITIONAL REQUIREMENTS.—

"(1) ELIGIBILITY FOR GRANT.—To be eligible to receive a grant under section 20103 or 20104, a State shall, not later than January 1, 1999, have a program of mental health screening and treatment for appropriate categories of convicted juvenile and other offenders during periods of incarceration and juvenile and criminal justice supervision, that is consistent with guidelines issued by the Attorney General.

"(2) USE OF FUNDS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subtitle, amounts made available to a State under section 20103 or 20104 may be applied to the costs of programs described in paragraph (1), consistent with guidelines issued by the Attorney General.

"(B) ADDITIONAL USE.—In addition to being used as specified in subparagraph (A), the funds referred to in that subparagraph may be used by a State to pay the costs of providing to the Attorney General a baseline study on the mental health problems of juvenile offenders and prisoners in the State, which study shall be consistent with guidelines issued by the Attorney General.".

FAIRCLOTH AMENDMENT NO. 3253

Mr. FAIRCLOTH proposed an amendment to the bill, S. 2260, supra; as follows:

On page 51, between lines 9 and 10, insert the following:

SEC. 121. Section 3486(a)(1) of title 18, United States Code, is amended by inserting "or any act or activity involving a Federal offense relating to the sexual exploitation or other abuse of children," after "health care offense,".

HOLLINGS (AND OTHERS) AMENDMENT NO. 3254

Mr. HOLLINGS (for himself, Mr. DASCHLE, Mr. DORGAN, Mr. CONRAD, Mr. LAUTENBERG, Mrs. MURRAY, Mrs. BOXER, Mr. REID, Mr. FORD, and Mr. JOHNSON) proposed an amendment to the bill, S. 2260, supra; as follows:

At the appropriate place, add the following new section:

SEC. . SENSE OF THE SENATE ON THE BUDGET AND SOCIAL SECURITY.

(a) FINDINGS.—The Senate finds that:—

(1) the Social Security system provides benefits to 44 million Americans, including 27.3 million retirees, over 4.5 million people with disabilities, 3.8 million surviving children and 8.4 million surviving adults, and is essential to the dignity and security of the nation's elderly and disabled;

(2) the Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds have reported to the Congress that the "total income" of the Social Security system "is estimated to fall short of expenditures beginning in 2021 and in each year thereafter . . . until the assets of the combined trust funds are exhausted in 2032";

(3) intergenerational fairness, honest accounting principles, prudent budgeting, and sound economic policy all require saving Social Security first, in order that the Nation may better afford the retirement of the baby boom generation, beginning in 2010;

(4) in reforming Social Security in 1983, the Congress intended that near-term Social Security trust fund surpluses be used to prefund the retirement of the baby boom generation;

(5) in his State of the Union message to the joint session of Congress on January 27, 1998, President Clinton called on the Congress to "save Social Security first" and to "reserve one hundred percent of the surplus, that is any penny of any surplus, until we have taken all the necessary measures to strengthen the Social Security system for the twenty-first century";

(6) Section 13301 of the Budget Enforcement Act of 1990 expressly forbids counting Social Security trust fund surpluses as revenue available to balance the budget.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress and the President should—

(1) continue to rid our country of debt and work to balance the budget without counting Social Security trust fund surpluses;

(2) work in a bipartisan way on specific legislation to reform the Social Security system, to ensure that it is financially sound over the long term and will be available for all future generations; and

(3) save Social Security first by reserving any surpluses in fiscal year 1999 budget legislation.

GREGG (AND OTHERS) AMENDMENT NO. 3255

Mr. GREGG (for himself, Mr. LOTT, Mr. MACK, Mr. GRAMM, and Mr. MURKOWSKI) proposed an amendment to amendment No. 3254 proposed by Mr. HOLLINGS to the bill, S. 2260, supra; as follows:

In the pending amendment, strike all after the word "Sec." and insert the following:

SENSE OF THE SENATE ON THE BUDGET AND SOCIAL SECURITY.

(A) FINDINGS.—The Senate finds that:—

(1) the Social Security system provides benefits to 44 million Americans, including 27.3 million retirees, over 4.5 million people with disabilities, 3.8 million surviving children and 8.4 million surviving adults, and is essential to the dignity and security of the nation's elderly and disabled;

(2) the Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trsut Funds have reported to the Congress that the "total income" of the Social Security system "is estimated to fall short of expenditures beginning in 2021 and in each year thereafter . . . until the assets of the combined trust funds are exhausted in 2032";

(3) intergenerational fairness, honest accounting principles, prudent budgeting, and sound economic policy all require saving Social Security first, in order that the Nation may better afford the retirement of the baby boom generation, beginning in 2010;

(4) in reforming Social Security in 1983, the Congress intended that near-term Social Security trust fund surpluses be used to prefund the retirement of the baby boom generation;

(5) in his State of the Union message to the joint session of Congress on January 27, 1998, President Clinton called on the Congress to "save Social Security first" and to "reserve one hundred percent of the surplus, that is any penny of any surplus, until we have taken all the necessary measures to strengthen the Social Security system for the twenty-first century";

(6) saving Social Security first would work to expand national savings, reduce interest rates, enhance private investment, increase labor productivity, and boost economic growth;

(7) section 13301 of the Budget Enforcement Act of 1990 expressly forbids counting Social Security trust fund surpluses as revenue available to balance the budget; and

(8) the CBO has estimated that the unified budget surplus will reach nearly $1.5 trillion over the next ten years.

(b) SENSE OF THE SENATE—It is the sense of the Senate that Congress and the President should—

(1) continue to rid our country of debt and work to balance the budget without counting Social Security trust fund surpluses;

(2) work in a bipartisan way on specific legislation to reform the Social Security system, to ensure that it is financially sound over the long term and will be available for all future generations;

(3) save Social Security first; and

(4) return all remaining surpluses to American taxpayers.

THOMPSON (AND OTHERS) AMENDMENT NO. 3256

Mr. THOMPSON (for himself, Mr. LOTT, Mr. COVERDELL, Mr. HUTCHINSON, Mr. ENZI, Mr. ABRAHAM, Mr. KEMPTHORNE, Mr. STEVENS, Mr. THURMOND, and Ms. COLLINS) proposed an amendment to the bill, S. 2260, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. ___. POLICIES RELATING TO FEDERALISM.

(a) REPEAL OF EXECUTIVE ORDER.—Executive Order No. 13083, issued May 14, 1998, shall have no force and effect.

(b) CONTINUATION OF EXECUTIVE ORDERS.—Executive Order No. 12612, issued October 26, 1987, and Executive Order No. 12875, issued October 26, 1993, shall be in effect as though Executive Order No. 13083 never took effect.

McCAIN AMENDMENT NO. 3257

Mr. McCAIN proposed an amendment to the bill, S. 2260, supra; as follows:

On page 62, strike "*Provided further,*" on line 3 and all that follows through line 16 and insert the following: "*Provided further,* That none of the funds appropriated or otherwise made available under this Act or under any other provision of law may be obligated or expended by the Secretary of Commerce, through the Patent and Trademark Office, to plan for the design, construction, or lease of any new facility for that office until the date that is 90 days after the date of submission to Congress by the Administrator of General Services of a report on the results of a cost-benefit analysis that analyzes the costs versus the benefits of relocating the Patent and Trademark Office to a new facility, and that includes an analysis of the cost associated with leasing, in comparison with the cost of any lease-purchase, Federal construction, or other alternative for new space for the Patent and Trademark Office and a recommendation on the most cost-effective option for consolidating the Patent and Trademark Office: *Provided further,* That the report submitted by the Administrator of General Services shall consider any appropriate location or facility for the Patent and Trademark Office, and shall not be limited to any geographic region: *Provided further,* That the Administrator of General Services shall submit the report to Congress not later than May 1, 1999.".

SMITH (AND OTHERS) AMENDMENT NO. 3258

(Ordered to lie on the table.)

Mr. SMITH of Oregon (for himself, Mr. WYDEN, Mr. CRAIG, Mr. GRAHAM, Mr. GORTON, Mr. BUMPERS, Mr. HATCH, Mr. McCONNELL, Mr. MACK, Mr. KEMPTHORNE, Mr. SANTORUM, Mr. FAIRCLOTH, and Mr. THURMOND) submitted an amendment intended to be proposed by them to the bill, S. 2260, supra; as follows:

At the appropriate place, insert the following new title:

TITLE ___—TEMPORARY AGRICULTURAL WORKERS

SEC. ___01. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Agricultural Job Opportunity Benefits and Security Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. ___01. Short title; table of contents.
Sec. ___02. Definitions.
Sec. ___03. Agricultural worker registries.
Sec. ___04. Employer applications and assurances.
Sec. ___05. Search of registry.
Sec. ___06. Issuance of visas and admission of aliens.
Sec. ___07. Employment requirements.
Sec. ___08. Enforcement and penalties.
Sec. ___09. Alternative program for the admission of temporary H-2A workers.
Sec. ___10. Inclusion in employment-based immigration preference allocation.
Sec. ___11. Migrant and seasonal Head Start program.
Sec. ___12. Regulations.
Sec. ___13. Funding from Wagner-Peyser Act.
Sec. ___14. Report to Congress.
Sec. ___15. Effective date.

SEC. ___02. DEFINITIONS.

In this title:

(1) ADVERSE EFFECT WAGE RATE.—The term "adverse effect wage rate" means the rate of pay for an agricultural occupation that is 5-percent above the prevailing rate of pay for that agricultural occupation in an area of intended employment, if the average hourly equivalent of the prevailing rate of pay for the occupation is less than the prior year's average hourly earnings of field and livestock workers for the State (or region that includes the State), as determined by the Secretary of Agriculture. No adverse effect wage rate shall be more than the prior year's average hourly earnings of field and livestock workers for the State (or region that includes the State), as determined by the Secretary of Agriculture.

(2) AGRICULTURAL EMPLOYMENT.—The term "agricultural employment" means any service or activity included within the provisions of section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f)) or section 3121(g) of the Internal Revenue Code of 1986 and the handling, planting, drying, packing, packaging, processing, freezing, or grading prior to delivery for storage of any agricultural or horticultural commodity in its unmanufactured state.

(3) ELIGIBLE.—The term "eligible" as used with respect to workers or individuals, means individuals authorized to be employed in the United States as provided for in section 274A(h)(3) of the Immigration and Nationality Act (8 U.S.C. 1188).

(4) EMPLOYER.—The term "employer" means any person or entity, including any independent contractor and any agricultural association, that employs workers.

(5) JOB OPPORTUNITY.—The term "job opportunity" means a specific period of employment for a worker in one or more specified agricultural activities.

(6) PREVAILING WAGE.—The term "prevailing wage" means with respect to an agricultural activity in an area of intended employment, the rate of wages that includes the 51st percentile of employees in that agricultural activity in the area of intended employment, expressed in terms of the prevailing method of pay for the agricultural activity in the area of intended employment.

(7) REGISTERED WORKER.—The term "registered worker" means an individual whose name appears in a registry.

(8) REGISTRY.—The term "registry" means an agricultural worker registry established under section ___03(a).

(9) SECRETARY.—The term "Secretary" means the Secretary of Labor.

(10) UNITED STATES WORKER.—The term "United States worker" means any worker, whether a United States citizen, a United States national, or an alien who is authorized to work in the job opportunity within the United States other than an alien admitted pursuant to section 101(a)(15)(H)(ii)(a) or 218 of the Immigration and Nationality Act, as in effect on the effective date of this title.

SEC. ___03. AGRICULTURAL WORKER REGISTRIES.

(a) ESTABLISHMENT OF REGISTRIES.—

(1) IN GENERAL.—The Secretary of Labor shall establish and maintain a system of registries containing a current database of eligible United States workers who seek to perform temporary or seasonal agricultural work and the employment status of such workers—

(A) to ensure that eligible United States workers are informed about available agricultural job opportunities;

(B) to maximize the work period for eligible United States workers; and

(C) to provide timely referral of such workers to temporary and seasonal agricultural job opportunities in the United States.

(2) COVERAGE.—

(A) SINGLE STATE OR GROUP OF STATES.—Each registry established under paragraph (1) shall include the job opportunities in a single State, or a group of contiguous States that traditionally share a common pool of seasonal agricultural workers.

(B) REQUESTS FOR INCLUSION.—Each State requesting inclusion in a registry, or having any group of agricultural producers seeking to utilize the registry, shall be represented by a registry or by a registry of contiguous States.

(b) REGISTRATION.—

(1) IN GENERAL.—An eligible individual who seeks employment in temporary or seasonal agricultural work may apply to be included in the registry for the State or States in which the individual seeks employment. Such application shall include—

(A) the name and address of the individual;

(B) the period or periods of time (including beginning and ending dates) during which the individual will be available for temporary or seasonal agricultural work;

(C) the registry or registries on which the individual desires to be included;

(D) the specific qualifications and work experience possessed by the applicant;

(E) the type or types of temporary or seasonal agricultural work the applicant is willing to perform;

(F) such other information as the applicant wishes to be taken into account in referring the applicant to temporary or seasonal agricultural job opportunities; and

(G) such other information as may be required by the Secretary.

(2) VALIDATION OF EMPLOYMENT AUTHORIZATION.—No person may be included on any registry unless the Attorney General has certified to the Secretary of Labor that the person is authorized to be employed in the United States.

(3) WORKERS REFERRED TO JOB OPPORTUNITIES.—The name of each registered worker who is referred and accepts employment with an employer pursuant to section ___05 shall be classified as inactive on each registry on which the worker is included during the period of employment involved in the job to which the worker was referred, unless the worker reports to the Secretary that the worker is no longer employed and is available for referral to another job opportunity. A registered worker classified as inactive shall not be referred pursuant to section ___05.

(4) REMOVAL OF NAMES FROM A REGISTRY.—The Secretary shall remove from all registries the name of any registered worker who, on 3 separate occasions within a 3-month period, is referred to a job opportunity pursuant to this section, and who declines such referral or fails to report to work in a timely manner.

(5) VOLUNTARY REMOVAL.—A registered worker may request that the worker's name be removed from a registry or from all registries.

(6) REMOVAL BY EXPIRATION.—The application of a registered worker shall expire, and the Secretary shall remove the name of such worker from all registries if the worker has not accepted a job opportunity pursuant to this section within the preceding 12-month period.

(7) REINSTATEMENT.—A worker whose name is removed from a registry pursuant to paragraph (4), (5), or (6) may apply to the Secretary for reinstatement to such registry at any time.

(c) CONFIDENTIALITY OF REGISTRIES.—The Secretary shall maintain the confidentiality of the registries established pursuant to this section, and the information in such registries shall not be used for any purposes other than those authorized in this title.

(d) ADVERTISING OF REGISTRIES.—The Secretary shall widely disseminate, through advertising and other means, the existence of the registries for the purpose of encouraging eligible United States workers seeking temporary or seasonal agricultural job opportunities to register.

SEC. ___04. EMPLOYER APPLICATIONS AND ASSURANCES.

(a) APPLICATIONS TO THE SECRETARY.—

(1) IN GENERAL.—Not later than 21 days prior to the date on which an agricultural employer desires to employ a registered worker in a temporary or seasonal agricultural job opportunity, the employer shall apply to the Secretary for the referral of a United States worker through a search of the appropriate registry, in accordance with section ___05. Such application shall—

(A) describe the nature and location of the work to be performed;

(B) list the anticipated period (expected beginning and ending dates) for which workers will be needed;

(C) indicate the number of job opportunities in which the employer seeks to employ workers from the registry;

(D) describe the bona fide occupational qualifications that must be possessed by a worker to be employed in the job opportunity in question;

(E) describe the wages and other terms and conditions of employment the employer will offer, which shall not be less (and are not required to be more) than those required by this section;

(F) contain the assurances required by subsection (c); and

(G) specify the foreign country or region thereof from which alien workers should be admitted in the case of a failure to refer United States workers under this title.

(2) APPLICATIONS BY ASSOCIATIONS ON BEHALF OF EMPLOYER MEMBERS.—

(A) IN GENERAL.—An agricultural association may file an application under paragraph (1) for registered workers on behalf of its employer members.

(B) EMPLOYERS.—An application under subparagraph (A) shall cover those employer members of the association that the association certifies in its application have agreed in writing to comply with the requirements of this title.

(b) AMENDMENT OF APPLICATIONS.—Prior to receiving a referral of workers from a registry, an employer may amend an application under this subsection if the employer's need for workers changes. If an employer amends an application on a date which is later than 21 days prior to the date on which the workers on the amended application are sought to be employed, the Secretary may delay issuance of the report described in section ___05(b) by the number of days by which the filing of the amended application is later than 21 days before the date on which the employer desires to employ workers.

(c) ASSURANCES.—The assurances referred to in subsection (a)(1)(F) are the following:

(1) ASSURANCE THAT THE JOB OPPORTUNITY IS NOT A RESULT OF A LABOR DISPUTE.—The employer shall assure that the job opportunity for which the employer requests a registered worker is not vacant because a worker is involved in a strike, lockout, or work stoppage in the course of a labor dispute involving the job opportunity at the place of employment.

(2) ASSURANCE THAT THE JOB OPPORTUNITY IS TEMPORARY OR SEASONAL.—

(A) REQUIRED ASSURANCE.—The employer shall assure that the job opportunity for which the employer requests a registered worker is temporary or seasonal.

(B) SEASONAL BASIS.—For purposes of this title, labor is performed on a seasonal basis where, ordinarily, the employment pertains to or is of the kind exclusively performed at certain seasons or periods of the year and which, from its nature, may not be continuous or carried on throughout the year.

(C) TEMPORARY BASIS.—For purposes of this title, a worker is employed on a temporary basis where the employment is intended not to exceed 10 months.

(3) ASSURANCE OF PROVISION OF REQUIRED WAGES AND BENEFITS.—The employer shall assure that the employer will provide the wages and benefits required by subsections (a), (b), and (c) of section ___07 to all workers employed in job opportunities for which the employer has applied under subsection (a) and to all other workers in the same occupation at the place of employment.

(4) ASSURANCE OF EMPLOYMENT.—The employer shall assure that the employer will refuse to employ individuals referred under section ___05, or terminate individuals employed pursuant to this title, only for lawful job-related reasons, including lack of work.

(5) ASSURANCE OF COMPLIANCE WITH LABOR LAWS.—

(A) IN GENERAL.—An employer who requests registered workers shall assure that, except as otherwise provided in this title, the employer will comply with all applicable Federal, State, and local labor laws, including laws affecting migrant and seasonal agricultural workers, with respect to all United States workers and alien workers employed by the employer.

(B) LIMITATIONS.—The disclosure required under section 201(a) of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1821(a)) may be made at any time prior to the time the alien is issued a visa permitting entry into the United States.

(6) ASSURANCE OF ADVERTISING OF THE REGISTRY.—The employer shall assure that the employer will, from the day an application for workers is submitted under subsection (a), and continuing throughout the period of employment of any job opportunity for which the employer has applied for a worker from the registry, post in a conspicuous place a poster to be provided by the Secretary advertising the availability of the registry.

(7) ASSURANCE OF CONTACTING FORMER WORKERS.—The employer shall assure that the employer has made reasonable efforts through the sending of a letter by United States Postal Service mail, or otherwise, to contact any eligible worker the employer employed during the previous season in the occupation at the place of intended employment for which the employer is applying for registered workers, and has made the availability of the employer's job opportunities in the occupation at the place of intended employment known to such previous worker, unless the worker was terminated from employment by the employer for a lawful job-related reason or abandoned the job before the worker completed the period of employment of the job opportunity for which the worker was hired.

(8) ASSURANCE OF PROVISION OF WORKERS COMPENSATION.—The employer shall assure that if the job opportunity is not covered by the State workers' compensation law, that the employer will provide, at no cost to the worker, insurance covering injury and disease arising out of and in the course of the worker's employment which will provide benefits at least equal to those provided under the State workers' compensation law for comparable employment.

(9) ASSURANCE OF UNEMPLOYMENT INSURANCE COVERAGE.—The employer shall assure that if the employer's employment is not covered employment under the State's unemployment insurance law, the employer will provide unemployment insurance coverage for the employer's United States workers at the place of employment for which the employer has applied for workers under subsection (a).

(d) WITHDRAWAL OF APPLICATIONS.—

(1) IN GENERAL.—An employer may withdraw an application under subsection (a), except that, if the employer is an agricultural association, the association may withdraw an application under subsection (a) with respect to one or more of its members. To withdraw an application, the employer shall notify the Secretary in writing, and the Secretary shall acknowledge in writing the receipt of such withdrawal notice. An employer who withdraws an application under subsection (a), or on whose behalf an application is withdrawn, is relieved of the obligations undertaken in the application.

(2) LIMITATION.—An application may not be withdrawn while any alien provided status under this title pursuant to such application is employed by the employer.

(3) OBLIGATIONS UNDER OTHER STATUTES.—Any obligation incurred by an employer under any other law or regulation as a result of recruitment of United States workers under an offer of terms and conditions of employment required as a result of making an application under subsection (a) is unaffected by withdrawal of such application.

(e) REVIEW OF APPLICATION.—

(1) IN GENERAL.—Promptly upon receipt of an application by an employer under subsection (a), the Secretary shall review the application for compliance with the requirements of such subsection.

(2) APPROVAL OF APPLICATIONS.—If the Secretary determines that an application meets the requirements of subsection (a), and the employer is not ineligible to apply under paragraph (2), (3), or (4) of section ___08(b), the Secretary shall, not later than 7 days after the receipt of such application, approve the application and so notify the employer.

(3) REJECTION OF APPLICATIONS.—If the Secretary determines that an application fails to meet 1 or more of the requirements of subsection (a), the Secretary, as expeditiously as possible, but in no case later than 7 days after the receipt of such application, shall—

(A) notify the employer of the rejection of the application and the reasons for such rejection, and provide the opportunity for the prompt resubmission of an amended application; and

(B) offer the applicant an opportunity to request an expedited administrative review or a de novo administrative hearing before an administrative law judge of the rejection of the application.

(4) REJECTION FOR PROGRAM VIOLATIONS.—The Secretary shall reject the application of an employer under this section if the employer has been determined to be ineligible to employ workers under section ___08(b) or subsection (b)(2) of section 218 of the Immigration and Nationality Act (8 U.S.C. 1188).

SEC. ___05. SEARCH OF REGISTRY.

(a) SEARCH PROCESS AND REFERRAL TO THE EMPLOYER.—Upon the approval of an application under section ___04(e), the Secretary shall promptly begin a search of the registry of the State (or States) in which the work is to be performed to identify registered workers with the qualifications requested by the employer. The Secretary shall contact such qualified registered workers and determine, in each instance, whether the worker is ready, willing, and able to accept the employer's job opportunity and will commit to work for the employer at the time and place needed. The Secretary shall provide to each worker who commits to work for the employer the employer's name, address, telephone number, the location where the employer has requested that employees report for employment, and a statement disclosing the terms and conditions of employment.

(b) DEADLINE FOR COMPLETING SEARCH PROCESS; REFERRAL OF WORKERS.—As expeditiously as possible, but not later than 7 days before the date on which an employer desires work to begin, the Secretary shall complete the search under subsection (a) and shall transmit to the employer a report containing the name, address, and social security account number of each registered worker who has committed to work for the employer on the date needed, together with sufficient information to enable the employer to establish contact with the worker. The identification of such registered workers in a report shall constitute a referral of workers under this section.

(c) NOTICE OF INSUFFICIENT WORKERS.—If the report provided to the employer under subsection (b) does not include referral of a sufficient number of registered workers to fill all of the employer's job opportunities in the occupation for which the employer applied under section ___04(a), the Secretary shall indicate in the report the number of job opportunities for which registered workers could not be referred, and promptly transmit a copy of the report to the Attorney General and the Secretary of State, by electronic or other means ensuring next day delivery.

SEC. ___06. ISSUANCE OF VISAS AND ADMISSION OF ALIENS.

(a) IN GENERAL.—

(1) NUMBER OF ADMISSIONS.—The Secretary of State shall promptly issue visas to, and the Attorney General shall admit, a sufficient number of eligible aliens designated by the employer to fill the job opportunities of the employer—

(A) upon receipt of a copy of the report described in section ___05(c);

(B) upon receipt of an application (or copy of an application under subsection (b));

(C) upon receipt of the report required by subsection (c)(1)(B); or

(D) upon receipt of a report under subsection (d).

(2) PROCEDURES.—The admission of aliens under paragraph (1) shall be subject to the procedures of section 218A of the Immigration and Nationality Act, as added by this title.

(3) AGRICULTURAL ASSOCIATIONS.—Aliens admitted pursuant to a report described in paragraph (1) may be employed by any member of the agricultural association that has made the certification required by section ___04(a)(2)(B).

(b) DIRECT APPLICATION UPON FAILURE TO ACT.—

(1) APPLICATION TO THE SECRETARY OF STATE.—If the employer has not received a referral of sufficient workers pursuant to section ___05(b) or a report of insufficient workers pursuant to section ___05(c), by the date that is 7 days before the date on which the work is anticipated to begin, the employer may submit an application for alien workers directly to the Secretary of State, with a copy of the application provided to the Attorney General, seeking the issuance of visas to and the admission of aliens for employment in the job opportunities for which the employer has not received referral of registered workers. Such an application shall include a copy of the employer's application under section ___04(a), together with evidence of its timely submission. The Secretary of State may consult with the Secretary of Labor in carrying out this paragraph.

(2) EXPEDITED CONSIDERATION BY SECRETARY OF STATE.—The Secretary of State shall, as expeditiously as possible, but not later than 5 days after the employer files an application under paragraph (1), issue visas to, and the Attorney General shall admit, a sufficient number of eligible aliens designated by the employer to fill the job opportunities for which the employer has applied under that paragraph.

(c) REDETERMINATION OF NEED.—

(1) REQUESTS FOR REDETERMINATION.—

(A) IN GENERAL.—An employer may file a request for a redetermination by the Secretary of the needs of the employer if—

(i) a worker referred from the registry is not at the place of employment on the date of need shown on the application, or the date the work for which the worker is needed has begun, whichever is later;

(ii) the worker is not ready, willing, able, or qualified to perform the work required; or

(iii) the worker abandons the employment or is terminated for a lawful job-related reason.

(B) ADDITIONAL AUTHORIZATION OF ADMISSIONS.—The Secretary shall expeditiously, but in no case later than 72 hours after a redetermination is requested under subparagraph (A), submit a report to the Secretary of State and the Attorney General providing notice of a need for workers under this subsection.

(2) JOB-RELATED REQUIREMENTS.—An employer shall not be required to initially employ a worker who fails to meet lawful job-related employment criteria, nor to continue the employment of a worker who fails to meet lawful, job-related standards of conduct and performance, including failure to meet minimum production standards after a 3-day break-in period.

(d) EMERGENCY APPLICATIONS.—Notwithstanding subsections (b) and (c), the Secretary may promptly transmit a report to the Attorney General and Secretary of State providing notice of a need for workers under this subsection for an employer—

(1) who has not employed aliens under this title in the occupation in question in the prior year's agricultural season;

(2) who faces an unforeseen need for workers (as determined by the Secretary); and

(3) with respect to whom the Secretary cannot refer able, willing, and qualified workers from the registry who will commit to be at the employer's place of employment and ready for work within 72 hours or on the date the work for which the worker is needed has begun, whichever is later.

(e) REGULATIONS.—The Secretary of State shall prescribe regulations to provide for the designation of aliens under this section.

SEC. __07. EMPLOYMENT REQUIREMENTS.

(a) REQUIRED WAGES.—

(1) IN GENERAL.—An employer applying under section __04(a) for workers shall offer to pay, and shall pay, all workers in the occupation or occupations for which the employer has applied for workers from the registry, not less (and is not required to pay more) than the greater of the prevailing wage in the occupation in the area of intended employment or the adverse effect wage rate.

(2) PAYMENT OF PREVAILING WAGE DETERMINED BY A STATE EMPLOYMENT SECURITY AGENCY SUFFICIENT.—In complying with paragraph (1), an employer may request and obtain a prevailing wage determination from the State employment security agency. If the employer requests such a determination, and pays the wage required by paragraph (1) based upon such a determination, such payment shall be considered sufficient to meet the requirement of paragraph (1).

(3) RELIANCE ON WAGE SURVEY.—In lieu of the procedure of paragraph (2), an employer may rely on other information, such as an employer-generated prevailing wage survey and determination that meets criteria specified by the Secretary.

(4) ALTERNATIVE METHODS OF PAYMENT PERMITTED.—

(A) IN GENERAL.—A prevailing wage may be expressed as an hourly wage, a piece rate, a task rate, or other incentive payment method, including a group rate. The requirement to pay at least the prevailing wage in the occupation and area of intended employment does not require an employer to pay by the method of pay in which the prevailing rate is expressed, except that, if the employer adopts a method of pay other than the prevailing rate, the burden of proof is on the employer to demonstrate that the employer's method of pay is designed to produce earnings equivalent to the earnings that would result from payment of the prevailing rate.

(B) COMPLIANCE WHEN PAYING AN INCENTIVE RATE.—In the case of an employer that pays a piece rate or task rate or uses any other incentive payment method, including a group rate, the employer shall be considered to be in compliance with any applicable hourly wage requirement if the average of the hourly earnings of the workers, taken as a group, the activity for which a piece rate, task rate, or other incentive payment, including a group rate, is paid, for the pay period, is at least equal to the required hourly wage.

(C) TASK RATE.—For purposes of this paragraph, the term "task rate" means an incentive payment method based on a unit of work performed such that the incentive rate varies with the level of effort required to perform individual units of work.

(D) GROUP RATE.—For purposes of this paragraph, the term "group rate" means an incentive payment method in which the payment is shared among a group of workers working together to perform the task.

(b) REQUIREMENT TO PROVIDE HOUSING.—

(1) IN GENERAL.—An employer applying under section __04(a) for registered workers shall offer to provide housing at no cost (except for charges permitted by paragraph (5)) to all workers employed in job opportunities to which the employer has applied under that section, and to all other workers in the same occupation at the place of employment, whose permanent place of residence is beyond normal commuting distance.

(2) TYPE OF HOUSING.—In complying with paragraph (1), an employer may, at the employer's election, provide housing that meets applicable Federal standards for temporary labor camps or secure housing that meets applicable local standards for rental or public accommodation housing or other substantially similar class of habitation, or, in the absence of applicable local standards, State standards for rental or public accommodation housing or other substantially similar class of habitation.

(3) WORKERS ENGAGED IN THE RANGE PRODUCTION OF LIVESTOCK.—The Secretary shall issue regulations that address the specific requirements for the provision of housing to workers engaged in the range production of livestock.

(4) LIMITATION.—Nothing in this subsection shall be construed to require an employer to provide or secure housing for persons who were not entitled to such housing under the temporary labor certification regulations in effect on June 1, 1986.

(5) CHARGES FOR HOUSING.—

(A) UTILITIES AND MAINTENANCE.—An employer who provides housing to a worker pursuant to paragraph (1) may charge an amount equal to the fair market value (but not greater than the employer's actual cost) for maintenance and utilities, or such lesser amount as permitted by law.

(B) SECURITY DEPOSIT.—An employer who provides housing to workers pursuant to paragraph (1) may require, as a condition for providing such housing, a deposit not to exceed $50 from workers occupying such housing to protect against gross negligence or willful destruction of property.

(C) DAMAGES.—An employer who provides housing to workers pursuant to paragraph (1) may require a worker found to have been responsible for damage to such housing which is not the result of normal wear and tear related to habitation to reimburse the employer for the reasonable cost of repair of such damage.

(6) REDUCED USER FEE FOR WORKERS PROVIDED HOUSING.—An employer shall receive a credit of 40 percent of the payment otherwise due pursuant to section 218(b) of the Immigration and Nationality Act on the earnings of alien workers to whom the employer provides housing pursuant to paragraph (1).

(7) HOUSING ALLOWANCE AS ALTERNATIVE.—

(A) IN GENERAL.—In lieu of offering housing pursuant to paragraph (1), subject to subparagraphs (B) through (D), the employer may on a case-by-case basis provide a reasonable housing allowance. An employer who offers a housing allowance to a worker pursuant to this subparagraph shall not be deemed to be a housing provider under section 203 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1823) solely by virtue of providing such housing allowance.

(B) LIMITATION.—At any time after the date that is 3 years after the effective date of this title, the governor of the State may certify to the Secretary that there is not sufficient housing available in an area of intended employment of migrant farm workers or aliens provided status pursuant to this title who are seeking temporary housing while employed at farm work. Such certification may be canceled by the governor of the State at any time, and shall expire after 5 years unless renewed by the governor of the State.

(C) EFFECT OF CERTIFICATION.—If the governor of the State makes the certification of insufficient housing described in subparagraph (A) with respect to an area of employment, employers of workers in that area of employment may not offer the housing allowance described in subparagraph (A) after the date that is 5 years after such certification of insufficient housing for such area, unless the certification has expired or been canceled pursuant to subparagraph (B).

(D) AMOUNT OF ALLOWANCE.—The amount of a housing allowance under this paragraph shall be equal to the statewide average fair market rental for existing housing for nonmetropolitan counties for the State in which the employment occurs, as established by the Secretary of Housing and Urban Development pursuant to section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)), based on a 2-bedroom dwelling unit and an assumption of 2 persons per bedroom.

(c) REIMBURSEMENT OF TRANSPORTATION.—

(1) TO PLACE OF EMPLOYMENT.—A worker who is referred to a job opportunity under section __05(a), or an alien employed pursuant to this title, who completes 50 percent of the period of employment of the job opportunity for which the worker was hired, may apply to the Secretary for reimbursement of the cost of the worker's transportation and subsistence from the worker's permanent place of residence (or place of last employment, if the worker traveled from such place) to the place of employment to which the worker was referred under section __05(a).

(2) FROM PLACE OF EMPLOYMENT.—A worker who is referred to a job opportunity under section __05(a), or an alien employed pursuant to this title, who completes the period of employment for the job opportunity involved, may apply to the Secretary for reimbursement of the cost of the worker's transportation and subsistence from the place of employment to the worker's permanent place of residence (or place of next employment, if the worker travels from the place of current employment to a subsequent place of employment and is otherwise ineligible for reimbursement under paragraph (1) with respect to such subsequent place of employment).

(3) LIMITATION.—

(A) AMOUNT OF REIMBURSEMENT.—Except as provided in subparagraph (B), the amount of reimbursement provided under paragraph (1) or (2) to a worker or alien shall not exceed the lesser of—

(i) the actual cost to the worker or alien of the transportation and subsistence involved; or

(ii) the most economical and reasonable transportation and subsistence costs that would have been incurred had the worker or alien used an appropriate common carrier, as determined by the Secretary.

(B) DISTANCE TRAVELED.—No reimbursement under paragraph (1) or (2) shall be required if the distance traveled is 100 miles or less.

(4) USE OF TRUST FUND.—Reimbursements made by the Secretary to workers or aliens under this subsection shall be considered to be administrative expenses for purposes of

section 218A(b)(4) of the Immigration and Nationality Act, as added by this title.

(d) ESTABLISHMENT OF PILOT PROGRAM FOR ADVANCING TRANSPORTATION COSTS.—

(1) IN GENERAL.—The Secretary shall establish a pilot program for the issuance of vouchers to United States workers who are referred to job opportunities under section ___05(a) for the purpose of enabling such workers to purchase common carrier transportation to the place of employment.

(2) LIMITATION.—A voucher may only be provided to a worker under paragraph (1) if the job opportunity involved requires that the worker temporarily relocate to a place of employment that is more than 100 miles from the worker's permanent place of residence or last place of employment, and the worker attests that the worker cannot travel to the place of employment without such assistance from the Secretary.

(3) NUMBER OF VOUCHERS.—The Secretary shall award vouchers under the pilot program under paragraph (1) to workers referred from each registry in proportion to the number of workers registered with each such registry.

(4) REIMBURSEMENT.—

(A) USE OF TRUST FUND.—Reimbursements for the cost of vouchers provided by the Secretary under this subsection for workers who complete at least 50 percent of the period of employment of the job opportunity for which the worker was hired shall be considered to be administrative expenses for purposes of section 218A(b)(4) of the Immigration and Nationality Act, as added by this title.

(B) OF SECRETARY.—A worker who receives a voucher under this subsection who fails to complete at least 50 percent of the period of employment of the job opportunity for which the worker was hired under the job opportunity involved shall reimburse the Secretary for the cost of the voucher.

(5) REPORT AND CONTINUATION OF PROGRAM.—

(A) COLLECTION OF DATA.—The Secretary shall collect data on—

(i) the extent to which workers receiving vouchers under this subsection report, in a timely manner, to the jobs to which such workers have been referred;

(ii) whether such workers complete the job opportunities involved; and

(iii) the extent to which such workers do not complete at least 50 percent of the period of employment the job opportunities for which the workers were hired.

(B) REPORT.—Not later than 6 months after the expiration of the second fiscal year during which the program under this subsection is in operation, the Secretary, in consultation with the Secretary of Agriculture, shall prepare and submit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives, a report, based on the data collected under subparagraph (A), concerning the results of the program established under this section. Such report shall contain the recommendations of the Secretary concerning the termination or continuation of such program.

(C) TERMINATION OF PROGRAM.—The recommendations of the Secretary in the report submitted under subparagraph (B) shall become effective upon the expiration of the 90-day period beginning on the date on which such report is submitted unless Congress enacts a joint resolution disapproving such recommendations.

(d) CONTINUING OBLIGATION TO EMPLOY UNITED STATES WORKERS.—

(1) IN GENERAL.—An employer that applies for registered workers under section ___04(a) shall, as a condition for the approval of such application, continue to offer employment to qualified, eligible United States workers who are referred under section ___05(b) after the employer receives the report described in section ___05(b).

(2) LIMITATION.—An employer shall not be obligated to comply with paragraph (1)—

(A) after 50 percent of the anticipated period of employment shown on the employer's application under section ___04(a) has elapsed; or

(B) during any period in which the employer is employing no aliens in the occupation for which the United States worker was referred; or

(C) during any period when the Secretary is conducting a search of a registry for job opportunities in the occupation and area of intended employment to which the worker has been referred, or other occupations in the area of intended employment for which the worker is qualified that offer substantially similar terms and conditions of employment.

(3) LIMITATION ON REQUIREMENT TO PROVIDE HOUSING.—Notwithstanding any other provision of this title, an employer to whom a registered worker is referred pursuant to paragraph (1) may provide a reasonable housing allowance to such referred worker in lieu of providing housing if the employer does not have sufficient housing to accommodate the referred worker and all other workers for whom the employer is providing housing or has committed to provide housing.

(4) REFERRAL OF WORKERS DURING 50-PERCENT PERIOD.—The Secretary shall make all reasonable efforts to place a registered worker in an open job acceptable to the worker, including available jobs not listed on the registry, before referring such worker to an employer for a job opportunity already filled by, or committed to, an alien admitted pursuant to this title.

SEC. ___08. ENFORCEMENT AND PENALTIES.

(a) ENFORCEMENT AUTHORITY.—

(1) INVESTIGATION OF COMPLAINTS.—

(A) IN GENERAL.—The Secretary shall establish a process for the receipt, investigation, and disposition of complaints respecting an employer's failure to meet a condition specified in section ___04 or an employer's misrepresentation of material facts in an application under that section. Complaints may be filed by any aggrieved person or any organization (including bargaining representatives). No investigation or hearing shall be conducted on a complaint concerning such a failure or misrepresentation unless the complaint was filed not later than 12 months after the date of the failure or misrepresentation, as the case may be. The Secretary shall conduct an investigation under this paragraph if there is reasonable cause to believe that such a failure or misrepresentation has occurred.

(B) STATUTORY CONSTRUCTION.—Nothing in this title limits the authority of the Secretary of Labor to conduct any compliance investigation under any other labor law, including any law affecting migrant and seasonal agricultural workers or, in the absence of a complaint under this paragraph, under this title.

(2) WRITTEN NOTICE OF FINDING AND OPPORTUNITY FOR APPEAL.—After an investigation has been conducted, the Secretary shall issue a written determination as to whether or not any violation described in subsection (b) has been committed. The Secretary's determination shall be served on the complainant and the employer, and shall provide an opportunity for an appeal of the Secretary's decision to an administrative law judge, who may conduct a de novo hearing.

(b) REMEDIES.—

(1) BACK WAGES.—Upon a final determination that the employer has failed to pay wages as required under this section, the Secretary may assess payment of back wages due to any United States worker or alien described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act employed by the employer in the specific employment in question. The back wages shall be equal to the difference between the amount that should have been paid and the amount that actually was paid to such worker.

(2) FAILURE TO PAY WAGES.—Upon a final determination that the employer has failed to pay the wages required under this title, the Secretary may assess a civil money penalty up to $1,000 for each failure, and may recommend to the Attorney General the disqualification of the employer from the employment of aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act for a period of time determined by the Secretary not to exceed 1 year.

(3) OTHER VIOLATIONS.—If the Secretary, as a result of an investigation pursuant to a complaint, determines that an employer covered by an application under section ___04(a) has—

(A) filed an application that misrepresents a material fact; or

(B) failed to meet a condition specified in section ___04,

the Secretary may assess a civil money penalty not to exceed $1,000 for each violation and may recommend to the Attorney General the disqualification of the employer for substantial violations in the employment of any United States workers or aliens described in section 101(a)(15)(ii)(a) of the Immigration and Nationality Act for a period of time determined by the Secretary not to exceed 1 year. In determining the amount of civil money penalty to be assessed or whether to recommend disqualification of the employer, the Secretary shall consider the seriousness of the violation, the good faith of the employer, the size of the business of the employer being charged, the history of previous violations by the employer, whether the employer obtained a financial gain from the violation, whether the violation was willful, and other relevant factors.

(4) PROGRAM DISQUALIFICATION.—

(A) 3 YEARS FOR SECOND VIOLATION.—Upon a second final determination that an employer has failed to pay the wages required under this title or committed other substantial violations under paragraph (3), the Secretary shall report such determination to the Attorney General and the Attorney General shall disqualify the employer from the employment of aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act for a period of 3 years.

(B) PERMANENT FOR THIRD VIOLATION.—Upon a third final determination that an employer has failed to pay the wages required under this section or committed other substantial violations under paragraph (3), the Secretary shall report such determination to the Attorney General, and the Attorney General shall disqualify the employer from any subsequent employment of aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act.

(c) ROLE OF ASSOCIATIONS.—

(1) VIOLATION BY A MEMBER OF AN ASSOCIATION.—An employer on whose behalf an application is filed by an association acting as its agent is fully responsible for such application, and for complying with the terms

and conditions of this title, as though the employer had filed the application itself. If such an employer is determined to have violated a requirement of this section, the penalty for such violation shall be assessed against the employer who committed the violation and not against the association or other members of the association.

(2) VIOLATION BY AN ASSOCIATION ACTING AS AN EMPLOYER.—If an association filing an application on its own behalf as an employer is determined to have committed a violation under this subsection which results in disqualification from the program under subsection (b), no individual member of such association may be the beneficiary of the services of an alien described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act in an occupation in which such alien was employed by the association during the period such disqualification is in effect, unless such member files an application as an individual employer or such application is filed on the employer's behalf by an association with which the employer has an agreement that the employer will comply with the requirements of this title.

SEC. 09. ALTERNATIVE PROGRAM FOR THE ADMISSION OF TEMPORARY H-2A WORKERS.

(a) AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT.—

(1) ELECTION OF PROCEDURES.—Section 214(c)(1) of the Immigration and Nationality Act (8 U.S.C. 1184(c)(1)) is amended—

(A) by striking the fifth and sixth sentences;

(B) by striking "(c)(1) The" and inserting "(c)(1)(A) Except as provided in subparagraph (B), the"; and

(C) by adding at the end the following new subparagraph:

"(B) Notwithstanding subparagraph (A), in the case of the importing of any nonimmigrant alien described in section 101(a)(15)(H)(ii)(a), the importing employer may elect to import the alien under the procedures of section 218 or section 218A, except that any employer that applies for registered workers under section 04(a) of the Agricultural Job Opportunity Benefits and Security Act of 1998 shall import nonimmigrants described in section 101(a)(15)(H)(ii)(a) only in accordance with section 218A. For purposes of subparagraph (A), with respect to the importing of nonimmigrants under section 218, the term 'appropriate agencies of Government' means the Department of Labor and includes the Department of Agriculture.".

(2) ALTERNATIVE PROGRAM.—The Immigration and Nationality Act is amended by inserting after section 218 (8 U.S.C. 1188) the following new section:

"ALTERNATIVE PROGRAM FOR THE ADMISSION OF TEMPORARY H-2A WORKERS

"SEC. 218A. (a) PROCEDURE FOR ADMISSION OR EXTENSION OF ALIENS.—

"(1) ALIENS WHO ARE OUTSIDE THE UNITED STATES.—

"(A) CRITERIA FOR ADMISSIBILITY.—

"(i) IN GENERAL.—An alien described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act shall be admissible under this section if the alien is designated pursuant to section 06 of the Agricultural Job Opportunity Benefits and Security Act of 1998, otherwise admissible under this Act, and the alien is not ineligible under clause (ii).

"(ii) DISQUALIFICATION.—An alien shall be ineligible for admission to the United States or being provided status under this section if the alien has, at any time during the past 5 years—

"(I) violated a material provision of this section, including the requirement to promptly depart the United States when the alien's authorized period of admission under this section has expired; or

"(II) otherwise violated a term or condition of admission to the United States as a nonimmigrant, including overstaying the period of authorized admission as such a nonimmigrant.

"(iii) INITIAL WAIVER OF INELIGIBILITY FOR UNLAWFUL PRESENCE.—An alien who has not previously been admitted to the United States pursuant to this section, and who is otherwise eligible for admission in accordance with clauses (i) and (ii), shall not be deemed inadmissible by virtue of section 212(a)(9)(B).

"(B) PERIOD OF ADMISSION.—The alien shall be admitted for the period requested by the employer not to exceed 10 months, or the ending date of the anticipated period of employment on the employer's application for registered workers, whichever is less, plus an additional period of 14 days, during which the alien shall seek authorized employment in the United States. During the 14-day period following the expiration of the alien's work authorization, the alien is not authorized to be employed unless an employer who is authorized to employ such worker has filed an extension of stay on behalf of the alien pursuant to paragraph (2).

"(C) ABANDONMENT OF EMPLOYMENT.—

"(i) IN GENERAL.—An alien admitted or provided status under this section who abandons the employment which was the basis for such admission or providing status shall be considered to have failed to maintain nonimmigrant status as an alien described in section 101(a)(15)(H)(ii)(a) and shall depart the United States or be subject to removal under section 237(a)(1)(C)(i).

"(ii) REPORT BY EMPLOYER.—The employer (or association acting as agent for the employer) shall notify the Attorney General within 7 days of an alien admitted or provided status under this Act pursuant to an application to the Secretary of Labor under section 06 of the Agricultural Job Opportunity Benefits and Security Act of 1998 by the employer who prematurely abandons the alien's employment.

"(D) ISSUANCE OF IDENTIFICATION AND EMPLOYMENT ELIGIBILITY DOCUMENT.—

"(i) IN GENERAL.—The Attorney General shall cause to be issued to each alien admitted under this section a card in a form which is resistant to counterfeiting and tampering for the purpose of providing proof of identity and employment eligibility under section 274A.

"(ii) DESIGN OF CARD.—Each card issued pursuant to clause (i) shall be designed in such a manner and contain a photograph and other identifying information (such as date of birth, sex, and distinguishing marks) that would allow an employer to determine with reasonable certainty that the bearer is not claiming the identity of another individual, and shall—

"(I) specify the date of the alien's acquisition of status under this section;

"(II) specify the expiration date of the alien's work authorization; and

"(III) specify the alien's admission number or alien file number.

"(2) EXTENSION OF STAY OF ALIENS IN THE UNITED STATES.—

"(A) EXTENSION OF STAY.—If an employer with respect to whom a report or application described in section 06(a)(1) of the Agricultural Job Opportunity Benefits and Security Act of 1998 has been submitted seeks to employ an alien who has acquired status under this section and who is present in the United States, the employer shall file with the Attorney General an application for an extension of the alien's stay or a change in the alien's authorized employment. The application shall be accompanied by a copy of the appropriate report or application described in section 06 of the Agricultural Job Opportunity Benefits and Security Act of 1998.

"(B) LIMITATION ON FILING AN APPLICATION FOR EXTENSION OF STAY.—An application may not be filed for an extension of an alien's stay for a period of more than 10 months, or later than a date which is 3 years from the date of the alien's last admission to the United States under this section, whichever occurs first.

"(C) WORK AUTHORIZATION UPON FILING AN APPLICATION FOR EXTENSION OF STAY.—An employer may begin employing an alien who is present in the United States who has acquired status under this Act on the day the employer files an application for extension of stay. For the purpose of this requirement, the term 'filing' means sending the application by certified mail via the United States Postal Service, return receipt requested, or delivered by guaranteed commercial delivery which will provide the employer with a documented acknowledgment of the date of sending and receipt of the application. The employer shall provide a copy of the employer's application to the alien, who shall keep the application with the alien's identification and employment eligibility document as evidence that the application has been filed and that the alien is authorized to work in the United States. Upon approval of an application for an extension of stay or change in the alien's authorized employment, the Attorney General shall provide a new or updated employment eligibility document to the alien indicating the new validity date, after which the alien is not required to retain a copy of the application.

"(D) LIMITATION ON EMPLOYMENT AUTHORIZATION OF ALIENS WITHOUT VALID IDENTIFICATION AND EMPLOYMENT ELIGIBILITY CARD.—An expired identification and employment eligibility document, together with a copy of an application for extension of stay or change in the alien's authorized employment, shall constitute a valid work authorization document for a period of not more than 60 days from the date of application for the extension of stay, after which time only a currently valid identification and employment eligibility document shall be acceptable.

"(E) LIMITATION ON AN INDIVIDUAL'S STAY IN STATUS.—An alien having status under this section may not have the status extended for a continuous period longer than 3 years unless the alien remains outside the United States for an uninterrupted period of 6 months. An absence from the United States may break the continuity of the period for which a nonimmigrant visa issued under section 101(a)(15)(H)(ii)(a) is valid. If the alien has resided in the United States 10 months or less, an absence breaks the continuity of the period if its lasts for at least 2 months. If the alien has resided in the United States 10 months or more, an absence breaks the continuity of the period if it lasts for at least one-fifth the duration of the stay.

"(b) TRUST FUND.—

"(1) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund (in this section referred to as the 'Trust Fund') for the purpose of funding the costs of

administering this section and, in the event of an adverse finding by the Attorney General under subsection (c), for the purpose of providing a monetary incentive for aliens described in section 101(a)(15)(H)(ii)(a) to return to their country of origin upon expiration of their visas under this section.

"(2) TRANSFERS TO TRUST FUND.—

"(A) IN GENERAL.—There is appropriated to the Trust Fund amounts equivalent to the sum of the following:

"(i) Such employers shall pay to the Secretary of the Treasury a user fee in an amount equivalent to so much of the Federal tax that is not transferred to the States on the earnings of such aliens that the employer would be obligated to pay under the Federal Unemployment Tax Act and the Federal Insurance Contributions Act if the earnings were subject to such Acts. Such payment shall be in lieu of any other employer fees for the benefits provided to employers pursuant to this Act or in connection with the admission of aliens pursuant to section 218A.

"(ii) In the event of an adverse finding by the Attorney General under subsection (c), employers of aliens under this section shall withhold from the wages of such aliens an amount equivalent to 20 percent of the earnings of each alien and pay such withheld amount to the Secretary of the Treasury.

"(B) TREATMENT OF AMOUNTS.—Amounts paid to the Secretary of the Treasury under subparagraph (A) shall be treated as employment taxes for purposes of subtitle C of the Internal Revenue Code of 1986.

"(C) TREATMENT AS OFFSETTING RECEIPTS.—Amounts appropriated to the Trust Fund under this paragraph shall be treated as offsetting receipts.

"(3) ADMINISTRATIVE EXPENSES.—Amounts transferred to the Trust Fund pursuant to paragraph (2)(A)(ii), shall, without further appropriation, be paid to the Attorney General, the Secretary of Labor, the Secretary of State, and the Secretary of Agriculture in amounts equivalent to the expenses incurred by such officials in the administration of section 101(a)(15)(H)(ii)(a) and this section.

"(4) DISTRIBUTION OF FUNDS.—In the event of an adverse finding by the Attorney General under subsection (c), amounts transferred to the Trust Fund pursuant to paragraph (2)(A)(ii), and interest earned thereon under paragraph (6), shall be held on behalf of an alien and shall be available, without further appropriation, to the Attorney General for payment to the alien if—

"(A) the alien applies to the Attorney General (or the designee of the Attorney General) for payment within 30 days of the expiration of the alien's last authorized stay in the United States;

"(B) in such application the alien establishes that the alien has complied with the terms and conditions of this section; and

"(C) in connection with the application, the alien tenders the identification and employment authorization card issued to the alien pursuant to subsection (a)(1)(D) and establishes that the alien is identified as the person to whom the card was issued based on the biometric identification information contained on the card.

"(5) MIGRANT AGRICULTURAL WORKER HOUSING.—Such funds as remain in the Trust Fund after the payments described in paragraph (4) shall be used by the Secretary of Agriculture, in consultation with the Secretary, for the purpose of increasing the stock of in-season migrant worker housing in areas where such housing is determined to be insufficient to meet the needs of migrant agricultural workers, including aliens admitted under this section.

"(6) REGULATIONS.—The Secretary of the Treasury, in consultation with the Attorney General, shall prescribe regulations to carry out this subsection.

"(7) INVESTMENT OF PORTION OF TRUST FUND.—

"(A) IN GENERAL.—It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts transferred to the Trust Fund pursuant to paragraph (2)(A)(i), and, if applicable, paragraph (2)(A)(ii), as is not, in the Secretary's judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired—

"(i) on original issue at the price; or

"(ii) by purchase of outstanding obligations at the market price.

The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are hereby extended to authorize the issuance at par of special obligations exclusively to the Trust Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt, except that where such average rate is not a multiple of one-eighth of 1 percent next lower than such average rate. Such special obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

"(B) SALE OF OBLIGATION.—Any obligation acquired by the Trust Fund (except special obligations issued exclusively to the Trust Fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be redeemed at par plus accrued interest.

"(C) CREDITS TO TRUST FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the amounts transferred to the Trust Fund pursuant to paragraph (2)(A)(i).

"(D) REPORT TO CONGRESS.—It shall be the duty of the Secretary of the Treasury to hold the Trust Fund, and (after consultation with the Attorney General) to report to the Congress each year on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the next fiscal year. Such report shall be printed as both a House and a Senate document of the session of the Congress to which the report is made.

"(c) STUDY BY THE ATTORNEY GENERAL.—The Attorney General shall conduct a study to determine whether aliens under this section depart the United States in a timely manner upon the expiration of their period of authorized stay. If the Attorney General finds that a significant number of aliens do not so depart and that a financial inducement is necessary to assure such departure, then the Attorney General shall so report to Congress and, upon receipt of the report, subsections (b)(2)(A)(ii) and (b)(4) shall take effect.".

(b) NO FAMILY MEMBERS PERMITTED.—Section 101(a)(15)(H) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)) is amended by striking "specified in this paragraph" and inserting "specified in this subparagraph (other than in clause (ii)(a))".

(c) CONFORMING AMENDMENT.—The table of contents of the Immigration and Nationality Act is amended by inserting after the item relating to section 218 the following new item:

"Sec. 218A. Alternative program for the admission of H-2A workers.".

(d) REPEAL AND ADDITIONAL CONFORMING AMENDMENTS.—

(1) REPEAL.—Section 218 of the Immigration and Nationality Act is repealed.

(2) TECHNICAL AMENDMENTS.—(A) Section 218A of the Immigration and Nationality Act is redesignated as section 218.

(B) The table of contents of that Act is amended by striking the item relating to section 218A.

(C) The section heading for section 218 of that Act is amended by striking "ALTERNATIVE PROGRAM FOR".

(3) TERMINATION OF EMPLOYER ELECTION.—Section 214(c)(1)(B) of the Immigration and Nationality Act is amended to read as follows:

"(B) Notwithstanding subparagraph (A), the procedures of section 218 shall apply to the importing of any nonimmigrant alien described in section 101(a)(15)(H)(ii)(a).".

(4) MAINTENANCE OF CERTAIN SECTION 218 PROVISIONS.—Section 218 (as redesignated by paragraph (2) of this subsection) is amended by adding at the end the following:

"(d) MISCELLANEOUS PROVISIONS.—(1) The Attorney General shall provide for such endorsement of entry and exit documents of nonimmigrants described in section 101(a)(15)(H)(ii) as may be necessary to carry out this section and to provide notice for purposes of section 274A.

"(2) The provisions of subsections (a) and (c) of section 214 and the provisions of this section preempt any State or local law regulating admissibility of nonimmigrant workers.".

(5) EFFECTIVE DATE.—The repeal and amendments made by this subsection shall take effect 5 years after the date of enactment of this title.

SEC. ___10. INCLUSION IN EMPLOYMENT-BASED IMMIGRATION PREFERENCE ALLOCATION.

(a) AMENDMENT OF THE IMMIGRATION AND NATIONALITY ACT.—Section 203(b)(3)(A) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(3)(A)) is amended—

(1) by redesignating clause (iii) as clause (iv); and

(2) by inserting after clause (ii) the following:

"(iii) AGRICULTURAL WORKERS.—Qualified immigrants who have completed at least 6 months of work in the United States in each of 4 consecutive calendar years under section 101(a)(15)(H)(ii)(a), and have complied with all terms and conditions applicable to that section.".

(b) CONFORMING AMENDMENT.—Section 203(b)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(3)(A)) is amended by striking "subparagraph (A)(iii)" and inserting "subparagraph (A)(iv)".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to aliens described in section 101(a)(15)(H)(ii)(a) admitted to the United States before, on, or after the effective date of this title.

SEC. __11. MIGRANT AND SEASONAL HEAD START PROGRAM.

(a) IN GENERAL.—Section 637(12) of the Head Start Act (42 U.S.C. 9832(12)) is amended—

(1) by inserting "and seasonal" after "migrant"; and

(2) by inserting before the period the following: ", or families whose incomes or labor is primarily dedicated to performing seasonal agricultural labor for hire but whose places of residency have not changed to another geographic location in the preceding 2-year period".

(b) FUNDS SET-ASIDE.—Section 640(a) (42 U.S.C. 9835(a)) is amended—

(1) in paragraph (2), strike "13" and insert "14";

(2) in paragraph (2)(A), by striking "1994" and inserting "1998"; and

(3) by adding at the end the following new paragraph:

"(8) In determining the need for migrant and seasonal Head Start programs and services, the Secretary shall consult with the Secretary of Labor, other public and private entities, and providers. Notwithstanding paragraph (2)(A), after conducting such consultation, the Secretary shall further adjust the amount available for such programs and services, taking into consideration the need and demand for such services.".

SEC. __12. REGULATIONS.

(a) REGULATIONS OF THE ATTORNEY GENERAL.—The Attorney General shall consult with the Secretary and the Secretary of Agriculture on all regulations to implement the duties of the Attorney General under this title.

(b) REGULATIONS OF THE SECRETARY OF STATE.—The Secretary of State shall consult with the Attorney General on all regulations to implement the duties of the Secretary of State under this title.

SEC. __13. FUNDING FROM WAGNER-PEYSER ACT.

If additional funds are necessary to pay the start-up costs of the registries established under section __03(a), such costs may be paid out of amounts available to Federal or State governmental entities under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

SEC. __14. REPORT TO CONGRESS.

Not later than 3 years after the date of enactment of this Act and 5 years after the date of enactment of this Act, the Attorney General and the Secretaries of Agriculture and Labor shall jointly prepare and transmit to Congress a report describing the results of a review of the implementation of and compliance with this title. The report shall address—

(1) whether the program has ensured an adequate and timely supply of qualified, eligible workers at the time and place needed by employers;

(2) whether the program has ensured that aliens admitted under this program are employed only in authorized employment, and that they timely depart the United States when their authorized stay ends;

(3) whether the program has ensured that participating employers comply with the requirements of the program with respect to the employment of United States workers and aliens admitted under this program;

(4) whether the program has ensured that aliens admitted under this program are not displacing eligible, qualified United States workers or diminishing the wages and other terms and conditions of employment of eligible United States workers;

(5) whether the housing provisions of this program ensure that adequate housing is available to workers employed under this program who are required to be provided housing or a housing allowance; and

(6) recommendations for improving the operation of the program for the benefit of participating employers, eligible United States workers, participating aliens, and governmental agencies involved in administering the program.

SEC. __15. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect 180 days after the date of enactment of this title.

INHOFE (AND OTHERS) AMENDMENT NO. 3259

(Ordered to lie on the table.)

Mr. WARNER (for Mr. INHOFE, for himself, Mr. BROWNBACK, and Mr. WARNER) submitted an amendment intended to be proposed by them to the bill, S. 2260, supra; as follows:

On page 62, lines 3 through 16, strike "That if the standard build-out" and all that follows through "covered by those costs." and insert the following: "That the standard build-out costs of the Patent and Trademark Office shall not exceed $36.69 per occupiable square foot for office-type space (which constitutes the amount specified in the Advanced Acquisition program of the General Services Administration) and shall not exceed an aggregate amount equal to $88,000,000: *Provided further*, That the moving costs of the Patent and Trademark Office (which shall include the costs of moving furniture, telephone, and data installation) shall not exceed $135,000,000: *Provided further*, That the portion of the moving costs referred to in the preceding proviso that may be used for alterations that are above standard costs may not exceed $29,000,000.".

DURBIN (AND OTHERS) AMENDMENT NO. 3260

Mr. DURBIN (for himself, Mr. CHAFEE, Ms. MOSELEY-BRAUN, Mr. LAUTENBERG, and Mrs. FEINSTEIN) proposed an amendment to the bill, S. 2260, supra; as follows:

At the appropriate place in title I of the bill, insert the following:

SEC. __. CHILDREN AND FIREARMS SAFETY.

(a) SECURE GUN STORAGE OR SAFETY DEVICE.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

"(34) The term 'secure gun storage or safety device' means—

"(A) a device that, when installed on a firearm, prevents the firearm from being operated without first deactivating or removing the device;

"(B) a device incorporated into the design of the firearm that prevents the operation of the firearm by anyone not having access to the device; or

"(C) a safe, gun safe, gun case, lock box, or other device that is designed to be or can be used to store a firearm and that can be unlocked only by means of a key, a combination, or other similar means.".

(b) PROHIBITION AND PENALTIES.—Section 922 of title 18, United States Code, is amended by inserting after subsection (x) the following:

"(y) PROHIBITION AGAINST GIVING JUVENILES ACCESS TO CERTAIN FIREARMS.—

"(1) DEFINITION OF JUVENILE.—In this subsection, the term 'juvenile' means an individual who has not attained the age of 18 years.

"(2) PROHIBITION.—Except as provided in paragraph (3), any person that—

"(A) keeps a loaded firearm, or an unloaded firearm and ammunition for the firearm, any of which has been shipped or transported in interstate or foreign commerce or otherwise substantially affects interstate or foreign commerce, within any premise that is under the custody or control of that person; and

"(B) knows, or reasonably should know, that a juvenile is capable of gaining access to the firearm without the lawful permission of the parent or legal guardian of the juvenile;

shall, if a juvenile obtains access to the firearm and thereby causes death or bodily injury to the juvenile or to any other person, or exhibits the firearm either in a public place, or in violation of subsection (q), be imprisoned not more than 1 year, fined not more than $10,000, or both.

"(3) EXCEPTIONS.—Paragraph (2) does not apply if—

"(A) the person uses a secure gun storage or safety device for the firearm;

"(B) the person is a peace officer, a member of the Armed Forces, or a member of the National Guard, and the juvenile obtains the firearm during, or incidental to, the performance of the official duties of the person in that capacity;

"(C) the juvenile obtains, or obtains and discharges, the firearm in a lawful act of self-defense or defense of 1 or more other persons;

"(D) the person has no reasonable expectation, based on objective facts and circumstances, that a juvenile is likely to be present on the premises on which the firearm is kept; or

"(E) the juvenile obtains the firearm as a result of an unlawful entry to the premises by any person.".

(c) ROLE OF LICENSED FIREARMS DEALERS.—Section 926 of title 18, United States Code, is amended by adding at the end the following:

"(d) The Secretary shall ensure that a copy of section 922(y) appears on the form required to be obtained by a licensed dealer from a prospective transferee of a firearm.".

(d) NO EFFECT ON STATE LAW.—Nothing in this section or the amendments made by this section shall be construed to preempt any provision of the law of any State, the purpose of which is to prevent children from injuring themselves or others with firearms.

CRAIG AMENDMENT NO. 3261

Mr. CRAIG proposed an amendment to the bill, S. 2260, supra; as follows:

" . INTENSIVE FIREARMS ENFORCEMENT INITIATIVES.

(a)(1) The Secretary of the Treasury shall endeavor to expand the number of cities and counties directly participating in the Youth Crime Gun Interdiction Initiative, as enhanced in this section, (and referred hereafter to as "YCGII/Exile") to 50 cities or counties by October 1, 2000, to 75 cities or counties by October 1, 2002, and to 150 cities or counties by October 1, 2003.

(2) Cities and counties selected for participation in the YCGII/Exile shall be selected by the Secretary of the Treasury and in consultation with Federal, State and local law enforcement officials. Not later than February 1, 1999, the Secretary shall deliver to the Congress, through the Chairman of each Committee on Appropriations, a full report, empirically based, explaining the impact of

the program before the enhancements set out in section on the firearms related offenses, as well as detailing the plans by the Secretary to implement this section.

(h)(1) The Secretary of the Treasury shall, utilizing the information provided by the YCGII/Exile, facilitate the identification and prosecution of individuals—

(A) Illegally transferring firearms to individuals, particularly to those who have not attained 24 years of age, or in violation of the Youth Handgun Safety Act; and

(B) illegally possessing firearms, particularly in violation of 18 U.S.C. §922 (g)(1)-(2), or in violation of any provision in 18 U.S.C. §924 in connection with a serious drug offense or violent felony, as those terms are used in that section.

(2) The Secretary of the Treasury shall, commencing October 1, 1998, and in consultation with the Attorney General, the United States Attorney for the Eastern District of Pennsylvania, the State of Pennsylvania, the City of Philadelphia and other local government for such District, establish a demonstration program, the objective of which shall be the intensive identification, apprehension, and prosecution of persons in possession of firearm in violation of 18 U.S.C. §922 (g)(1)-(2), or in violation of any provision in 18 U.S.C. §924 in connection with a serious drug offense or violent felony, as those terms are used in that section. The program shall be at last two years in duration, and the Secretary shall report to Congress on an annual basis on the results of these efforts, including any empirically observed affects on gun related crime in the District.

(3) The Attorney General, and the United States Attorneys, shall give the highest possible prosecution priority to the offense stated in this subsection.

(4) The Secretary of the Treasury shall share information derived from the YCGII/Exile with State and local law enforcement agencies through on-line computer access, as soon as such capability is available.

(c)(1) The Secretary of the Treasury shall award grants (in the form of funds or equipment) to States, cities, and counties for purposes of assisting such entities in the tracing of firearms and participation in the YCGII/Exile.

(2) Grants made under this part shall be used—

(A) to hire additional law enforcement personnel for the purpose of enhanced efforts in identifying and arresting individuals for the firearms offenses stated in subsection (b): and

(B) to purchase additional equipment, including automatic data processing equipment and computer software and hardware, for the timely submission and analysis of tracing data.".

BUMPERS (AND HATCH) AMENDMENT NO. 3262

Mr. BUMPERS (for himself and Mr. HATCH) proposed an amendment to the bill, S. 2260, supra; as follows:

At the appropriate place add the following:

"SEC. . REPORT BY THE JUDICIAL CONFERENCE.

"(a) Not later than September 1, 1999, the Judicial Conference of the United States shall prepare and submit to the Committees on Appropriations of the Senate and of the House of Representatives, and to the Committees on the Judiciary of the Senate and the House of Representatives, a report evaluating whether an amendment to Rule 6 of the Federal Rules of Criminal Procedure permitting the presence in the grand jury room of counsel for a witness who is testifying before the grand jury would further the interests of justice and law enforcement.

(b) In preparing the report referred to in paragraph (a) of this section the Judicial Conference shall consider the views of the Department of Justice, the organized Bar, the academic legal community, and other interested parties.

(c) Nothing in this section shall require the Judicial Conference to submit recommendations to the Congress in accordance with the Rules Enabling Act, nor prohibit the Conference from doing so.

BUMPERS AMENDMENT NO. 3263

Mr. BUMPERS proposed an amendment to the bill, S. 2260, supra; as follows:

At the appropriate place add the following:

"SEC. . Subsection 2(d) of Section 2511 of title 18, United States Code, is amended to read as follows:

"2(d)(i) Except as prohibited by subsection (ii), it shall not be unlawful under this chapter for a person not acting under color of law to intercept a wire, oral, or electronic communication where such person is a party to the communication or where one of the parties to the communication has given prior consent to such interception unless such communication is intercepted for the purpose of committing any criminal or tortious act in violation of the Constitution or laws of the United States or of any State.

"(ii) It shall be unlawful under this chapter for a person not acting under color of law to intercept a telephone communication unless—

"(A) all parties to the communication have given prior consent to such interception, unless such communication is intercepted for the purpose of committing any criminal or tortious act in violation of the Constitution or laws of the United States;

"(B) such person is an employer, or the officer or agent of an employer, engaged in lawful electronic monitoring of its employees' communications made in the course of the employees' duties; or

"(C) such person is a party to the communication and the communication conveys threats of physical harm, harassment or intimidation."

FEINGOLD AMENDMENT NO. 3264

Mr. FEINGOLD proposed an amendment to the bill, S. 2260, supra; as follows:

On page 135, between lines 11 and 12, insert the following:

SEC. 620. (a) FINDINGS.—Congress makes the following findings:

(1) Since the adoption by the Federal Communication Commission of the so-called "Going Forward Rules" to relax regulation of cable television rates in 1994, cable television rates have increased by 6.3 percent per year. Since the enactment of the Telecommunications Act of 1996 (Public Law 104–104), such rates have increased by approximately 8.2 percent per year.

(2) The rate of increase in cable television rates has exceeded the rate of increase in inflation by more than 3 times since the enactment of the Telecommunications Act of 1996. The increase in such rates is faster than when such rates were not regulated between 1986 and 1992. Such rates are rising 50 percent faster than the Commission predicted when it adopted the so-called "Going Forward Rules".

(3) In 1996, many United States cities experienced increases in cable television rates that exceeded 20 percent. Overall, according to the Bureau of Labor Statistics, cable television rates increased at an annual pace of 10.4 percent in 1996, compared with 3.5 percent for all consumer goods.

(4) The Nation's largest cable television company boosted its rates approximately 13.5 percent in 1996. In Denver alone, it raised rates by 19 percent in the summer of 1996, then another 8 percent in June 1997. The Nation's second largest cable television company increased its average rates 12 percent in the New York City area in 1996.

(5) The cable television industry continues to hold the dominant position in the market for multichannel video programming distribution (MVPD) with 87 percent of MVPD subscribers receiving service from their local franchised cable television operator.

(6) Certain factors place alternatives to cable television at a competitive disadvantage. For example, direct broadcast satellite (DBS) service is widely available and constitutes the most significant alternative to cable television. However, barriers to both the entry and expansion of DBS include—

(A) the lack of availability of local broadcast signals;

(B) up front equipment and installation costs; and

(C) the need to purchase additional equipment to receive service on additional television sets.

(7) Telephone company entry into the video programming distribution business has been limited.

(8) With the increased concentration of cable television systems at the national level, the percentage of cable television subscribers served by the 4 largest cable television companies rose to 61.4 percent in 1996.

(9) Recent agreements in the cable television industry have given TCI and Time Warner/Turner Broadcasting ownership of cable television systems serving approximately one-half of the Nation's cable television subscribers.

(10) Financial analysts report that cable television industry revenue for 1995 was $24,898,000,000 and grew 8.9 percent to $27,120,000,000 in 1996. For 1996, revenue per subscriber grew 5.6 percent to reach $431.85 per subscriber. Analysts estimate 1997 year-end-total revenue for the industry was approximately $30,000,000,000, an increase of 9.9 percent from 1996 year-end revenue.

(b) REPORT.—(1) Not later than 30 days after the date of enactment of this Act, the Federal Communications Commission shall submit to Congress a report setting forth the assessment of the Commission whether or not the findings under subsection (a) are consistent with the Commission's fulfillment of its responsibilities under the Cable Television Consumer Protection and Competition Act of 1992 (Public Law 102–385) and the Telecommunications Act of 1996 to promote competition in the cable television industry and ensure reasonable rates for cable television services.

(2) If the Commission determines under paragraph (1) that the findings under subsection (a) are consistent with the fulfillment of the responsibilities referred to in that paragraph, the report shall include a detailed justification of that determination.

(3) If the Commission determines under paragraph (1) that the findings under subsection (a) are not consistent with the fulfillment of the responsibilities referred to in

that paragraph, the report shall include a statement of the actions to be undertaken by the Commission to fulfill the responsibilities.

WYDEN (AND SMITH) AMENDMENT NO. 3265

Mr. WYDEN (for himself and Mr. SMITH of Oregon) proposed an amendment to the bill, S. 2260, supra; as follows:

On page 51, between lines 9 and 10, insert the following:

SEC. 121. Section 505 of the Incentive Grants for Local Delinquency Prevention Programs Act (42 U.S.C. 5784) is amended—

(1) in subsection (a)—

(A) in paragraph (6), by striking "and" at the end;

(B) in paragraph (7), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(8) court supervised initiatives that address the illegal possession of firearms by juveniles."; and

(2) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "demonstrate ability in";

(B) in paragraph (1), by inserting "have in effect" after "(1)";

(C) in paragraph (2)—

(i) by inserting "have developed" after "(2)"; and

(ii) by striking "and" at the end;

(D) in paragraph (3)—

(i) by inserting "are actively" after "(3)"; and

(ii) by striking the period at the end and inserting "; and"; and

(E) by adding at the end the following:

"(4) have in effect a policy or practice that requires State and local law enforcement agencies to detain for not less than 24 hours any juvenile who unlawfully possesses a firearm in a school, upon a finding by a judicial officer that the juvenile may be a danger to himself or herself, or to the community.".

KYL (AND BRYAN) AMENDMENT NO. 3266

Mr. KYL (for himself and Mr. BRYAN) proposed an amendment to the bill, S. 2260, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. PROHIBITION ON INTERNET GAMBLING.

(a) SHORT TITLE.—This section may be cited as the "Internet Gambling Prohibition Act of 1998".

(b) DEFINITIONS.—Section 1081 of title 18, United States Code, is amended—

(1) in the matter immediately following the colon, by designating the first 5 undesignated paragraphs as paragraphs (1) through (5), respectively, and indenting each paragraph 2 ems to the right; and

(2) by adding at the end the following:

"(6) BETS OR WAGERS.—The term 'bets or wagers'—

"(A) means the staking or risking by any person of something of value upon the outcome of a contest of others, sporting event of others, or of any game of chance, upon an agreement or understanding that the person or another person will receive something of value based on that outcome;

"(B) includes the purchase of a chance or opportunity to win a lottery or other prize (which opportunity to win is predominantly subject to chance);

"(C) includes any scheme of a type described in section 3702 of title 28, United States Code; and

"(D) does not include—

"(i) a bona fide business transaction governed by the securities laws (as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(47))) for the purchase or sale at a future date of securities (as that term is defined in section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(10)));

"(ii) a transaction on or subject to the rules of a contract market designated pursuant to section 5 of the Commodity Exchange Act (7 U.S.C. 7);

"(iii) a contract of indemnity or guarantee; or

"(iv) a contract for life, health, or accident insurance.

"(7) FOREIGN JURISDICTION.—The term 'foreign jurisdiction' means a jurisdiction of a foreign country or political subdivision thereof.

"(8) INFORMATION ASSISTING IN THE PLACING OF A BET OR WAGER.—The term 'information assisting in the placing of a bet or wager'—

"(A) means information that is intended by the sender or recipient to be used by a person engaged in the business of betting or wagering to accept or place a bet or wager; and

"(B) does not include—

"(i) information concerning parimutuel pools that is exchanged between or among 1 or more racetracks or other parimutuel wagering facilities licensed by the State or approved by the foreign jurisdiction in which the facility is located, and 1 or more parimutuel wagering facilities licensed by the State or approved by the foreign jurisdiction in which the facility is located, if that information is used only to conduct common pool parimutuel pooling under applicable law;

"(ii) information exchanged between or among 1 or more racetracks or other parimutuel wagering facilities licensed by the State or approved by the foreign jurisdiction in which the facility is located, and a support service located in another State or foreign jurisdiction, if the information is used only for processing bets or wagers made with that facility under applicable law;

"(iii) information exchanged between or among 1 or more wagering facilities that are located within a single State and are licensed and regulated by that State, and any support service, wherever located, if the information is used only for the pooling or processing of bets or wagers made by or with the facility or facilities under applicable State law;

"(iv) any news reporting or analysis of wagering activity, including odds, racing or event results, race and event schedules, or categories of wagering; or

"(v) any posting or reporting of any educational information on how to make a bet or wager or the nature of betting or wagering.".

(c) PROHIBITION ON INTERNET GAMBLING.—

(1) IN GENERAL.—Chapter 50 of title 18, United States Code, is amended by adding at the end the following:

"§ 1085. Internet gambling

"(a) DEFINITIONS.—In this section:

"(1) CLOSED-LOOP SUBSCRIBER-BASED SERVICE.—The term 'closed-loop subscriber-based service' means any information service or system that uses—

"(A) a device or combination of devices—

"(i) expressly authorized and operated in accordance with the laws of a State for the purposes described in subsection (e); and

"(ii) by which a person located within a State must subscribe to be authorized to place, receive, or otherwise make a bet or wager, and must be physically located within that State in order to be authorized to do so;

"(B) a customer verification system to ensure that all applicable Federal and State legal and regulatory requirements for lawful gambling are met; and

"(C) appropriate data security standards to prevent unauthorized access.

"(2) GAMBLING BUSINESS.—The term 'gambling business' means a business that is conducted at a gambling establishment, or that—

"(A) involves—

"(i) the placing, receiving, or otherwise making of bets or wagers; or

"(ii) offers to engage in placing, receiving, or otherwise making bets or wagers;

"(B) involves 1 or more persons who conduct, finance, manage, supervise, direct, or own all or part of such business; and

"(C) has been or remains in substantially continuous operation for a period in excess of 10 days or has a gross revenue of $2,000 or more during any 24-hour period.

"(3) INTERACTIVE COMPUTER SERVICE.—The term 'interactive computer service' means any information service, system, or access software provider that uses a public communication infrastructure or operates in interstate or foreign commerce to provide or enable computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet.

"(4) INTERNET.—The term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

"(5) PERSON.—The term 'person' means any individual, association, partnership, joint venture, corporation, State or political subdivision thereof, department, agency, or instrumentality of a State or political subdivision thereof, or any other government, organization, or entity.

"(6) PRIVATE NETWORK.—The term 'private network' means a communications channel or channels, including voice or computer data transmission facilities, that use either—

"(A) private dedicated lines; or

"(B) the public communications infrastructure, if the infrastructure is secured by means of the appropriate private communications technology to prevent unauthorized access.

"(7) STATE.—The term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a commonwealth, territory, or possession of the United States.

"(b) GAMBLING.—

"(1) PROHIBITION.—Subject to subsection (e), it shall be unlawful for a person knowingly to use the Internet or any other interactive computer service—

"(A) to place, receive, or otherwise make a bet or wager with any person; or

"(B) to send, receive, or invite information assisting in the placing of a bet or wager with the intent to send, receive, or invite information assisting in the placing of a bet or wager.

"(2) PENALTIES.—A person who violates paragraph (1) shall be—

"(A) fined in an amount that is not more than the greater of—

"(i) three times the greater of—

"(I) the total amount that the person is found to have wagered through the Internet or other interactive computer service; or

"(II) the total amount that the person is found to have received as a result of such wagering; or

"(ii) $500;

"(B) imprisoned not more than 3 months; or

"(C) both.

"(c) GAMBLING BUSINESSES.—

"(1) PROHIBITION.—Subject to subsection (e), it shall be unlawful for a person engaged in a gambling business knowingly to use the Internet or any other interactive computer service—

"(A) to place, receive, or otherwise make a bet or wager; or

"(B) to send, receive, or invite information assisting in the placing of a bet or wager.

"(2) PENALTIES.—A person engaged in a gambling business who violates paragraph (1) shall be—

"(A) fined in an amount that is not more than the greater of—

"(i) the amount that such person received in bets or wagers as a result of engaging in that business in violation of this subsection; or

"(ii) $20,000;

"(B) imprisoned not more than 4 years; or

"(C) both.

"(d) PERMANENT INJUNCTIONS.—Upon conviction of a person under this section, the court may, as an additional penalty, enter a permanent injunction enjoining the transmission of bets or wagers or information assisting in the placing of a bet or wager.

"(e) EXCEPTIONS.—

"(1) IN GENERAL.—Subject to paragraph (2), the prohibitions in this section shall not apply to any—

"(A) otherwise lawful bet or wager that is placed, received, or otherwise made wholly intrastate for a State lottery or a racing or parimutuel activity, or a multi-State lottery operated jointly between 2 or more States in conjunction with State lotteries, (if the lottery or activity is expressly authorized, and licensed or regulated, under applicable Federal or State law) on—

"(i) an interactive computer service that uses a private network, if each person placing or otherwise making that bet or wager is physically located at a facility that is open to the general public; or

"(ii) a closed-loop subscriber-based service that is wholly intrastate; or

"(B) otherwise lawful bet or wager for class II or class III gaming (as defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703)) that is placed, received, or otherwise made on a closed-loop subscriber-based service or an interactive computer service that uses a private network, if—

"(i) each person placing, receiving, or otherwise making that bet or wager is physically located on Indian land; and

"(ii) all games that constitute class III gaming are conducted in accordance with an applicable Tribal-State compact entered into under section 11(d) of the Indian Gaming Regulatory Act (25 U.S.C. 2701(d)) by a State in which each person placing, receiving, or otherwise making that bet or wager is physically located.

"(2) INAPPLICABILITY OF EXCEPTION TO BETS OR WAGERS MADE BY AGENTS OR PROXIES.—An exception under subparagraph (A) or (B) of paragraph (1) shall not apply in any case in which a bet or wager is placed, received, or otherwise made by the use of an agent or proxy using the Internet or an interactive computer service. Nothing in this paragraph shall be construed to prohibit the owner operator of a parimutuel wagering facility that is licensed by a State from employing an agent in the operation of the account wagering system owned or operated by the parimutuel facility.

"(f) STATE LAW.—Nothing in this section shall be construed to create immunity from criminal prosecution or civil liability under the law of any State.".

(2) TECHNICAL AMENDMENT.—The analysis for chapter 50 of title 18, United States Code, is amended by adding at the end the following:

"1085. Internet gambling.".

(d) CIVIL REMEDIES.—

(1) IN GENERAL.—The district courts of the United States shall have original and exclusive jurisdiction to prevent and restrain violations of section 1085 of title 18, United States Code, as added by this section, by issuing appropriate orders.

(2) PROCEEDINGS.—

(A) INSTITUTION BY FEDERAL GOVERNMENT.—The United States may institute proceedings under this section. Upon application of the United States, the district court may enter a temporary restraining order or an injunction against any person to prevent a violation of section 1085 of title 18, United States Code, as added by this section, if the court determines, after notice and an opportunity for a hearing, that there is a substantial probability that such violation has occurred or will occur.

(B) INSTITUTION BY STATE ATTORNEY GENERAL.—

(i) IN GENERAL.—Subject to subclause (ii), the attorney general of a State (or other appropriate State official) in which a violation of section 1085 of title 18, United States Code, as added by this section, is alleged to have occurred, or may occur, after providing written notice to the United States, may institute proceedings under this subsection. Upon application of the attorney general (or other appropriate State official) of the affected State, the district court may enter a temporary restraining order or an injunction against any person to prevent a violation of section 1085 of title 18, United States Code, as added by this section, if the court determines, after notice and an opportunity for a hearing, that there is a substantial probability that such violation has occurred or will occur.

(ii) INDIAN LANDS.—With respect to a violation of section 1085 of title 18, United States Code, as added by this section, that is alleged to have occurred, or may occur, on Indian lands (as defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703)), the enforcement authority under clause (i) shall be limited to the remedies under the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.), including any applicable Tribal-State compact negotiated under section 11 of that Act (25 U.S.C. 2710).

(C) ORDERS AND INJUNCTIONS AGAINST INTERNET SERVICE PROVIDERS.—Notwithstanding subparagraph (A) or (B), the following rules shall apply in any proceeding instituted under this paragraph in which application is made for a temporary restraining order or an injunction against an interactive computer service:

(i) SCOPE OF RELIEF.—

(I) If the violation of section 1085 of title 18, United States Code, originates with a customer of the interactive computer service's system or network, the court may require the service to terminate the specified account or accounts of the customer, or of any readily identifiable successor in interest, who is using such service to place, receive or otherwise make a bet or wager, engage in a gambling business, or to initiate a transmission that violates such section 1085.

(II) Any other relief ordered by the court shall be technically feasible for the system or network in question under current conditions, reasonably effective in preventing a violation of section 1085, of title 18, United States Code, and shall not unreasonably interfere with access to lawful material at other online locations.

(III) No relief shall issue under clause (i)(II) if the interactive computer service demonstrates, after an opportunity to appear at a hearing, that such relief is not economically reasonable for the system or network in question under current conditions.

(ii) CONSIDERATIONS.—In the case of an application for relief under clause (i)(II), the court shall consider, in addition to all other factors that the court shall consider in the exercise of its equitable discretion, whether—

(I) such relief either singularly or in combination with such other injunctions issued against the same service under this paragraph, would seriously burden the operation of the service's system or network compared with other comparably effective means of preventing violations of section 1085 of title 18, United States Code;

(II) in the case of an application for a temporary restraining order or an injunction to prevent a violation of section 1085 of title 18, United States Code, by a gambling business (as is defined in such section 1085) located outside the United States, the relief is more burdensome to the service than taking comparably effective steps to block access to specific, identified sites used by the gambling business located outside the United States; and

(III) in the case of an application for a temporary restraining order or an injunction to prevent a violation of section 1085 of title 18, United States Code, as added by this section, relating to material or activity located within the United States, whether less burdensome, but comparably effective means are available to block access by a customer of the service's system or network to information or activity that violates such section 1085.

(iii) FINDINGS.—In any order issued by the court under this paragraph, the court shall set forth the reasons for its issuance, shall be specific in its terms, and shall describe in reasonable detail, and not by reference to the complaint or other document, the act or acts sought to be restrained and the general steps to be taken to comply with the order.

(D) EXPIRATION.—Any temporary restraining order or preliminary injunction entered pursuant to this paragraph shall expire if, and as soon as, the United States, or the attorney general (or other appropriate State official) of the State, as applicable, notifies the court that issued the injunction that the United States or the State, as applicable, will not seek a permanent injunction.

(3) EXPEDITED PROCEEDINGS.—

(A) IN GENERAL.—In addition to proceedings under paragraph (2), a district court may enter a temporary restraining order against a person alleged to be in violation of section 1085 of title 18, United States Code, as added by this section, upon application of the United States under paragraph (2)(A), or the attorney general (or other appropriate State official) of an affected State under paragraph (2)(B), without notice and the opportunity for a hearing, if the United States or the State, as applicable, demonstrates that there is probable cause to believe that the transmission at issue violates section 1085 of title 18, United States Code, as added by this section.

(B) EXPIRATION.—A temporary restraining order entered under this paragraph shall expire on the earlier of—

(i) the expiration of the 30-day period beginning on the date on which the order is entered; or

(ii) the date on which a preliminary injunction is granted or denied.

(C) HEARINGS.—A hearing requested concerning an order entered under this paragraph shall be held at the earliest practicable time.

(4) RULE OF CONSTRUCTION.—In the absence of fraud or bad faith, no interactive computer service (as defined in section 1085(a) of title 18, United States Code, as added by this section) shall be liable for any damages, penalty, or forfeiture, civil or criminal, for a reasonable course of action taken to comply with a court order issued under paragraph (2) or (3) of this subsection.

(5) PROTECTION OF PRIVACY.—Nothing in this section or the amendments made by this section shall be construed to authorize an affirmative obligation on an interactive computer service—

(A) to monitor use of its service; or

(B) except as required by an order of a court, to access, remove or disable access to material where such material reveals conduct prohibited by this section and the amendments made by this section.

(6) NO EFFECT ON OTHER REMEDIES.—Nothing in this subsection shall be construed to affect any remedy under section 1084 or 1085 of title 18, United States Code, as amended by this section, or under any other Federal or State law. The availability of relief under this subsection shall not depend on, or be affected by, the initiation or resolution of any action under section 1084 or 1085 of title 18, United States Code, as amended by this section, or under any other Federal or State law.

(7) CONTINUOUS JURISDICTION.—The court shall have continuous jurisdiction under this subsection to enforce section 1085 of title 18, United States Code, as added by this section.

(e) REPORT ON ENFORCEMENT.—Not later than 3 years after the date of enactment of this Act, the Attorney General shall submit a report to Congress that includes—

(1) an analysis of the problems, if any, associated with enforcing section 1085 of title 18, United States Code, as added by this section;

(2) recommendations for the best use of the resources of the Department of Justice to enforce that section; and

(3) an estimate of the amount of activity and money being used to gamble on the Internet.

(f) REPORT ON COSTS.—Not later than 3 years after the date of enactment of this Act, the Secretary of Commerce shall submit a report to Congress that includes—

(1) an analysis of existing and potential methods or technologies for filtering or screening transmissions in violation of section 1085 of title 18, United States Code, as added by this section, that originate outside of the territorial boundaries of any State or the United States;

(2) a review of the effect, if any, on interactive computer services of any court ordered temporary restraining orders or injunctions imposed on those services under this section;

(3) a calculation of the cost to the economy of illegal gambling on the Internet, and other societal costs of such gambling; and

(4) an estimate of the effect, if any, on the Internet caused by any court ordered temporary restraining orders or injunctions imposed under this section.

(g) SEVERABILITY.—If any provision of this section, an amendment made by this section, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this section, the amendments made by this section, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

BRYAN AMENDMENT NO. 3267

Mr. BRYAN proposed an amendment to amendment No. 3266 proposed by Mr. KYL to the bill, S. 2260, supra; as follows:

On page 3, strike lines 9 through 12, and insert the following:

"(iii) a contract of indemnity or guarantee;

"(iv) a contract for life, health, or accident insurance; or

"(v) participation in a game or contest, otherwise lawful under applicable Federal or State law—

"(I) that, by its terms or rules, is not dependent on the outcome of any single sporting event, any series or sporting events, any tournament, or the individual performance of 1 or more athletes or teams in a single sporting event;

"(II) in which the outcome is determined by accumulated statistical results of games or contests involving the performances of amateur or professional athletes or teams; and

"(III) in which the winner or winners may receive a prize or award;

(otherwise know as a 'fantasy sport league' or a 'rotisserie league') if such participation is without charge to the participant or any charge to a participant is limited to a reasonable administrative fee.

CRAIG (AND OTHERS) AMENDMENT NO. 3268

Mr. CRAIG (for himself, Mr. INOUYE, and Mr. DOMENICI) proposed an amendment to amendment No. 3266 proposed by Mr. KYL to the bill, S. 2260, supra; as follows:

On page 3 of the amendment, strike lines 9 through 12 and insert the following below line 13:

"(iii) a contract of indemnity or guarantee;

"(iv) a contract for life, health, or accident insurance;

"(v) lawful gaming conducted pursuant to the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.)—; or".

Beginning on page 13 of the amendment, strike line 4 and all that follows through page 14, line 25, and insert the following:

(2) PROCEEDINGS.—

(A) INSTITUTION BY FEDERAL GOVERNMENT.—

(i) IN GENERAL.—The United States may institute proceedings under this paragraph. Upon application of the United States, the district court may enter a temporary restraining order or an injunction against any person to prevent a violation of section 1085 of title 18, United States Code, as added by this section, if the court determines, after notice and an opportunity for a hearing, that there is a substantial probability that such violation has occurred or will occur.

(ii) INDIAN LANDS.—With respect to a violation of section 1085 of title 18, United States Code, as added by this section, that is alleged to have occurred, or may occur, in whole or in part, on Indian lands (as defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703)), the United States shall have the authority to enforce that section.

(B) INSTITUTION BY STATE ATTORNEY GENERAL.—The attorney general of a State (or other appropriate State official) in which a violation of section 1085 of title 18, United States Code, as added by this section, is alleged to have occurred, or may occur, after providing written notice to the United States, may institute proceedings under this paragraph. Upon application of the attorney general (or other appropriate State official) of the affected State, the district court may enter a temporary restraining order or an injunction against any person to prevent a violation of section 1085 of title 18, United States Code, as added by this section, if the court determines, after notice and an opportunity for a hearing, that there is a substantial probability that such violation has occurred or will occur.

TORRICELLI AMENDMENTS NOS. 3269–3270

(Ordered to lie on the table.)

Mr. TORRICELLI submitted two amendments intended to be proposed by him to the bill, S. 2260, supra; as follows:

AMENDMENT NO. 3269

At the appropriate place in title II, insert the following:

SEC. 2__. NONPOINT POLLUTION CONTROL.

(a) IN GENERAL.—In addition to the amounts made available to the National Oceanic and Atmospheric Administration under this Act, $6,000,000 shall be made available to the Administration for the nonpoint pollution control program of the Coastal Zone Management program of the Administration.

(b) PRO RATA REDUCTIONS.—Notwithstanding any other provision of law, a pro rata reduction shall be made to each program of the Department of Commerce funded under this Act (other than the program referred to in subsection (a)) in such manner as to result in an aggregate reduction in the amount of funds provided to those programs of $6,000,000.

AMENDMENT NO. 3270

At the appropriate place in title II, insert the following:

SEC. 2__. NONPOINT POLLUTION CONTROL.

(a) IN GENERAL.—In addition to the amounts made available to the National Oceanic and Atmospheric Administration under this Act, $6,000,000 shall be made available to the Administration for the nonpoint pollution control program of the Coastal Zone Management program of the Administration.

(b) PRO RATA REDUCTIONS.—Notwithstanding any other provision of law, a pro rata reduction shall be made to each program of the International Trade Administration of the Department of Commerce funded under this Act in such manner as to result in an aggregate reduction in the amount of funds provided to those programs of $6,000,000.

BINGAMAN (AND DOMENICI) AMENDMENT NO. 3271

(Ordered to lie on the table.)

Mr. BINGAMAN (for himself and Mr. DOMENICI) submitted an amendment intended to be proposed by them to the bill, S. 2260, supra; as follows:

Notwithstanding any rights already conferred under this Act, Section 2 of the Act entitled "An Act to provide for the registration and protection of trademarks used in

commerce, to carry out the provisions of certain international conventions, and for other purposes," approved July 5, 1946, commonly referred to as the Trademark Act of 1946 (15 U.S.C. 1052 (b)), is amended in subsection (b) by inserting "or of any federally recognized Indian tribe," after "State or municipality,".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Wednesday, July 22, 1998. The purpose of this meeting will be to examine the Y2K computer problem as it relates to agricultural business and other matters.

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

COMMITTEE ON ARMED SERVICES

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, July 22, 1998 at 10 a.m. in executive session, to consider certain pending nominations.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, July 22, 1998, to conduct a hearing on the 1946 Swiss Holocaust Assets Agreement.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, July 22, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider the nomination of Bill Richardson to be Secretary of Energy.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GREGG. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet to consider pending business Wednesday, July 22, 1998, at 9:00 a.m., hearing room (SD-406).

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

COMMITTEE ON FINANCE

Mr. GREGG. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Wednesday, July 22, 1998 beginning at 9:30 a.m. in room 215 Dirksen.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 22, 1998 at 4 p.m. to hold a hearing.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. GREGG. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs and the House Committee on Resources be authorized to meet during open session on Wednesday, July 22, 1998 at 9 a.m., to conduct a Joint Hearing on S. 1770, to elevate the Director of the Indian Health Service to Assistant Secretary for Health & Human Services; and H.R. 3782, Indian Trust Fund Accounts. The hearing will be held in room 106 of the Dirksen Senate Office Building.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet in executive session during the session of the Senate on Wednesday, July 22, 1998, at 9:30 a.m.

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, July 22, 1998 at 2 p.m., to vote on the nominations of:

Scott E. Thomas, of the District of Columbia, to be a member of the Federal Election Commission for a term expiring April 30, 2003 (reappointment);

David M. Mason, of Virginia, to be a member of the Federal Election Commission for a term expiring April 30, 2003, vice Trevor Alexander McClurg Potter, resigned;

Darryl R. Wold, of California, to be a member of the Federal Election Commission for a term expiring April 30, 2001, vice Joan D. Aikens, term expired; and,

Karl L. Sandstrom, of Washington, to be a member of the Federal Election Commission for a term expiring April 30, 2001, vice John Warren McGarry, term expired.

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

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. GREGG. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, July 22, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2 p.m. The purpose of this hearing is to receive testimony on S. 2136, to provide for the exchange of certain land in the State of Washington; S. 2226, to amend the Idaho Admission Act regarding the sale or lease of school land; H.R. 2886 to provide for a demonstration project in the Stanislaus National Forest, CA, under which a private contractor will perform multiple resource management activities for that unit of the National Forest System; and H.R. 3796, to authorize the Secretary of Agriculture to convey the administrative site for the Rogue River National Forest and use the proceeds for the construction or improvement of offices and support buildings for the Rogue River National Forest and the Bureau of Land Management.

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

ADDITIONAL STATEMENTS

FAA MAKES PROGRESS ON Y2K

• Mr. MOYNIHAN. Mr. President, I would like to bring to the Senate's attention the latest development regarding the Year 2000 (Y2K) problem. The Federal Aviation Administration (FAA) has determined that a critical mainframe computer system used to monitor air traffic will continue to function smoothly into the millennium. The FAA, uncertain as to how long testing would take, only recently began an intensive investigation of its mainframe computers. The testing involved the time consuming task of examining more than 40 million lines of software. Although the technicians determined the date problem could be repaired in time, the process underscores the urgent nature of the Y2K issue. The uncertainties of Y2K mean repair work can be as simple as that of the FAA, or more complicated than is possibly imaginable. It is imperative that the public and private sectors follow the example of the FAA and begin testing their computer systems immediately. I continue to hope that it is not too late to properly prepare for the year 2000.

I ask that the July 22, 1998 Washington Post article on the FAA be printed in the RECORD.

The article follows:

AIR TRAFFIC CONTROL COMPUTER SYSTEM CLEARED FOR 2000

IBM WARNING PROMPTED TESTS

(By Rajiv Chandrasekaran)

ATLANTIC CITY, N.J.—Federal Aviation Administration technicians have concluded that a critical mainframe computer system used in the nation's largest air traffic control centers will function properly in the

year 2000, despite warnings from the system's manufacturer that the agency should replace the equipment.

The determination, reached over the past few weeks by programmers at the FAA's technical center here, has elicited cheers from agency officials who had been castigated by congressional investigators earlier this year for not planning a quick replacement of the systems.

"The examination has revealed that the [system] will transition the millennium in a routine manner," FAA Administrator Jan F. Garvey said in an interview yesterday.

The mainframe computers at issue, made by International Business Machines Corp., are used at the FAA's 20 air route traffic control centers to track high-altitude aircraft between airports. The computers, IBM's Model 3083 mainframes, receive data from radar systems and integrate that information into a picture for air traffic controllers.

Last October, IBM sent a letter to the FAA warning that "the appropriate skills and tools do not exist to conduct a complete Year 2000 test assessment" of the 3083 computers, once the mainstay of large corporate data centers. The machines have been mothballed by most users, step IBM urged the FAA to take.

Although the FAA plans to replace the mainframes as part of a broader modernization effort, agency officials were unsure they could complete the process by 2000. As a result, they embarked on an aggressive testing program to figure out how the computer system would be affected.

Most mainframes use a two-digit dating system that assumes that 1 and 9 are the first two digits of the year. Without specialized reprogramming, it was feared that the IBM 3083s would recognize "00" not as 2000 but as 1900, a glitch that could cause them to malfunction. The federal government and private companies are racing to fix other computers to avoid the year 2000 problem.

To conduct the testing, the FAA hired two retired IBM programmers and assigned a handful of other agency employees to the project, which involved checking more than 40 million lines of "microcode"—software that controls the mainframe's most basic functions. Among the initial areas of concern was whether a date problem would affect the operation of the mainframe's cooling pumps. If the computer does not regularly switch from one cooling pump to another, it can overheat and shut down, causing controllers' radar screens to go blank.

The technicians, however, found that the microcode doesn't consider the last two digits of the year when processing dates. Instead, it stores the year as a two-digit number between one and 32, assuming that 1975 was year one. As a result, they determined, the system would fail in 2007, but not in 2000.

"Nothing we have found will cause an operational aberration over the new year. It will continue to function as it's supposed to," said one FAA technician working on the project. FAA officials recently allowed a reporter to tour the facility here and talk to employees on the condition that they not be named.

"We're dealing with minutes and seconds in air traffic control," said another technician. "The systems don't really care about days and years."

The programmers did find four software modules that need to be repaired to handle the leap year in 2000, but they said the task would be relatively straightforward.

While the technicians came to their conclusions a few weeks ago, Garvey only recently was briefed on the findings. The results, sources said, have not yet been shared widely within the Transportation Department or with lawmakers.

Agency officials acknowledge their determination will be met with skepticism on Capitol Hill and in the aviation industry. To bolster their case, the technicians said they have compiled reams of computer printouts that back up their conclusions.

The findings highlight one of he uncertainties of year 2000 repair work. While some projects can be more costly and time consuming than originally expected, others can be unexpectedly simple.

"It's a welcome surprise," Garvey said. "And we don't get many of them in government."•

MICHIGAN ATTORNEY GENERAL FRANK J. KELLEY RETIRES

• Mr. ABRAHAM. Mr. President, I rise today to honor Michigan Attorney General Frank J. Kelley, the longest serving chief law enforcement officer in the history of the United States. After spanning the administrations of five U.S. Presidents, Attorney General Kelley decided this spring not to seek re-election. Attorney General Kelly will have served for 37 years when he retires at the end of 1998, leaving behind a long and distinguished career of service to the State of Michigan and its citizens.

A native of Detroit, Frank Kelley's career in law began after receiving both his Bachelor of Arts and Juris Doctor degrees from the University of Detroit. He practiced law in Alpena, Michigan, where he served as both city attorney and the Alpena County Supervisor. In 1961, Governor John Swainson appointed Kelley Michigan's 50th Attorney General. The following year he was elected to his first term and has been reelected every term since.

Recognized as having an enduring commitment to good government, Frank Kelley has been a champion of consumer causes, fighting to protect Michigan citizens from price gouging and fraud, and serving as a watchdog on other consumer issues. Kelley also used his office to fight for school desegregation and equal housing. He has been honored with several public service awards throughout his career, including the Wyman Award from the National Association of Attorneys General.

In his almost four decades as Attorney General, Frank Kelley has earned the respect and admiration of those he worked with and the millions he represented. He has served with tenacity, distinction, and honor. It is with great pleasure that I add my heartfelt thanks and congratulations to Attorney General Kelley for his extraordinary career and service to the State of Michigan.•

100TH ANNIVERSARY OF GREATER SALEM CHAMBER OF COMMERCE

• Mr. DURBIN. Mr. President, I rise today to congratulate the Greater Salem Chamber of Commerce of Salem, Illinois, which will celebrate its 100th anniversary on July 23.

A century ago, seven Illinoisans founded the Salem Business Men's Association, which was later renamed the Greater Salem Chamber of Commerce. As they stated in their original charter, its purpose was "to promote and encourage the location of manufactories and other industries in our city * * * and to encourage in all proper and lawful ways the development of our city and its surrounding country." It is hard to imagine that the seven founders could have foreseen how their association would grow and flourish into the present.

Today, the Chamber supports the community of Salem through numerous projects ranging from economic development to educational support. In addition, the Chamber serves as a network for local businesses and a coordinator between them and the government of Salem. The Chamber also fosters a general sense of community in Salem, by welcoming new residents and promoting consciousness of Salem's unique heritage.

In its role as coordinator, networker, and initiator, the Chamber has proven itself to be a crucial player in Salem's recent economic expansion. The city of Salem can boast a net gain of 900 jobs over the past five years. These gains are due in no small part to the efforts of the Chamber of Commerce.

With a century of success behind it, the Chamber is now working to secure the future prosperity of Salem. The Chamber regularly notifies businesses of education and training opportunities so that Salem's labor force can continue to adapt to the changing needs of the economy. Further, the Chamber was instrumental in developing the Tech Prep program, which provides 25 local high school students with internships that prepare them for future careers.

Throughout its history, the Chamber has proven itself to be an indispensable asset to the city of Salem and the state of Illinois. Again, I would like to extend my congratulations to the Chamber and all of its members and hope that their second century is as successful as their first.•

BETHESDA SEVEN/CARD CLUB VISIT TO WASHINGTON, D.C.

• Mr. ABRAHAM. Mr. President, I rise today to honor seven people who visited our Nation's capitol from June 12 to June 15, 1998. Frank "The Gin Mill" Jonna, one of Gin's all time greatest players who began his career with Detroit Catholic Central and gained further fame as a Wayne State Tartar; Judy "The Wicked Wick" Jonna, one of Detroit's most prominent all around card players who was recently named one of the 50 best players in Concan

history; Joe "The Professor" Sarafa, the legendary, steady utility man who never misses a beat when placed in the lineup on a moment's notice; Mike "The Dish" Sarafa, possibly the most exalted and prominent card shark of all time, far and away the most political player on the tour; Mariann "MB" Sarafa, initially named "All Telcaif" shopper but has since proven to be "All World" (also known to win a dish or two now and then while screaming "Ayoooooon Michael"); Suzanne "The Maoon killer" Sarafa, easily the single greatest hustler in Concan history. She has been known to ask, in the middle of a game . . . "how many points do you need to go down?" while cramming money into that silly black wallet of hers; and Tony "The Silent Winner" Antone, the guy who never boasts, brags, or rubs in his victories (and there are many).

Mr. President, it is also worthy to note that while this incredibly fun filled weekend was occurring, the Detroit Red Wings were on their way to winning their second straight Stanley Cup. The Bethesda Seven played a critical role in the Game 3 victory at the MCI Center by strategically sitting in different areas of the arena so as to keep the thousands of Red Wings fans fired up.

Mr. President, I truly thank the Bethesda Seven for their visit. •

GEORGE OSTROM

• Mr. BAUCUS. Mr President, I rise today to celebrate a true Montanan and a great friend on his 70th birthday.

Anyone who has come to know George Ostrom through his radio broadcasts, his photographs, his writing, or who has been fortunate enough as I have to spend time personally with him has come away with a better understanding of the American West and Montana in particular.

I've known George for too many years to count. Among other things, he and I share a passion for hiking in general and for hiking in Glacier National Park in particular. You see George has spent most of his 70 years in and around the Park. To this day, he hikes with a group that he affectionately calls the "Over the Hill Gang." They hike once a week when the weather permits, usually between 30 and 40 times a year.

For years, George has invited me to join his friends for a hike. But you know how it is. Our schedules are busy and somehow I just never got around to it. Until last August. During our summer recess last year I joined up with George and his Over the Hill Gang. And what a day we had. We told stories (all of them were true, of course), shared water bottles and talked about our families, our hopes and our dreams. Mr. President, it was a day I will not soon forget.

Over the years, I had heard all about George's many awards including the honor bestowed on his weekly column "The Trailwatcher", which in 1996 was selected as the best weekly humor column in the United States by the National Newspaper Association. And I had seen many of his photographs of the Park in local and national magazines including Sports Afield, Field and Stream and Sports Illustrated.

But on that hike I came to know George Ostrom the man. A funny and engaging gentleman who will not quit until he gets where he is going. That spirit is Montana's spirit. An ideal that defines all of us. A common bond that all Montanans share.

Sadly, just a few days later, one of our group, Roger Dokken, fell to his death while hiking a different trail. Because of our time together, he was my friend—automatically. No politics, no agenda. Just two people doing together what they enjoy.

Through the triumphs and tragedies of life, George and his Over the Hill gang continue to hike on. They continue to embody what is good, what is right about Montana.

So Mr. President, as George and his family celebrate his 70th birthday, I send my congratulations confident that George Ostrum is still well shy of being over the hill.•

MANAGERS' AMENDMENT TO THE REGULATORY IMPROVEMENT ACT

• Mr. LEVIN. Mr. President, today Senator THOMPSON and I, as sponsors of S. 981, the Regulatory Improvement Act of 1998, are putting into the CONGRESSIONAL RECORD a proposed amendment we will offer when S. 981 is brought to the Senate floor for consideration. The amendment reflects changes to the bill we have agreed to make in response to a number of concerns about the bill identified by the Administration and Members of the Governmental Affairs Committee. We are putting it in the RECORD at this time, to make the language available to the public and persons interested in this bill. We are also putting into the RECORD today the letter of July 15th from Acting OMB Director Jack Lew, stating that the Administration will sign the bill if the changes included in the Managers' Amendment are made and the bill passes both Houses in the same form. We welcome the support of the Administration in this effort and hope we can get the bill to the floor as soon as possible.

OMB stated in their analysis of costs and benefits of federal regulations in 1997 that regulation has enormous potential for good and harm. "The only way," OMB said, "we know to distinguish between the regulations that do good and those that cause harm is through careful assessment and evaluation of their benefits and costs." S. 981 would build that careful evaluation into the regulatory process of all the regulatory agencies. OMB estimated that of the significant or major regulations currently in effect, we have received approximately $300 billion in benefits at a cost of some $280 billion. We know that through the appropriate use of cost benefit analysis and risk assessment we can improve those figures. In a well-respected analysis of 12 major EPA rules and the impact of cost-benefit analysis on those rules, the author, Richard Morgenstern, former Associate Assistant Administrator of EPA and a visiting scholar at Resources for the Future, concluded that in each of the 12 rule makings, economic analysis helped reduce the costs of all the rules and at the same time helped increase the benefits of 5 of the rules. Report after report acknowledges the importance of good cost-benefit analysis and risk assessment for all agencies. It's long past time to get these basic requirements into statute. S. 981 offers us the best opportunity to do that.

The Managers' Amendment Senator THOMPSON and I will be offering to S. 981 reconfirms our intention that the bill not diminish or affect an agency's responsibility to carry out the purposes of the substantive statute under which the agency is regulating. At the same time, the amendment does nothing to weaken the important requirements of the bill that agencies do a thorough and competent analysis of the costs and benefits of the major regulations they issue.

Mr. President, I believe S. 981 will significantly improve the regulatory process. If enacted, it will build confidence in the regulatory programs that are so important to this society's well-being, and will result in a better, and I believe a less contentious, regulatory process. Those of us who believe in the benefits of regulation to protect health and safety have a particular responsibility to make sure that regulations are sensible and cost-effective. When they aren't, the regulatory programs—which are so vital to our health and well being—come under attack. By providing an open regulatory process guided by reasonableness and common sense, we are protecting important programs from harmful attacks.

Mr. President, I ask that copies of three letters exchanged between the Administration and Senator THOMPSON and me be printed in the RECORD.

I am also pleased to announce that the Minority Leader, Senator DASCHLE, has been added as a cosponsor to the bill, S. 981.

The letters follow:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, March 9, 1998.

Hon. FRED THOMPSON,
Chairman, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to provide the Administration's views on S. 981, the Regulatory Improvement Act of 1998.

The Administration commends the thoughtful effort by both you and Senator Levin to address numerous concerns raised by the Administration and by others about the bill as introduced.

The Administration believes strongly in responsible regulatory reform. President Clinton's issuance of Executive Order No. 12866 was predicated on his belief that government should do a better job of assessing risks and evaluating costs and benefits before issuing major rules. While we have been skeptical of the need for further comprehensive regulatory reform legislation at this time, we have sought to work with the Committee to ensure that any bill advances the President's regulatory reform principles without creating unwarranted costs to taxpayers or needless burdens on agencies acting to protect human health, safety, or the environment.

The substitute bill issued earlier this month contains significant improvements over last summer's draft. We very much appreciate this effort. While the substitute is responsive to many of our concerns, there are still serious issues remaining. One of the problems with comprehensive legislation is that so many different kinds of rulemaking are affected. We want to be sure that any new law meets a simple test: that it truly improves the regulatory system, and does not impair—by creating more litigation, more red tape, and more delay—the agencies' ability to do their jobs. We are interested in working with you to see if we can find the common ground.

After a full review of the substitute to S. 981, we have concluded that the bill does not yet meet the test we have articulated, and therefore the Administration would oppose the bill if it were to be adopted in its current form. Our concerns are briefly outlined below, and we have developed and enclosed for your consideration a set of modifications to the bill that would remedy these and other concerns while remaining faithful to the sponsors' intent. As you know from our past conversations, many of these are critical to achieving an acceptable result.

1. Judicial Review. The Administration remains concerned that the judicial review provisions would promote tactical litigation over errors that were not material to the outcome of a particular rulemaking. We know that this conflicts with the sponsors' intent, as reflected in earlier hearing discussions. To avoid additional litigation over major rules, the troubling ambiguity in the current version of the bill should be eliminated.

2. Implicit Supermandate. We have been pleased that the sponsors of S. 981 consistently have agreed with the view that regulatory reform legislation should not alter or modify the substantive reach of particular statutes designed to protect human health, safety, or the environment. We remain concerned that the current language of the bill would be construed to narrow the range of discretion available to agencies under their existing statutory mandates to protect human health, safety, or the environment. The range of discretion available to agencies under current law must be expressly preserved to avoid an implicit supermandate.

3. Risk Assessment. The Administration believes that, while there have been improvements in Section 624, this section needs to be revised still further to eliminate the imposition of burdensome requirements where those requirements will not enhance major rules. For example, section 624 includes in its sweep an unbounded category of agency actions that are not rulemakings, as well as major rules where Congress has not predicated regulatory standards on risk assessment. These should be excluded. In addition, the requirement for revision of risk assessments threatens an endless and costly analytical process, reopened with each new study, that would provide additional fodder for protracted litigation. We also remain concerned that certain provisions are too specifically tailored to analysis of cancer risks, and are thus ill-suited to other objectives, such as an evaluation of risks related to environmental and natural resource protection, worker safety, or airworthiness.

4. Peer Review. The Administration is very concerned about requiring peer review in contexts where the process would add significantly to costs and delays of the regulatory process without any foreseeable benefit. For example, the requirement that cost-benefit analyses be subject to peer review would add little to the review already performed by the Office of Management and Budget in our regulatory review process. In addition, the requirement that peer review be entirely independent of the regulating agency would displace well-established and credible peer review mechanisms, while making good peer review virtually impossible in highly specialized subject areas (e.g. nuclear safety). We also believe that the statute should require no more than one round of peer review for each major rule.

5. Review of Past Regulations. While the Committee responded to many of the Administration's earlier concerns about review of past regulations, the current version of the bill creates two different, uncoordinated and likely duplicative processes for the review of past regulations, imposing a major burden on agencies and needless expense on taxpayers. The second of these should be deleted, and the cycle of review in the first should be set at 10 years.

6. Needless Burdens. A number of the bill's requirements would impose substantial costs on agencies where there would be no conceivable benefit to the public or regulated entities. For example, the bill imposes its analytical requirements and review requirements even where the costs of compliance with the regulation have been incurred by the regulated community and no costs can be avoided by selecting a different regulatory option. Our proposed changes address other examples as well.

7. Definitions and other issues. There are several definitions and other provisions that need to be added or modified to ensure clarity, to discourage unwarranted litigation that would delay new safeguards, to protect the constitutional prerogatives of the President and the deliberative process within the Executive Branch, and to eliminate unwarranted burdens on agencies. While many of these changes appear minor, it would be difficult to overstate their importance to us in evaluating the cumulative effect of this bill.

In developing revisions to the bill that would address our concerns, we have sought to suggest changes that are consistent with our understanding of the sponsors' intent and with the spirit of our very constructive discussions with the Committee staff. We would welcome a further opportunity to work with you before the bill is reported by the Committee.

Sincerely,

FRANKLIN D. RAINES,
Director.

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC, July 1, 1998.

Mr. JACK LEW,
Director Designate, Office of Management and Budget, Executive Office Building, Washington, DC.

DEAR MR. LEW: In March of this year, Franklin Raines, then Director of OMB, sent us a letter expressing the Administration's views on S. 981, the Regulatory Improvement Act, shortly before its scheduled mark-up in the Governmental Affairs Committee. Mr. Raines stated that while "the Administration believes strongly in responsible regulatory reform," it has "serious issues remaining" with respect to S. 981. Mr. Raines then enclosed "a set of modifications to the bill that would remedy" these concerns.

As you know, the bill was reported by the Committee on a vote of 10 to 5, and now awaits consideration by the full Senate. In the interest of addressing the Administration's concerns so we can join together in support of S. 981, we have enclosed our response to each of the proposed modifications included in the attachment to the March 6th letter from Mr. Raines. Our effort has been undertaken with the objective of seeking to eliminate any cause for confusion or misinterpretation about the specific provisions in the bill while doing no harm to the important remedial and beneficial effects of our legislation. We would be willing to offer a Manager's Amendment on the floor during Senate consideration of S. 981 which would make these changes. Because such an amendment would meet your concerns, we would do so with the understanding that the Administration would then support this important legislation.

The path to this point has not been easy. Regulatory reform legislation over the years has engendered a great deal of distrust and friction among the interested parties. Yet we feel deeply that this moderate proposal will bring important analytical tools and openness to the very complex issues involved in federal regulation and will give the American people the effective and efficient protections they deserve. If it's true that nothing worth doing is ever easy, then S. 981 may prove to be one of the most valuable pieces of legislation we'll have enacted in a long time.

We welcome your support and look forward to your response.

Sincerely,

CARL LEVIN,
Senior Member.
FRED THOMPSON,
Chairman.

Enclosure.

1. Judicial Review:

a. Page 62, line 16, insert after "determining" the following: "under the statute granting the rule making authority".

b. Amend Section 627(e) to read as follows: "If an agency fails to perform the cost-benefit analysis, cost-benefit determination, or risk assessment, or to provide for peer review, a court may, giving due regard to prejudicial error, remand or invalidate the rule. The adequacy of compliance with the specific requirements of this subchapter shall not otherwise be grounds for remanding or invalidating a rule under this subchapter. If the court allows the rule to take effect, the court shall order the agency to promptly perform such analysis, determination, or assessment or provide for such peer review."

c. No judicial review for Subchapter III, because Subchapter III will be deleted.

d. Clarification regarding interlocutory orders is not necessary.

2. "Implicit Supermandate":

a. On page 47, strike lines 1 through 4 and insert the following:

"(b) Nothing in this subchapter shall be construed to alter or modify—

(1) the substantive standards applicable to a rulemaking under other statutes;

(2) the range of regulatory options that an agency has the authority to adopt under the statute authorizing the agency to promulgate the rule, or the deference otherwise accorded to the agency in construing such statute; or

(3) any opportunity for judicial review made applicable under other statutes."

3. Risk Assessment:

a. On page 54, strike lines 8 through 11 and insert the following:

"(ii) any risk assessment that is not the basis of a rule making that the Director reasonably anticipates is likely to have an annual effect on the economy of $100 million or more in reasonably quantifiable costs and that the Director determines shall be subject to the requirements of this section."

b. On page 56, strike lines 10 through 12 and insert the following:

"(2) Significant assumptions used in a risk assessment shall incorporate all reasonably available, relevant and reliable scientific information."

c. On page 56, strike lines 13 and 14 up to but not including "and," on line 14 and insert the following:

"(d) The agency shall inform the public when the agency is conducting a risk assessment subject to this section".

d. No amendment. (MACT and BACT).

4. Peer Review:

a. On page 58, strike lines 10 through 12 and insert the following:

"(a) Each agency shall provide for an independent peer review in accordance with this section of—

(1) a cost-benefit analysis of a major rule that the agency or Director reasonably anticipates is likely to have an annual effect on the economy of $500 million in reasonably quantifiable costs; and

(2) a risk assessment required by this subchapter."

b. On page 60, between lines 12 and 13 insert the following:

"(e) A member of an agency advisory board (or comparable organization) established by statute shall be considered "independent of the agency" for purposes of section 625(b)(1)(A)(ii).

"(f) The status of a person as a contractor or grantee of the agency conducting the peer review shall not, in and of itself, exclude such person from serving as a peer reviewer for such agency because of the requirements of (b)(1)(A)(ii) of this section."

c. On page 60, between lines 12 and 13 insert the following:

"(g) Nothing in this section shall require more than one peer review of a cost-benefit analysis or a risk assessment during a rule making. A peer review required by this section shall occur to the extent feasible prior to the notice of proposed rule making."

d. On page 60, between lines 9 and 10 insert the following and renumber the remaining subsection accordingly:

"(d) The formality of the peer review conducted pursuant to this section shall be commensurate with the significance and complexity of the subject matter."

5. Other

a. On page 70, between lines 20 and 21 insert the following and renumber the remaining subsections accordingly;

"(a) This subchapter shall apply to all proposed and final major rules and to any other rules designated by the President for review."

On page 72, line 4, strike "(a)" and insert in lieu thereof "(b)".

b. Strike Subchapter III and strike section 610.

c. On page 53, strike lines 14 and 15 and insert the following: "as possible unless the Director determines that compliance would be clearly unreasonable."

d. No amendment (OSTP and OMB studies)

e. On page 51, between lines 17 and 18 insert the following: "Consistent with subsection 621(2) and 621(3), net benefits analysis shall not be construed to be limited to quantifiable effects."

f. On page 46, strike lines 19 through 22 and insert the following:

"(11) The term 'substitution risk' means a reasonably identifiable significant increased risk to health, safety, or the environment expected to result from a regulatory option and does not include risks attributable to the effect of an option on the income of individuals."

On page 46, strike lines 16 through 18 and insert the following:

"(J) a rule or agency action that authorizes or bars the introduction into or removal from commerce, or recognizes or cancels recognition of the marketable status, of a product under the Federal Food, Drug and Cosmetic Act;"

g. Executive Oversight:

On page 72, line 22, strike "communciations" and insert "correspondence".

On page 73, line 3, strike "communications" and insert "correspondence".

On page 73, line 10, strike "substantive" and insert "significant".

On page 73, strike lines 16 and 17.

On page 73, line 20, strike "communications" and insert "correspondence".

On page 74, line 3, strike "substantive" and insert "significant".

On page 74, strike line 9 through line 11.

On page 74, line 17, strike "announced" and insert "published".

On page 74, line 23, strike "communications" and insert "correspondence".

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 15, 1998.

Hon. CARL LEVIN,
Committee on Governmental Affairs,
U.S. Senate, Washington, DC

DEAR SENATOR LEVIN: Thank you for your letter of July 1, 1998, in which you respond to the views on S. 981 that we expressed in former OMB Director Frank Raines' letter of March 6, 1998.

President Clinton has been a strong supporter of responsible regulatory reform. In addition to signing into law a number of important pieces of reform legislation, he and Vice President Gore are taking a wide range of administrative steps to improve the regulatory process. For example, under the guidance of Executive Order 12866, agencies are developing flexible performance standards and using market incentives whenever possible; are applying benefit-cost analysis to achieve objectives in the most cost-effective manner; and are reaching out to the affected parties, particularly our State and local partners, to understand better the intended and unintended consequences of a proposed regulatory action. Under the leadership of the Vice President's National Partnership for Reinventing Government, agencies are improving delivery of services, reducing red tape, and reforming practices to focus on customer service. The Administration's goal in these actions is to streamline and reduce the burden of government on its citizens, improve services, and restore the basic trust of public in its government.

The debate on comprehensive regulatory reform legislation is one that has sparked great passion and has provoked, as you aptly note in your letter, "distrust and friction among the interested parties." We heartily agree with you that, to say the least, "[t]he path to this point has not been easy." In part, this has been the result of earlier versions of this legislation proposed by others that sought not to improve the nation's regulatory system, but to burden and undermine it. In a variety of ways these bills would have created obstacles and hurdles to the government's ability to function effectively and to protect the health, safety, and environment of its citizens. In particular, these bills would have created a supermandate, undoing the many protections for our citizens that are carefully crafted into specific statutes. In addition, strict judicial review and complex analytic, risk assessment, peer review, and lookback provisions would have hampered rather than helped the government's ability to make reasonable decisions and would have opened the door to new rounds of endless litigation.

We appreciate your thoughtful efforts over the past year to respond to issues that we and others have raised. In your latest letter you continue to take seriously our concerns. Indeed, the changes you indicate that you are willing to make would resolve our concerns, and if the bill emerges from the Senate and House as you now propose, with no changes, the President would find it acceptable and sign it.

I should note, however, that our experience with past efforts to resolve these differences suggests that good ideas and the resolution of differences can be destroyed during the long process of getting a bill to the President's desk, and the nuances and balance that we have all sought in this legislation could be easily disrupted. Nanny of the terms used carry great meaning, and further modification is likely to renew the concerns that have animated our past opposition to bills of this type. Accordingly, we look forward to working with you to ensure that any bill the Congress passes on this subject is fully consistent with the one on which we have reached agreement.

Sincerely,

JACOB J. LEW,
Acting Director.

Mr. THOMPSON. Mr. President, I want to ask my colleagues for their help to bring much-needed improvements to our federal regulatory system. In March, the Governmental Affairs Committee favorably reported S. 981, the "Regulatory Improvement Act," by a 10–5 vote. At the time of the markup, the administration sent a letter to me and Senator LEVIN expressing a number of concerns with the bill. Over the past few months, we have worked to resolve those concerns, which largely involved adding clarifying language to the bill. In addition, some sections of the bill were modified, and a couple were dropped. On July 16, we received a letter from Jack Lew, the Acting OMB Director, on behalf of the administration. The letter says the administration supports the legislation with the proposed changes and will cooperate with us to pass it. These

changes are explained in the accompanying summary of the managers' amendment that Senator LEVIN and I would support. I am pleased that the President recognizes that we need this legislation to deliver the effective and efficient regulatory system that the American people expect and deserve.

Most of us recall the partisan and ultimately destructive debate on this issue in the last Congress. Reforming regulation is an area fraught with distrust. It is tempting for opponents of reform to try to score political points by scare tactics. We have to set aside political posturing if we're going to get the job done. Just last week, former Majority Leader Howard Baker told us, "it ill behooves America's leaders to invent disputes for the sake of political advantage, or to inveigh carelessly against the motives and morals of one's political adversaries. America expects better of its leaders than this, and deserves better." I hope we heed that good advice.

There's no doubt that improving the regulatory process is one of the toughest challenges we face. Regulation affects virtually every aspect of our lives. There are over 130,000 pages of federal regulations, and 60 agencies continue to issue new rules at a rate of 4,000 a year. The costs are hundreds of billions of dollars annually, and the public expects better results. As the costs of regulation rise with public expectations of better results, the need is greater than ever for a smarter way of regulating. We have to find ways to do more good while reducing the waste in the current system.

The evidence is overwhelming that we can achieve greater benefits at far less cost by regulating smarter. Hearings of the Governmental Affairs Committee, investigations of the General Accounting Office, the work of other congressional committees, and many scholarly studies show a striking consensus on this point. Our Committee also has found that the administration's Executive Order 12866 and other initiatives to reinvent regulation have not been as effective as was hoped.

I want to thank the 19 cosponsors who have joined me and Senator LEVIN to improve the regulatory process. The Regulatory Improvement Act will promote the public's right to know, improve the quality of government decisions, and make government more accountable to the people it serves. Ultimately, it will help improve the quality of our lives. That is why we have the support of State and local government, businesses of all sizes, farmers, educational organizations, think tanks, scholars, and the administration. We have a rare opportunity to reform the regulatory process. Let's pull together and get the job done.

• Mr. LEVIN. Mr. President, I ask that a summary of S. 981 and a summary of the proposed manager's amendment be printed in the RECORD.

The material follows:

SUMMARY OF LEVIN-THOMPSON REGULATORY IMPROVEMENT ACT

The Levin-Thompson regulatory reform bill would put into statute requirements for cost-benefit analysis and risk assessment of major rules and executive oversight of the rulemaking process. It builds on the bipartisan Roth-Glenn bill unanimously reported out of the Governmental Affairs Committee in 1995.

It requires agencies to do a cost-benefit analysis when issuing rules that cost $100 million or have other significant impacts. The agency must determine whether the benefits of the rule justify its costs; whether the rule is more cost-effective, or provides greater net benefits, than other regulatory options considered by the agency; and whether the rule adopts a flexible regulatory option. If the agency determines that the rule does not do so, the agency is required to explain the reasons why it selected the rule, including any statutory provision that required the agency to select the rule. If the rule involves a risk to health, safety or the environment, the bill requires the agency to do a quality risk assessment to analyze the benefits of the rule. Risk assessments and cost-benefit analyses for rules costing $500 million would undergo independent peer review.

During the cost-benefit analysis and risk assessment, the rulemaking agency is required to consider substitution risks—that is, risks that could be expected to result from the implementation of the regulatory option selected by the agency—and to compare the risk being regulated with other risks with which the public may be familiar.

In presenting the cost-benefit analysis and risk assessment, the rulemaking agency is required to present the results of the analysis and assessment in a clear and understandable form, including an executive summary of: the expected benefits and costs of the rule and the agency's cost-benefit determinations; the risk addressed by the rule and the results of any risk assessment; the benefits and costs of the other regulatory options considered by the agency; and the key assumptions and scientific or economic information upon which the agency relied.

The cost-benefit analysis, cost-benefit determinations, and risk assessment are required to be included in the rulemaking record and to be considered by the court, to the extent relevant, only in determining whether the final rule is arbitrary and capricious. In addition, if the agency fails to perform the cost-benefit analysis, risk assessment or peer review, the court may remand or invalidate the rule, giving due regard to prejudicial error, and in any event shall order the agency to perform it.

The bill codifies the review procedure now conducted by the Office of Information and Regulatory Affairs (OIRA) and requires public disclosure of OIRA's review process.

Finally, the bill requires the Director of OMB to contract for a study on the comparison of risks to human health, safety and the environment and a study to develop a common basis for risk communication with respect to carcinogens and noncarcinogens and the incorporation of risk assessments into cost-benefit analyses.

SUMMARY OF PROPOSED MANAGERS' AMENDMENT TO S. 981

Senator Levin and Senator Thompson plan to offer a Managers' Amendment when S. 981 is brought to the floor for Senate consideration. The Amendment would include the following:

1. JUDICIAL REVIEW

The bill as reported requires a court to consider the cost-benefit analysis, cost-benefit determinations, and risk assessment in determining whether the final rule is arbitrary and capricious. The bill as reported also requires a court to remand or invalidate a rule if the agency fails to perform the cost-benefit analysis, cost-benefit determinations or risk assessment, or to provide for peer review as required by S. 981. The Managers' Amendment modifies that requirement by giving the court the discretion to remand or invalidate the rule. The Managers' Amendment also adds a specific clarifying sentence that the adequacy of compliance with the specific requirements for performing the cost-benefit analysis, risk assessment, and peer review is not otherwise independent grounds for remanding or invalidating a rule. The Managers' Amendment also requires a court to order an agency to perform the cost-benefit analysis, cost-benefit determinations, risk assessment, or peer review whenever the agency fails to do so, even if the court allows the rule to take effect.

2. RELATIONSHIP TO OTHER STATUTES

The Managers' Amendment adds two additional provisions to the savings clause in order to reiterate that S. 981 does not contain a "supermandate" that would override or alter the substantive standards of the statute under which the rule is being issued. The Managers' Amendment confirms that S. 981 does not alter the range of regulatory options the agency has authority to adopt under the statute authorizing the agency to promulgate the rule or the deference otherwise accorded by the courts to the agency in construing such statute pursuant to the *Chevron* decision.

3. REVIEW OF RULES

The bill as reported contained two provisions for the review of existing rules: one for major rules and one for rules affecting small businesses and small governments. The Managers' Amendment strikes both review of rules provisions. S. 981 will impose new and important responsibilities on federal agencies to conduct their rulemakings with greater care and thoroughness. In order to direct the resources of the agencies to fully carrying out these requirements, the provisions for the review of existing rules were stuck. Of course, agencies remain free to review existing rules under the Regulatory Flexibility Act on their own initiative, at the request of an interested party, or pursuant to Presidential directive.

4. RISK ASSESSMENT

The bill as reported requires a quality risk assessment to be performed for each major rule with a primary purpose to address risks to health, safety or the environment, as well as for risk assessments that are not the basis for a rulemaking and that the OMB Director determines may have a substantial impact on public policy or the economy. The Managers' Amendment narrows the coverage of the bill with respect to risk assessments that are not the basis of a rulemaking to those risk assessments that the Director anticipates are likely to have an annual effect on the economy of $100 millon or more.

5. PEER REVIEW

The bill as reported requires independent peer review of the cost-benefit analysis and risk assessment for each major rule. The Managers' Amendment would modify the application of peer review of the cost-benefit analysis to only those rules that the agency or OMB Director reasonably anticipates are

likely to have an annual effect on the economy of $500 million or more.

The Managers' Amendment clarifies that members of agency advisory boards required by statute and persons who serve as contractors or grantees to the agency conducting the peer review are not precluded from serving as peer reviewers solely because of the requirement that the peer reviewers be "independent of the agency." The Managers' Amendment also claifies that only one peer review of a risk assessment and cost-benefit analysis is required by S. 981.

6. NET BENEFITS

The Managers' Amendment clarifies that application of a net benefits analysis under S. 981 is not intended to be limited to only quantifiable benefits; S. 981 requires the net benefits analysis to include consideration of nonquantifiable as well as quantifiable benefits.

7. SUBSTITUTION RISK

The Managers' Amendment, in an effort to clarify the scope of responsibility required of an agency in assessing applicable substitution risks, incorporates the language in the bill used to define costs and benefits. Thus, substitution risk is defined in the Managers' Amendment as "a reasonably identifiable significant increased risk to health, safety or the environment expected to result from a regulatory option." The definition also makes it clear that substitution risk does not include "risks attributable to the effect of an option on the income of individuals."

8. EXEMPTIONS

The bill as reported exempts from coverage of the legislation "a rule or agency action that authorizes the introduction into commerce, or recognizes the marketable status of, a product." The Managers' Amendment both expands and limits this exemption. It expands it by adding "removal" of a product as well as "introduction;" it limits this exemption by applying it only to rules "under the Federal Food, Drug and Cosmetic Act."

9. OTHER

The Managers' Amendment would make a number of other technical or minor changes to the bill.•

JOHN D. ODEGARD, RECIPIENT OF THE FAA 1998 EXCELLENCE IN AVIATION AWARD

• Mr. DORGAN. Mr. President, I rise today to congratulate the John D. Odegard School of Aerospace Sciences at the University of North Dakota, and its dean and founder, John Odegard who have been selected by the Federal Aviation Administration to receive its 1998 Excellence in Aviation award. In addition to being one of North Dakota's most outstanding entrepreneurs, John is also a personal friend of mine and I can attest to the fact that this honor is truly deserved. It accurately reflects the contributions that John and the college have made to aviation education and research to make flying safer in our country.

Announcing the award, FAA Administrator Jane Garvey noted,

The FAA formally recognizes significant aviation research accomplishments each year through the Excellence in Aviation award. This research plays a prominent role in ensuring that the nation's airspace system remains the safest in the world.

"Aviation weather research conducted at the John D. Odegard School of Aerospace Sciences contributed to the development of the Terminal Doppler Weather Radar, which is used to detect wind shear near airports. The aerospace school, which has conducted aviation research, education and training programs for over 30 years, participates in a FAA-sponsored research project to chart wind conditions at the Juneau, Alaska, airport.

Mr. CONRAD. I join my colleague, Senator DORGAN, in congratulating Dean Odegard on this exceptional and well deserved honor from the FAA.

Dean Odegard and the Odegard School, which this year was named in his honor by a grateful state, are true national assets. John's work building the School at the University of North Dakota is one of the great accomplishments in North Dakota in my lifetime. His vision and ability to make his dreams a reality sets him apart in all of higher education and aviation. He began his career in 1968 with two small planes and a dozen students and transformed this fledgling operation into the premier aerospace training facility in the world with 1400 students, a fleet of 85 aircraft and 16 flight simulators.

The contributions of John Odegard and his staff and faculty to aviation safety in the development of new pilot training programs is a major achievement. His leadership in the creation of university-based air traffic controller training is providing our country with superior new young controllers that our country's air space system desperately needs. As the Administrator noted in her citation, UND's work in FAA-sponsored atmospheric research has resulted in the Terminal Doppler Weather Radar that is now making air travel even safer in the United States.

It is also important to note that the contributions made by the Odegard School to improvements in national aviation safety are a direct product of the investment the Federal government made almost 20 years ago. It was the FAA's Airway Science Program, begun in the early 1980's, that helped build the Odegard School's facilities on the University of North Dakota campus. Those investments, of which we are very proud, are paying dividends today in lives saved. That's what the FAA award recognizes.

Mr. DORGAN. Within our state, John's achievements are well recognized. The North Dakota State Board of Higher Education has honored John by placing his name on the aviation college at the University of North Dakota. The Odegard School of Aerospace Sciences is one of our state's flagship programs and draws students from every state in the nation as well as many foreign countries. Airlines from around the world send its pilots to be trained at UND. Its size and number of employees means it is also a significant economic asset and has served to help draw the aerospace industry to North Dakota.

Again, I want to offer my congratulations to John and all his faculty and staff at the Odegard School. We look forward to their continued contributions to the aerospace industry, not only in North Dakota but throughout the world.•

RETIREMENT FROM CONGRESS OF REPRESENTATIVE THOMAS J. MANTON

• Mr. MOYNIHAN. Mr. President, yesterday, a dear friend and colleague, Representative THOMAS J. MANTON, announced his intention to retire at the end of the 105th Congress, saying, "I have worked for the citizens of this Nation, New York City, and Queens for most of my adult life." Indeed he has. Fourteen years as a Member of Congress. Fifteen years before that as a member of the New York City Council. Five years as an officer in the New York City Police Department. And two years as a Marine Corps flight navigator on active duty during Korea.

His departure is bittersweet for me. I take solace from the fact that he will continue to chair the Queens County Democratic Organization, a post he has held with honor and distinction for the past twelve years. And I am happy that he and his wife Diane will have more time "to enjoy life and travel," as he put it; to enjoy his four children and—as of July 5th—his four grandchildren. But we here will miss his calm and steady demeanor, and his unwavering commitment to "moderate government," which is, as Alexander Hamilton observed, the font of real liberty.

For the most part, I will leave it to others to recite his legislative accomplishments, which are legion. But I would highlight his service as co-chairman of the Congressional Ad-Hoc Committee on Irish Affairs. The bi-partisan Ad-Hoc Committee was established in 1977 to promote peace and justice in Northern Ireland. His interest is natural, for both his parents were Irish immigrants. The task, of course, enormous. But under TOM's steady leadership, the Ad-Hoc Committee made possible implementation of the McBride Principles. And the Ad-Hoc Committee had a huge role in this year's Good Friday Irish Peace Accord. Few men or women have had such positive effect in such a devastated and forlorn part of the world.

Horace remarked that "We rarely find anyone . . . who, content with his life, can retire from the world like a satisfied guest." TOM MANTON is the rare individual who can retire from Congress like a "satisfied guest." Godspeed, dear friend.•

PROSTATE CANCER RESEARCH FUNDING

• Ms. MOSELEY-BRAUN. Mr. President, I would like to call the attention of my colleagues to a national health epidemic that kills 40,000 American men every year and strikes hundreds of thousands more each year—prostate cancer. I am concerned about this disease and its impact on American men, particularly its disproportionate impact on African-American men.

For too long prostate cancer has been a silent killer. Too little has been known about it. Too little was said about it. Too little has been done about it. Fortunately, in recent years many prominent national figures like Senator Bob Dole, General Norman Schwarzkopf, Arnold Palmer, Sidney Poitier, Andy Grove, and Harry Belafonte have come forward to discuss their personal battles with prostate cancer. The admirable leadership of these men and others has helped educate the country about the importance of screening and early diagnosis of prostate cancer, and the need for all of us to do more to fight this disease.

Mr. President, prostate cancer is the most commonly occurring non-skin cancer in the United States. In 1997, more than 200,000 men were diagnosed with prostate cancer and 41,800 died of the disease. Every three minutes a new case of prostate cancer is diagnosed and every 13 minutes someone dies from the disease. While it is often thought to be an older man's disease, younger men are increasingly diagnosed with prostate cancer. In fact, about 20 percent of prostate cancers are now occurring in men between the ages of 40 and 60.

Although prostate cancer accounts for approximately 20 percent of all new non-skin cancers, it receives less than four percent of federal cancer research funding. In 1996, approximately the same number of lives were lost due to prostate cancer breast cancer and AIDS. In 1997, however, while prostate cancer deaths continued to rise, deaths due to breast cancer and AIDS declined. Nevertheless, the federal commitment to prostate cancer research has not even kept pace with these other priorities.

Clearly, I am not advocating reduced funding for breast cancer or AIDS research programs. I have been one of the major champions of breast cancer and AIDS research funding. Rather, I use these comparisons to make the point that much more must be done to address the prostate cancer epidemic as well. How can we face the hundreds of thousands of men and their families who are daily affected by prostate cancer knowing, for instance, that more money was spent to make the movie Titanic—more than $200 million—than was spent in 1997 by the federal government for prostate cancer research—only $120 million.

The possibility and the fear of developing prostate cancer is common to all men. One in five American men will develop prostate cancer during his lifetime. As frightening as that statistic may be for the general population, it is even more pointed in the African-American community. African-American men have a prostate cancer incidence more than 30 percent higher than for any other ethnic groups in this country and the highest in the world.

The prostate cancer mortality rate for African-American men is more than twice that of white American men. Researchers do not yet know why this is true and do not yet have answers to these and the many other questions about prostate cancer. For example, it is not clear which prostate cancer patients will benefit from traditional treatments, like surgery or radiation. The economic status of many African-American men, and limited access to medical counseling further complicated treatment decisions.

Those who are devoted to relieving the burden of prostate cancer in the African-American community, including scientists, health care providers, national organizations, community leaders, and survivors alike, are united in their desire to find answers to these questions. I am particularly pleased with the leadership of many national organizations in informing the country about the impact of prostate cancer in the African-American community. In November of last year, the American Cancer Society, the National Cancer Institute, and the Centers for Disease Control and Prevention sponsored A Leadership Council on Prostate Cancer in the African-American Community. In cooperation with the Intercultural Cancer Council, the National Black Leadership Initiative on Cancer, the National Prostate Cancer Coalition and the 100 Black Men of America, the Leadership Conference proposed a blueprint for action that aims to solve the problem of prostate cancer in the African-American community.

These private organizations—and many others—are working very hard at the community and national levels to see that the prostate cancer epidemic is addressed. I ask that a letter that 29 organizations representing the African-American community sent to Congress in May laying out a research funding agenda to attack this problem be printed in the RECORD.

The letter follows:

MAY 20, 1998.

DEAR MEMBER OF CONGRESS: We have come together as organizations representing the African American community to develop a united response to one of the most significant medical and social challenges facing our country today—the severe burden of prostate cancer in African American men. Together, our organizations represent millions of Americans. We strongly urge you to support significant increases in federal funding for prostate cancer research.

African American men have the highest rate of prostate cancer mortality in the world. In 1994, the prostate cancer mortality rate for African American men was at least two times higher than rates for all other racial and ethnic groups in the U.S. Overall, prostate cancer is the most commonly diagnosed cancer in America, excluding skin cancer, and it is the second leading cause of cancer death among men. Last year, 41,800 men died from prostate cancer and 209,000 were diagnosed with the disease.

Federal funding for prostate cancer research has been woefully inadequate, particularly given the devastating impact of the disease. We therefore strongly urge you to support increased appropriations for FY 1999 prostate cancer research programs, including the following.

Department of Defense (DOD)—The DOD conducts highly successful peer reviewed research programs that are renowned for their innovative and efficient use of resources. We call on Congress to fund this innovative program at $175 million for FY 1999—a level which is in the middle range of other Congressionally-directed medical research programs at DOD.

National Institutes of Health (NIH)—Prostate cancer research at NIH has not reflected the incidence and mortality rates of the disease. We believe prostate cancer research funding at NIH must be substantially increased to a level commensurate with the impact prostate cancer has on the American population.

Center for Disease Control and Prevention (CDC)—The CDC supports the development and communication of health messages about prostate cancer screening and early detection, particularly focusing on African American men and their families. We believe the CDC appropriation for prostate cancer must be doubled—to $10 million—so that it can engage in aggressive outreach and education and health communications research, particularly for high risk groups.

We believe that the research programs of the National Institutes of Health, the Department of Defense, and the Centers for Disease Control and Prevention offer great promise in the fight against prostate cancer in the African American community. We urge you to support our request by increasing funding for these critically important programs.

Sincerely,

David S. Rosenthal, M.D., President, American Cancer Society.

Thomas W. Dortch, Jr., President, 100 Black Men of America.

Norman Hill, President, A. Philip Randolph Institute.

Dale P. Dirks, Washington Representative, Associate of Minority Health Professions Schools.

Dr. Charles H. Mitchell, Co-Convener, Breakfast Group.

Dr. Shirley B. Carmack, Founder, GNLD Wellness Center.

Armin D. Weinberg. Ph.D., Co-Chair, Intercultural Cancer Council.

Kweisi, Mfume, President and CEO, NAACP.

Deborah Lee-Eddie, President, National Association of Health Services Executives.

Dr. Betty Smith Williams, President, National Black Nurses Association.

Barbara P. Van Blake, Director, Human Rights and Community Relations, American Federation of Teachers, AFL-CIO.

Rev. Dr. Joseph E. Lowery, Chairman and CEO, Black Leadership Forum.

Wil Duncan, Special Assistant to the President, Coalition of Black Trade Unionists.

Lovell A. Jones, Ph.D., Co-Chair, Intercultural Cancer Council.

Abdul Alim Muhammad, M.D., Minister of Health and Human Services, Nation of Islam.

Edna Bell, President, National Association of Black County Officials.

The Honorable Roscoe Dixon, Chair, Health Committee, National Black Caucus of State Legislators.

William T. Merritt, President and CEO, National Black United Fund.

Henry L. English, President and CEO, Black United Fund of Illinois.

Jane E. Smith, Ed.D., President and CEO, National Council of Negro Women.

Garry A. Mendez, Jr., Executive Director, The National Trust for the Development of African American Men.

Warren R. Whitley, Grand Master, Most Worshipful Prince Hall Grand Lodge.

Marchel Smiley, President, International Caucus for People of African Descent, Service Employees International Union.

The Honorable Henrietta E. Turnquest, Georgia House of Representatives, 73rd District.

Dr. Barbara W. Carpenter, International President, Zeta Phi Beta Sorority.

Samuel J. Simmons,, President and CEO, The National Caucus and Center on Black Aged.

Jay H. Hedlund, President and CEO, National Prostate Cancer Coalition.

Dr. Dorsey C. Miller, Grand Basileus (National President), Omega Psi Phi Fraternity.

Howard D. Brown, Director for Black Catholic Ministry, Roman Catholic Archdiocese of Altanta.

Richard O. Butcher, M.D., President, Summit Health Coalition.

Henry A. Porterfield, Chairman and CEO, Us Too International.

Ms. MOSELEY-BRAUN. The compelling case this letter makes for dramatic increases in funding for prostate cancer research brings me to the last point I want to make. This Congress, this country, must do better. We must do more in the fight to bring a cure for prostate cancer.

Just last year alone, the National Prostate Cancer Coalition identified more than $250 million of worthwhile prostate cancer research that was not conducted due to lack of funding. This inadequacy in funding is an unconscionable neglect of men with prostate cancer and their families. There needs to be an increased commitment to prostate cancer research.

In June, President Clinton announced the release of $60 million for prostate cancer research grants in a promising new Department of Defense program modeled after the very successful DoD breast cancer program. Yet, the House has proposed to cut 75 percent of the funding for this important cancer research program. The House position will virtually kill a program that is critical to finding breakthroughs and a potential cure. The current Senate position also shrinks research funding for this program to $40 million. Instead, we should increase the funding to at least $80 million in order to maintain this ground breaking research program.

While it is also important to increase the amount of prostate cancer research conducted by the National Cancer Institute (NCI), the Congress must not neglect the Department of Defense prostate cancer research program. We must not dash the hopes of prostate cancer patients, their families, and their supporters. As is the case with the DoD's breast cancer efforts, this program supports targeted research that complements the work of the NCI and is a necessary component of an overall national effort to find effective treatments for this disease.

Mr. President, to do anything less would send a devastating message to the men living and dying from this disease, to their families, and to the scientific community that is working to find a cure. I call on this Congress to equip researchers with the tools they badly need to end this epidemic. For the one million Americans currently diagnosed with prostate cancer and their families, increased research funding is desperately needed now. Each day, more and more people will be affected. We cannot turn a deaf ear to their cries for help. It is time for the country and the Congress to make a commitment to equity in funding for prostate cancer research. It is time for us to give the researchers the resources they need to eradicate this silent killer.●

ORDERS FOR THURSDAY, JULY 23, 1998

Mr. GREGG. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9 a.m., Thursday, July 23. I further ask that when the Senate reconvenes on Thursday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then resume consideration of the Craig amendment to S. 2260, the Commerce-State-Justice appropriations bill.

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

PROGRAM

Mr. GREGG. Mr. President, for the information of all Senators, tomorrow morning the Senate will resume consideration of the Commerce-State-Justice bill. At 9:15 a.m., the Senate will vote in relation to the Craig amendment, followed by a vote in relation to the underlying Kyl amendment. Following those votes, under a previous consent agreement, the Senate will debate several amendments to be offered to the Commerce-State-Justice bill. At the conclusion of that debate, which is expected by early afternoon, the Senate will proceed to a stacked series of votes in relationship to those amendments. Following disposition of all amendments in order, it is expected that the Senate will quickly proceed to final passage on the Commerce-State-Justice appropriations.

Upon completion of the Commerce-State-Justice bill, it is hoped that the Senate will begin consideration of the Transportation appropriations bill. Therefore, Members should expect another late night session with votes as the Senate attempts to make progress on the remaining appropriations bills.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

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

There being no objection, the Senate, at 11:37 p.m., adjourned until Thursday, July 23, 1998, at 9 a.m.

NOMINATIONS

Executive Nominations Received by the Senate July 22, 1998:

COMMODITY FUTURES TRADING COMMISSION

JAMES E. NEWSOME, OF MISSISSIPPI, TO BE A COMMISSIONER OF THE COMMODITY FUTURES TRADING COMMISSION FOR THE TERM EXPIRING JUNE 19, 2001, VICE JOSEPH B. DIAL, TERM EXPIRED.

DEPARTMENT OF JUSTICE

HOWARD HIKARU TAGOMORI, OF HAWAII, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF HAWAII FOR THE TERM OF FOUR YEARS, VICE ANNETTE L. KENT, TERM EXPIRED.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. RANDOLPH W. HOUSE, x...

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. DAVID S. WEISMAN, x...

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

TO BE REAR ADMIRAL (LOWER HALF)

CAPT. DAVID ARCHITZEL, x...
CAPT. JOSE L. BETANCOURT, x...
CAPT. ANNETTE E. BROWN, x...
CAPT. BRIAN M. CALHOUN, x...
CAPT. KEVIN J. COSGRIFF, x...
CAPT. LEWIS W. CRENSHAW, JR., x...
CAPT. JOSEPH E. ENRIGHT, x...
CAPT. TERRANCE T. ETNYRE, x...
CAPT. EDWARD J. FAHY, JR., x...
CAPT. MARK P. FITZGERALD, x...
CAPT. JONATHAN W. GREENERT, x...
CAPT. CHARLES H. GRIFFITHS, JR., x...
CAPT. STEPHEN C. HEILMAN, x...
CAPT. JOHN P. JARABAK, JR., x...
CAPT. CURTIS A. KEMP, x...
CAPT. ANTHONY W. LENGERICH, x...
CAPT. WALTER B. MASSENBURG, x...
CAPT. MICHAEL G. MATHIS, x...
CAPT. JAMES K. MORAN, x...
CAPT. CHARLES L. MUNNS, x...
CAPT. RICHARD B. PORTERFIELD, x...
CAPT. ISSAC E. RICHARDSON, III, x...
CAPT. JAMES A. ROBB, x...
CAPT. PAUL S. SCHULTZ, xx...
CAPT. JOSEPH A. SESTAAK, JR., x...
CAPT. DAVID M. STONE, x...
CAPT. STEVEN J. TOMASZESKI, x...
CAPT. JOHN W. TOWNES, III, x...
CAPT. THOMAS E. ZELIBOR, x...

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY AND FOR REGULAR APPOINTMENT AS CHAPLAIN (IDENTIFIED BY AN ASTERISK(*)) UNDER TITLE 10, U.S.C. SECTIONS 624, 531, AND 3064:

To be major

*DAVID W. ACUFF, x...
*GARET V. ALDRIDGE, x...
*JOHN E. ANDERSON, x...
*JOHN L. ATKINS, x...
*TIMOTHY H. ATKINSON, x...
*TERRY W. AUSTIN, x...
*PETER A. BAKTIS, x...
*DAVID R. BEAUCHAMP, x...
*TIMOTHY K. BEDSOLE, SR., x...
*KEN BELLINGER, x...
*THOMAS B. BOWERS, x...
*ALEXANDER C. BROWN, x...
*JEFFERY T. BRUNS, x...
*PETER M. BRZEZINSKI, x...
*JAMES E. CARAWAY, JR., x...
*KEVIN P. CAVANAUGH, x...
*BRUCE W. CHAPMAN, x...
*LAVERN E. CLARK, x...
*DAVID W. CORAM, x...
*THOMAS W. COX, x...
*GREGORY L. CRUELL, x...
*GARRY R. DALE, x...
*JOSEPH J. DEPONAI, x...
*PATRICIA N. DICKSON, x...
*DAVID L. DRUCKENMILLER, x...
*JASON E. DUCKWORTH, x...
*JAMES E. DUKE, x...
*DAVID G. EPPERSON, x...
*CHRISTOPHER A. FARIA, x...
*DAVID J. GIAMMONA, x...
*ROBERT K. GLASGOW, x...
*MATTHEW M. GOFF, x...
*HARVEY A. HENNINGTON, x...
*GARY HENSLEY, x...
*CAROL D. HIGHSMITH, x...
*STEVEN C. HOKANA, x...
*LARRY D. HOLLAND, x...
*JEFFREY G. HOPPER, x...
*JEFFREY D. HOUSTON, x...
*RANDOLPH S. IMHOFF, x...
*KEITH A. JACKSON, x...
*GRANT E. JOHNSON, x...
*CARL C. JOHNSTON, x...
*VERN E. JORDIN II, x...
*LEON G. KIRCHER, x...
*MARK R. KNOX, x...
*ALLEN L. KOVACH, x...
*RONALD P. LEININGER, x...
*MITCHELL I. LEWIS, x...
*ARLEY C. LONGWORTH, JR., x...
*JOEL A. LYTLE, x...
*FRED D. MACLEAN, x...
*THOMAS E. MATTINGLY, x...
*TERRY L. MCBRIDE, x...
*WILLIAM C. MCCOY, x...
*THOMAS G. MCFARLAND, x...
*HAROLD B. MESSINGER, x...
*STEVEN F. MICHALKE, x...
*JOHN C. MOLINA, x...
*RICKEY L. MOORE, x...
*PETER L. MUELLER, x...
*JOHN F. O'GRADY, x...
*DOUGLAS J. PETERSON, x...
*GAIL F. PORTER, x...
*DANIEL T. PRESSWOOD, x...
*PHILLIP P. RICHMOND, x...
*MARK E. ROEDER, x...
*ROBERT E. ROETZEL, x...
*THOMAS G. RUSSELL, x...
*EUGENE W. SCHNEIDER, x...
*JOHN W. SHEDD, x...
*BRYAN T. SIMONEAUX, x...
*LANCE A. SNEATH, x...
*JOHN M. STEPP, x...
*MICHAEL E. STROHM, x...
*KEVIN P. STROOP, x...
*ROBERT E. SWALVE, SR., x...
*MICHAEL L. THOMAS, x...
*DARRELL E. THOMSEN, JR., x...
*MELECIO A. VALDEZ, x...
*DAVID A. VANDERJAGT, x...
*DANIEL E. WACKERHAGEN, x...
*JIMMY D. WARD, x...
*ROBERT C. WARDEN, x...
*TERRY L. WHITESIDE, x...
*MACKBERTH E. WILLIAMS, x...
*PAUL J. YACOVONE, x...
*MICHAEL E. YARMAN, x...

IN THE NAVY

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE UNITED STATES NAVAL RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be captain

ANN E. B. ADCOOK, x...
GREGORY S. AKERS, x...
WILLIAM T. ALBERTI, x...
JOEL M. ALCOFF, x...
GARY B. ANDERSON, x...
THOMAS L. ANDREWS III, x...
PATRICIA A. ASSAN, x...
GORDON T. AUSTIN, x...
BRUCE E. BALFOUR, x...
ROBERT C. BARNES, x...
JAMES M. BELL, x...
DONALD E. BELLEBAUM, x...
LYNN S. BEMILLER, x...
RUTH A. BIALEK, x...
RAY A. BIAS, x...
WILLIAM L. BLACK III, x...
KATHRYN E. BONNER, x...
KERMIT R. BOOHER, x...
ANNE E. BOWMAN, x...
ERIC R. BREDEMEYER, x...
LORNA M. BRUNHOFER, x...
JOHN K. BURNS, x...
ROBERT J. BURNS, JR., x...
JACK M. CAPELLA, x...
REGINALD H. CARDOZO, x...
ERIC W. CARLSON, x...
MICHAEL F. CARON, x...
DOUGLAS D. CARVEL, x...
JULIUS F. CASE, x...
RICHARD E. CHINNOCK, x...
KAROL T. CLEBAK, JR., x...
JUDITH A. COHEN, x...
STEVEN L. COHN, x...
NICHOLAS A. COOK, x...
MARGARET A. CUNNINGHAM, x...
MICHAEL T. CURRAN, x...
MICHAEL E. CURTIS, x...
TERESA J. DAVENPORT, x...
CYNTHIA G. DAVIS, x...
WILLIAM P. DEVEREAUX, x...
SUSAN E. DICKERSON, x...
RICHARD W. DILLON, x...
JUDY A. DIXON, x...
MICHAEL L. DOBYNS, x...
JOHN DOHM, x...
BRUCE A. DOLL, x...
MARGARET E. DOWNEY, x...
NANCY E. DUNN, x...
EUGENE F. EBERSOLE, x...
MARTIN J. EDELMAN, x...
BURT I. FAIBISOFF, x...
PAUL FALCON, x...
THOMAS H. FERRANT, x...
BARBARA L. FIELDMAN, x...
CARL W. FILER, x...
OLLIE C. FISHER, x...
STUART L. FRANKEL, x...
JAMES C. FREESS, x...
DANIEL L. FREYE, x...
JOANNE E. FRITCH, x...
RICHARD GARTMAYER, x...
YENDIS L. GIBSONKING, x...
JOHN P. GIDDINGS, x...
KAREN A. GINTZIG, x...
DOUGLAS C. GLESMANN, x...
GREG J. GOEKS, x...
RICHARD P. GRAEF, JR., x...
MATTHEW C. GRATTON, x...
WILLIAM T. GUICE, x...
RALPH T. GUTIERREZ, x...
DAVID C. HACKMANN, x...
WILLIAM P. HARBESON II, x...
MARY J. HENDRICKS, x...
RICHARD B. HETRICK, x...
LESTER L. HIMMELREICH, x...
STEPHEN C. HOFF, x...
DENNIS D. HORSELL, x...
DAVID M. HUNT, x...
JOHN K. IANNO, x...
LOUIS W. IRMISCH III, x...
REUBEN A. JAMHARIAN, x...
PAUL J. JULIANO, x...
PATRICIA A. KANE, x...
MARK J. KANUCK, x...
EUGENE E. KELLER, x...
DARL D. KLINE, x...
JOAN K. KNUTH, x...
DENNIS P. KOCH, x...
CHERYL L. KOSKI, x...
LISA T. D. KULP, x...
LEAH M. LADLEY, x...
MICHAEL D. LANGOHR, x...
GAYLE J.H.C. LAU, x...
PRISCILLA J. LAUBSCHER, x...
KENNETH L. LAWING, x...
ROSEANN F. LAWRENCE, x...
ARTHUR F. LOEBEN, JR., x...
JOHN W. MADSEN, x...
EVERETT F. MAGANN, x...
STANLEY R. MAHAN, x...
JUDITH S. MAMBER, x...
LLOYD W. MARLAND III, x...
MARYLYNN MARRESE, x...
ROBERT C. MARTIN, x...
VAN S. MASK, x...
FRANK MAZZEO, JR., x...
BRUCE H. MCCULLAR, x...
CAROL S. MCCUNE, x...
KATHRYN B. MCGEE, x...
PATRICK H. MCKENNA, x...
PATRICK M. MCQUILLAN, x...
KATHLEEN P. MCTIGHE, x...
DOUGLAS J. MCVICAR, x...
BARRY R. MEISENBERG, x...
BRUCE M. METH, x...
JAMES L. MILLER, x...
MARCIA A. MODICA, x...
WILLIAM F. MOLLENHOUR, x...
CHARLES L. MOORE, JR., x...
TIMOTHY J. NAWROCKI, x...
ELLEN M. NEUBAUER, x...
ROBERT A. OLSHAKER, x...
PETER N. OVE, x...
ROBERT F. PARKER, x...
JERRY D. PARR, x...
CARL D. PATRICK, x...
ROBERT B. PATTERSON, x...
KAREN M. PETRELLA, x...
RICHARD J. PHILLIPS, JR., x...
BETTY A. POWERS, x...
EDWARD A. PRISTERNIK, x...
JEFFERY J. PUCHER, x...
CATHERINE H. RATTO, x...
MARK J. REDDAN, x...
ROBERT D. REED, x...
ROBERT F. REHKOPF, x...
ELIZABETH D. ROLAND, x...
MICHAEL S. ROYS, x...
HOWARD L. RUSSELL, x...
ADDISON B. SALES, x...
MICHAEL W. SAMSON, x...
PAUL R. SANTOYO, x...
MICHAEL P. SCACCHI, x...
EDWARD J. SCHMITT, JR., x...
VICTOR F. SCHORN, x...
SUE A. SEEMANN, x...
MICHAEL G. SENEFF, x...
PHILIP J. SHAVER, x...
DANIEL F. SHREEVE, x...
RANDALL S. SIBER, x...
MARILYN E. SMITH, x...
RUBEN L. SMITH, x...
JOHN S. STEFFY, x...
FRANK C. STEWART, x...
BARBARA Q. STURTZ, x...
JANE C. TANT, x...
DEBORAH G. TAYLOR, x...
JOHN P. TERNES, x...
WILLARD M. THIGPEN, JR., x...
KAREN G. TRUEBLOOD, x...
CHARLES H. VAUGHAN, x...
KEARNEY R. VEAZEY, x...
GERALD L. VOGLER, x...
JOSEPH C. WARD, x...
ANDREW D. WEINBERG, x...
JAN M. WHITACRE, x...
MARIAN J. WILKERSON, x...
WALTER A. WILLIAMS, JR., x...
JONES K. WONG, x...
DAVID S. WOOD, x...
KIM R. WORKING, x...
JAMES W. WRIGHT, x...
KAREN E. YERKES, x...
LAURA M. YOUNG, x...
THOMAS J. YURIK, x...

HOUSE OF REPRESENTATIVES—*Wednesday, July 22, 1998*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. QUINN).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 22, 1998.

I hereby designate the Honorable JACK QUINN to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, for the families from which we have been born, the communities where we have lived, and the Nation whose heritage we call our own. And yet You have lifted our vision, gracious God, to include all the conditions and concerns of our world, for You have created every person, endowed them with opportunities and responsibilities, and united us all with Your providence and Your grace. As we better understand the scope of Your creation, O God, may we also better understand the spiritual solidarity that You have already given us so together with people of every Nation, we will work for justice and for peace, world without end. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentlewoman from the District of Columbia (Ms. NORTON) come forward and lead the House in the Pledge of Allegiance.

Ms. NORTON led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4112. An act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 4112) "An Act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BENNETT, Mr. STEVENS, Mr. CRAIG, Mr. COCHRAN, Mr. DORGAN, Mrs. BOXER, and Mr. BYRD, to be the conferees on the part of the Senate.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair this morning will entertain 15 one-minute speeches from each side.

SECRETARY COHEN'S PROPOSED CHANGE TO MILITARY RULES

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

Mr. SHIMKUS. Mr. Speaker, our armed forces are based on honor and discipline. These principles lead to trust and accountability on the battlefield, a situation which the majority of civilians will never have to face in their lifetimes. Yet Defense Secretary Cohen has proposed to change military rules regarding adultery to bring them more in line with civilian law.

Secretary Cohen has said that he would like to clear up the ambiguities and inconsistencies so members of the military know what standard they are to be held to. Mr. Speaker, there are no ambiguities. In the military, adultery is a felony. It could not be much clearer than that.

We expect the most from our men and women in the armed forces. Dumbing down the standards of these men and women is insulting to all them. As an Airborne Ranger, I salute the United States Marine Corps and Colonel Stuart Wagner, who put it so eloquently: Semper fidelis, always faithful, is not a slogan.

MANAGED CARE REFORM

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

Mr. GREEN. Mr. Speaker, for months we have heard and been hearing about how expensive the Patients' Bill of Rights is. The insurance industry, managed care organizations, HMOs, and big business have repeatedly tried to scare the American public, saying that the bill would dramatically raise premiums and force employers to drop health insurance coverage for their employees.

Last week we found out how much dramatically really is. The nonpartisan Congressional Budget Office, after thoroughly analyzing each section of the Dingell-Ganske Patients' Bill of Rights, has determined that the bill would cost beneficiaries only $2 a month. That is right. For the cost of a Happy Meal at McDonald's, patients in managed care would have what they need: accountability; access to specialists; no gag rule on their providers; and a swift insurer appeals process.

It is the simple, most logical provision in the Patients' Bill of Rights because it puts the HMOs on the same level as every other industry in this country. They have to be accountable for their actions and their decisions. The bottom line is if you are making medical decisions, you should be held accountable. If you are not making medical decisions, you should not be accountable.

EDUCATION SAVINGS ACCOUNTS

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

Mr. ROGAN. Mr. Speaker, yesterday the President vetoed legislation allowing parents to create education savings accounts. These accounts would have given parents the ability to save for their children's education and use these savings for books, tutors or to choose which school educates their children. Why? Why did he do this? Because Washington insiders still think they know how to educate children, better than the parents of the child.

You see, freedom of choice in education threatens the special interests who are allowed to deliver an inferior product year after year with absolutely no accountability. These education savings accounts the President vetoed would have benefited poor families and middle-class families; they would have benefited all families in this country. Anything that helps children in this

fashion deserves to be the law of the land. I deeply regret both the President's action, as well as his priorities.

MANAGED CARE REFORM

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

Mr. WISE. Mr. Speaker, the 73 percent of Americans presently covered by managed care plans in this country know it is time for a Patients' Bill of Rights. The over 200,000 West Virginians covered alone under HMOs, health maintenance organizations, know it is time for a patient protection act. It is important to outlaw the gag rules. It is important to permit quick appeals, to permit seeing specialists, but it is also important to do something else, and that is to bring enforceability and accountability.

Right now the insurance companies who make the basic decisions are not being held accountable. A doctor, say, may order a CAT scan thinking it is necessary for the patient. The insurance company overrides that decision. The illness goes undiagnosed. Who is held responsible? The doctor who knew that the CAT scan was necessary can be held responsible, but not the insurance company.

That is why this has to change. Those who profit from making health care decisions, the insurance companies, the managed care plans, those who profit from making these basic health care decisions must also be held accountable for their patient care decisions. That is why we support the Dingell-Ganske Bill of Rights.

CHINA'S MISSILE ARSENAL

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

Mr. RYUN. Mr. Speaker, Pentagon intelligence officials are reporting that communist China will add eight ICBM missiles to its arsenal. That is in addition to the 13 nuclear missiles that it already has pointed at American citizens.

This weekend the President said that he would veto the defense bill over a House provision blocking the transfer of missile technology to China.

Mr. President, exactly whose side are you on? China is not a friendly ally. It aggressively builds nuclear missiles and aims them at American children. What is the Commander in Chief's response? Will he build a missile defense system? No. He vetoed that legislation 3 years ago.

The President has no response to the news that China is building more, not less, nuclear missiles to aim at American children. Instead, he has threatened to veto the only legislation that attempts to stem the flow of technology between the Clinton White House and Beijing.

Mr. President, shame on you. I yield back my time and any missile technology secrets that the administration cares to keep from the communists.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman is reminded, as are all Members in the Chamber, that remarks should be directed to the Chair and not to the President, personally.

AMERICAN SOVEREIGNTY

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

Mr. TRAFICANT. Mr. Speaker, the World Bank makes loans to communists with American dollars. The World Trade Organization regularly rips us off. The United Nations sends American troops into war. That is right. We are not sending the Peace Corps here, folks.

If that is not enough to compromise your Viagra, the United Nations has created a world court with universal authority and jurisdiction. Unbelievable. What is next, a world tax? Beam me up.

I say the Constitution of the United States should not be surrendered to a bunch of international bureaucrats who regularly rule against us, ladies and gentlemen.

Now, I do not know about you, but I did not pledge an oath to the charter of the United Nations. I pledged an oath to the Constitution of the United States and I think the Congress of the United States should put its foot down before we become known as background music in some doctor's office. I yield back any courage we have left.

ENVIRONMENTAL EXTREMISM PERPETUATES WILDFIRE

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

Mr. GIBBONS. Mr. Speaker, the tug of war between the common sense of ordinary people and the nonsense of government bureaucracy continues. Recently a wildland fire started in my district and has continued to burn unabated for the last 3 days. This fire could have been put out in its very early stages only if Secretary Babbitt would have just let the firefighters do their jobs.

The fire started in not a wilderness area but a wilderness study area and since mechanical vehicles are not allowed in the so-called study area, firefighters must carry their equipment 2½ miles just to reach the flames. Not only that, 12 planeloads of fire retardant have been dropped which have cost the taxpayers $60,000, to no avail.

This environmental extremism has allowed the fire to burn nearly 1,000 acres, and that is strange since firefighters believe they could have put the fire out on the first night had they been able to use their mobile equipment.

The lack of common sense and the bogus government extremism are wasting taxpayer dollars. This could threaten our land and destroy human lives in the process.

Let us pray that this government nonsense does not get out of hand, destroy lives, homes and create a truly desolate America.

MANAGED CARE REFORM

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

Ms. DELAURO. Mr. Speaker, the Republican leadership has finally agreed to bring a managed care reform bill to the floor. Unfortunately the GOP proposal is so watered down that it could have been written by the insurance industry itself. It should be called the Profit Protection Act.

Simply put, the Republican plan would allow the insurance companies to continue to place healthy profits over healthy patients. The Republican bill does not end the outrageous practice of drive-through mastectomies. In fact, it leaves medical decisions in the hands of the insurance company accountants instead of doctors. In fact, it does not provide any mechanism to hold the plan accountable when the plan abuse kills or injures someone and when they deny care to someone.

Democrats have introduced a real managed care bill to insure that doctors and patients and not insurance company bureaucrats are making those critical health care decisions. It is time we had a scheduled debate on real managed care in this House and that we pass the Democratic Patients' Bill of Rights Act.

BEST WISHES TO THE HONORABLE TOM MANTON ON THE ANNOUNCEMENT OF HIS RETIREMENT FROM CONGRESS

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

Mr. KING. Mr. Speaker, this morning I would like to reach across the aisle and extend my sincerest best wishes to my good friend, TOM MANTON, who yesterday announced his retirement after this session of the United States Congress.

I have had the privilege of knowing TOM MANTON for almost 20 years and

despite any party differences we may have, I can honestly say I have never met a more decent man, a man of greater integrity, a man of greater commitment to his community and to this Congress.

TOM MANTON was an outstanding police officer, he was a member of the Marine Corps, he was a member of the New York City Council and a Congressman for the past 14 years.

TOM has worked in many areas, probably none more than the quest for Irish peace and freedom, and certainly the Good Friday Agreement that was reached in Belfast this past April is as much a tribute to TOM MANTON as any Member of this body or any person in this country.

TOM, I wish you the very best, I wish you and your family many years of health and happiness, and thank you for your years of service to this country.

MANAGED CARE REFORM

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

Mr. STUPAK. Mr. Speaker, the Republican Party has introduced the Insurance Industry Protection Act instead of the Patients' Bill of Rights. Make no mistake about it, there are major differences between the Patients' Bill of Rights and the Republican fig leaf proposal.

The Republican plan still leaves medical decisions in the hands of insurance company clerks. It allows for drive-through mastectomies; does not give access to specialty care when needed; does not allow women to choose their obstetrician or gynecologist as a primary care doctor; does not provide for the continuity of the doctor-patient relationship; provides no effective mechanism to hold accountable an HMO plan when it abuses or kills or injures someone. There are only two organizations in this whole country that have immunity, HMOs and foreign diplomats.

Mr. Speaker, the Democratic plan wants to make sure that good health care is the right of every American. If you pay for it, you deserve it. You have the right to demand the treatment you need from your managed care plan.

□ 1015

THE TRUTH ON HEALTH CARE REFORM

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

Mr. EWING. Mr. Speaker, I have sat here and listened to the berating of the health care plan on the Republican side. It really disturbs me, the distortion, the lack of truth, the lack of facts that are being put out.

The Republicans have and are putting forth a strong health care plan, one that will not put hundreds of thousands of Americans without insurance, as the trial lawyer plan that the Democrats have would, but one that allows us to have a review process first. It does not eliminate the ability to go to court, but it allows a review process first that makes the system work.

Now, our friends on the other side are still sweating because they did not get socialized medicine. We have a plan here that will work for America. We have the strong bill, not the weak bill. The weak bill is just to go to court. Of course, you are probably dead, but you get your decision.

Let us get to the facts and the truth here.

DEMOCRAT PATIENTS' BILL OF RIGHTS

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

Mr. ROTHMAN. Mr. Speaker, this week I join more than 160 Members of Congress in signing a discharge petition to force the Republican leadership of the House to allow the Democrats' Patients' Bill of Rights to be voted on in the Congress. The Democrats' Patients' Bill of Rights states that managed care should be more about managing the health of our loved ones, and not about managing and protecting the profits of HMOs; about protecting the health of patients, not the financial stability of the HMOs.

Mr. Speaker, HMO reform must provide that if the HMO wrongly denies coverage and that wrongful denial causes the injury or death to a patient, that that patient or his family can hold the HMOs accountable for their decision. That is, in a nutshell, the difference between the Republican and Democratic patient plans. The democratic proposal would allow patients to hold HMOs accountable; the Republican plan does not.

Moderates on both sides of the aisle have endorsed the Democratic Patients' Bill of Rights, but the Republican leadership in the House refuses to allow the Democratic Patients' Bill of Rights to be voted on.

I urge Americans, call your Member of Congress and demand a vote on the Democrat Patients' Bill of Rights. Hold HMOs accountable.

HAPPY BIRTHDAY, ALISON RENEE BARTON

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

Mr. BARTON of Texas. Mr. Speaker, July 22, 1975, was a hot sultry day in Crockett, Texas. Early in the morning my wife woke me up and said, "I think the time has come to take me to the hospital." We did, and, luckily, within an hour or two, we had a beautiful young baby daughter, Alison Renee Barton.

Alison grew up to be a delightful young girl, playing in the sandbox, playing house. As a teenager, she was the lead in a one-act play in her high school, and, now, as a beautiful young woman, she has graduated from Texas A&M and is going to be a teacher.

Today, on her birthday, I just want to say, that Alison, your father loves you, your mother loves you, your brother and sister love you. Happy birthday.

ACTION MUST BE TAKEN TO STOP WORLD ECONOMIC CONFLAGRATION

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

Mr. LAFALCE. Alison, happy birthday.

Mr. Speaker, we have a very, very fragile global economy today, and, in a good many areas, Asia, Russia, et cetera, it is burning. Unfortunately, this burning flame is spreading, and while the world economy burns, unfortunately, the House Republican leadership is fiddling. They are fiddling with the replenishment of monies for the only financial mechanism that exists to deal with international economic problems, the International Monetary Fund.

There was supposed to be a markup in the full House Committee on Appropriations today. It was called off. We have delayed this for well over a year now. It is unconscionable.

Japan has been in the economic doldrums for about half a decade. If the yen gets above 150 or so, the situation will get extremely worse. China could devalue. We could face a conflagration around the world.

The House Republican leadership must stop fiddling around.

IRS REFORM PROVIDING PEACE OF MIND TO AMERICANS

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

Ms. DUNN. Mr. Speaker, yesterday the Congress sent bipartisan IRS reform legislation to President Clinton's desk for his signature. The bill will protect honest, productive Americans by leveling the playing field between taxpayers and the IRS.

Everybody has a horror story about the IRS and about one of their audits, so we took action. By shifting the burden of proof from the taxpayer to the IRS, taxpayers now will be innocent

until proven guilty under the new law, just as any American is innocent in a U.S. court of law.

For the first time, Congress extended confidentiality protections to taxpayers that covers the advice they receive from their tax preparers. This change should provide some taxpayer peace of mind by protecting them from IRS fishing expeditions at taxpayer expense.

The IRS reform bill is an important example of how Republicans in Congress are working very thoughtfully and very steadily to improve the quality of life for all Americans.

CONGRESS MUST ACT TO STRENGTHEN PUBLIC SCHOOLS

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

Mr. ETHERIDGE. Mr. Speaker, I rise today to call on this Congress to pass legislation to strengthen our neighborhood public schools. As a former superintendent of schools in my State, I know firsthand what it takes to improve education for all of our children. We must raise academic standards for our students and ensure accountability to our parents, the taxpayers and our communities. We must build new schools to reduce overcrowding and to provide a safe and orderly disciplined environment, free from drugs, violence and gangs. We must reduce class size and equip our children with the basic skills they need to make the best of their God-given ability.

But instead of helping our public schools, where over 90 percent of all of our children attend, this Republican-led Congress, has chosen risky voucher schemes that would divert public resources to subsidize private schools.

Using taxpayer money to provide private schools tuition is wrong. Our neighborhood public schools need all the resources we can provide them. I commend the President for his veto yesterday of the private school voucher scheme.

I have a better bill for our public schools. My bill would provide money out of that voucher bill to provide building new schools. I urge this Congress to take action.

HUMANITARIAN DE-MINING IN WESTERN SAHARA MUST START NOW

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

Mr. PITTS. Mr. Speaker, I rise today on behalf of 165,000 refugees living in the middle of the harsh Western Sahara Desert. Just last week I returned from a visit to these refugees. I was deeply impressed with the strength and determination these people showed in their ability to survive in the midst of such a harsh environment.

The Sahrawi people are in refugee camps because of a 20-year territorial dispute with Morocco over the land known as Western Sahara. The conflict ended with an agreement that the United Nations peacekeeping force, called MINURSO, will conduct a free, fair and transparent referendum.

Unfortunately, as I saw last week, according to the July 10 report from Kofi Annan to the UN Security Council, Morocco continues to obstruct this process by denying the Swedish demining contingent the use of their equipment to carry out their task to remove the hundreds of thousands, and perhaps millions of land mines, that have been placed in Western Sahara.

Mr. Speaker, I urge the Kingdom of Morocco to review its position as requested by the UN so the process agreed to by both parties can continue and the lives of innocent civilians be spared by permitting the team to demine the area.

SUPPORT DEMOCRATIC PATIENTS' BILL OF RIGHTS

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, this could be your story, the story of the over-the-counter prescription that the Republicans are offering the American people with health care.

You could have the story of the witness yesterday in our managed care hearings whose baby died in her stomach in the eighth month because her HMO refused to give her the kind of care needed for high-risk pregnancy. Maybe you would be the young student who fell off the bar doing acrobatics and gymnastics, and Dr. Wei, a witness who came to our attention, found her in great pain with little pulse. When they called for an ambulance, the HMO said, "Oh, she doesn't need an ambulance. We know she is nine-years old, we know she is crying in pain, we know she has no pulse, but she doesn't need an ambulance." Or maybe you might be the person who needed breast cancer surgery and fought with your HMO down to the very wire, when it was too late almost, until your Congressperson had to call and get that kind of surgery.

The Republican so-called bill dealing with health care leaves my constituents and leaves all Americans with no water in their cup. I am not going to support an empty cup. Support the Democratic Patients' Bill of Rights. Stand for what is right.

PROTECT AMERICAN LIBERTIES

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

Mr. BARR of Georgia. Mr. Speaker, when you connect the dots of several recent Clinton administration actions, a frightening picture clearly emerges.

Over the past few months, the administration has issued several executive orders and proposed agency rules which will fundamentally change the relationship between the government and the States and their citizens.

The Department of Transportation is moving us rapidly toward a national identification license. Executive Order 13083 abrogates the powers of the States and the people thereof and overrides the 10th amendment.

The administration is working to develop a "health identifier" system to track every citizen's medical history from cradle to grave. The FBI seeks the power to track cell phone owners and users without a court order, while it also seeks to levy a gun tax and compile a registry of lawful gun owners in America.

Mr. Speaker, take notice of the picture being drawn. Let us take the necessary steps now to protect our liberties, before they are lost completely.

WOMEN'S CAUCUS LEGISLATION MUST-PASS LEGISLATION MOVING FORWARD

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

Ms. NORTON. Mr. Speaker, this session the Congressional Women's Caucus has crafted a must-pass list of bills which we call the Magnificent Seven. For the first time, the Women's Caucus, and we are now 55 women strong in this Congress, has chosen not a wish-list, but a real list for passage.

Last week the second of the Magnificent Seven passed, the Lowey amendment affording contraceptive choices for Federal employees. The week before, sections of the Violence against Women Act, another priority, passed.

That leaves five more, all carefully chosen consensus bills which every Member can support, from the reauthorization of the Mammography Standards Act, assuring safe machinery to detect breast cancer, to a Sense of the House Resolution encouraging the Federal Government to raise its support for the burgeoning number of women-owned businesses. There is no gender preference here. All Members can support these bills.

PROTECT-THE-TRIAL-LAWYERS HEALTH CARE BILL

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

Mr. KINGSTON. Mr. Speaker, we have heard a lot of squawking today

from the Democrat side about their big protect-the-trial-lawyers health care bill. I think if you look at the Republican versus the Democrat bill, it is very clear: One of the bills gets you quickly into the courtroom, and the other one gets you quickly into the emergency room. The Republican bill gives you a choice of doctors; the Democrat bill gives you a choice of lawyers.

Now, we know that the trial bar gives obscenely to the other side. We know that many on the other side want to socialize medicine, and we know that socialization leads to rationing of health care. But we believe that American consumers should have a choice of doctors and a choice of plans without interference from HMOs and government regulators. We do not believe in centralized health care planning.

Last year my seven-year-old cut his foot and had to go in because of a complication to the surgery room and was in surgery for about two hours. During that time, and, I might add, there are certainly no atheists in a waiting room, but let me say this, while I was there, at least I knew that he was getting quality, professional, safe health care, free of excessive government bureaucracy regulating it and bringing down the quality. I was comforted by that, and I believe American consumers should be.

Vote for health care reform, not lawyer reform.

□ 1030

HEALTH CARE REFORM

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

Mr. WYNN. Mr. Speaker, I rise to join the debate on health care reform in America.

On the one hand we have the Democrats' plan, which is patient protection. On the other hand we have the Republican plan, which is basically insurance industry protection. It really amounts to this: When HMOs make health care decisions instead of doctors, they ought to be liable.

When a young man in my district had a bicycle accident, the HMO wanted to make the decision that he not receive the treatment that his doctor recommended. If that young man is disfigured, the HMO ought to pay the cost, and that essentially is the difference in today's debate.

We guarantee patients' rights, because if we cannot enforce a right, it is not really a right, and the way we enforce it is the ability to go into one's State court and say look, the HMO made the decision, the HMO denied the doctor's recommendation, and the HMO ought to be held accountable. That is real HMO reform; that is not what the Republicans want to do.

The reason we need accountability is so that the HMOs have an incentive to do the right thing, listen to the doctors. If we take away the incentive, we take away our ability to enforce our rights. I urge us today to pass real health care reform, not insurance industry protection.

AMERICANS WANT CHOICE IN HEALTH CARE

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

Mr. HASTERT. Mr. Speaker, we have heard a lot of diatribe over here about health care, but the fact is that what the Republican Party is doing and what we are going to deliver to the American people is for the American people to make the choices of where they want to go on health care.

Also, I think most American people want to be able, if they have a malady or an illness, to get to a doctor's office or get to a hospital. They do not want to take the bypass to the courtroom or, heaven forbid, have to go hire a lawyer before they go get their health care.

Our friends on the other side of the aisle say one has to go to a lawyer, one has to go to a courtroom before they are going to get health care. Most people do not want that. They want to be expedited into the health care provider that they choose to get the health care that they want and to get it as cheaply and affordably and as quickly as possible.

That is exactly what the Republican health care bill does. It expedites people into health care and into the hospital room, not into the courtroom. Our friends on the other side have the Patients' Bill of Rights, and really it is probably the lawyers' right to bill. We do not want to do that. We want to give people good, quick, accessible health care, and that is what this bill does.

SUPREME COURT DECISIONS AND DELIBERATIONS SHOULD BE BASED ON U.S. CONSTITUTION AND U.S. LAWS

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

Mr. COBURN. Mr. Speaker, regrettably, Reuters this last week reported that several members of the U.S. Supreme Court, on a recent trip to Europe, announced that they would be willing to consider legal arguments based on decisions of the European Court of Justice. Justice Breyer said that American lawyers "may cite an EU ruling in our court to further a point." Justice O'Connor said that she might cite decisions of that court in her future opinions.

Now, I certainly would not want to discourage these Justices from learning all they can about the laws and customs of our European neighbors. As a matter of fact, I would hope all of the members of the Supreme Court will continue to learn as much as they can. Like the rest of us, their knowledge is limited, and wisdom will come from greater and expanded learning.

But I would respectfully remind all of the Justices of the Supreme Court that it is their sworn duty to apply the U.S. Constitution, as written, and the laws of the United States, as written, to the cases that come before them. It is not to bring about some sort of global convergence between the American system of ordered liberty under law and some other system, whether from Europe or elsewhere.

I appreciate the interest of the Justices in comparative law, but I would urge them to keep the distinction in mind.

AMERICANS LOSE OPPORTUNITY TO SAVE FOR EDUCATION

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

Mr. FOSSELLA. Mr. Speaker, yesterday we got a perfect example and a distinction between right and wrong. In days when so many things become gray, we saw the President with much fanfare sign the IRS reform bill into law; and quietly, in the still of night, he vetoed I think a wonderful piece of legislation that would have empowered parents when it comes to education.

The education bill that passed both the House and Senate would have allowed parents to save as much as $2,000 a year per child in accounts that would earn tax-free interest, to be used for educational expenses from kindergarten through college.

Mr. Speaker, what we have here are two very diametrically opposed philosophies, one that believes that parents and local communities are the ones to determine what is best for their children when it comes to education, and the big bureaucrats, big government, monolithic approach that we know what is best here in Washington.

Sadly, the President vetoed a great opportunity for American parents to save more for their children, to improve their education, and instead, what we have is a defense of the status quo and more of the same.

DISAPPROVAL OF MOST-FAVORED-NATION TREATMENT FOR CHINA

Mr. ARCHER. Mr. Speaker, pursuant to the previous order of the House, I call up the joint resolution (H. J. Res. 121) disapproving the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of the People's Republic of China,

and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The text of House Joint Resolution 121 is as follows:

H.J. RES. 121

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on June 3, 1998, with respect to the People's Republic of China.

The SPEAKER pro tempore (Mr. QUINN). Pursuant to the order of the House of Friday, July 17, 1998, the gentleman from Texas (Mr. ARCHER) and a Member in support of the joint resolution each will control 2 hours.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on House Joint Resolution 121.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I ask unanimous consent to yield one-half of my time to the gentleman from California (Mr. MATSUI) in opposition to the resolution, and that he be permitted to yield blocks of time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent to claim the time in support of my resolution, and that half of our time, of the 2 hours, be yielded to the gentleman from California (Mr. STARK) for purposes of control.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that following my opening remarks, the gentleman from Omaha, Nebraska (Mr. CHRISTENSEN) be allowed to manage the time in support of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong opposition to H.J. Res. 121, which would disapprove the annual extension of normal trade relations with China. The open lines of communication and exchange that accompany a basic trade relationship with China protect the economic and foreign policy interests of the United States in a strategically important region of the world. At the same time, trading with China allows Americans to play a role as a friend and teacher in opening this country to our ideals of freedom, democracy, and private enterprise.

With a severe economic depression facing many Asian countries, the U.S. cannot afford to adopt a protectionist response to objectionable behavior by the Chinese Government. Certainly U.S. workers and firms would suffer mirror trade retaliation against the $17 billion in goods and services that they sell to China. In addition, consumers would see an increase in the prices of necessities of life in the marketplace on those goods that are sold in this country, imported from China. But revoking NTR, normal trade relations, this year could also trigger more currency devaluations in the region, further compounding the steep drop in demand for U.S. exports that has already occurred.

For Americans, maintaining normal trade relations means preserving 200,000 jobs supported directly by U.S. exports to China. These jobs typically pay about 15 percent more than non-export-related jobs. If we revoked NTR, China would have the legal right to retaliate by raising tariffs on U.S. exports in a wide range of sectors, including telecommunications, information technology, aircraft, soybeans, cotton and wheat, to name a few. Providing a tremendous competitive advantage to European and Japanese companies, we would be inflicting direct harm to U.S. workers and businesses, as well as undermining their future prosperity.

Trade with China, Mr. Speaker, enhances the affordability of clothing and many household items, thereby making a substantial contribution to the standard of living of all Americans, particularly those in lower income categories. Failure to renew NTR would exact the highest toll on low-income families, resulting in an increased tax burden of about 1 to 2 percent of their annual income, almost $300 a year.

U.S. issues of national security are also at stake. Revoking NTR would deal a devastating blow to the people of Hong Kong as they struggle to maintain their way of life and autonomy following the territory's reversion to China. Taiwan's economy, too, would suffer severe disruption. If the U.S. is to find a common ground with China on issues such as North Korea and weapons proliferation, we need a functioning bilateral relationship.

A Nation of 1.2 billion citizens with a history of 5,000 years cannot be expected to give in to our wishes because we threaten Smoot-Hawley tariffs, averaging about 50 percent, against their imports. Human nature is what it is; threats of this kind only provoke a backlash of resistance on the part of the country we are aiming to improve.

We will not ensure continued improvements in respect to human rights, religious freedom and democratic principles by turning our backs on the Chinese people and relinquishing our influence, in effect, unilaterally turning it over to Japan and to Europe. It is crucial that U.S. businesses and religious leaders remain engaged in China as an example and as a voice for our values.

Denying normal trade relations with China means severing ties that would take years to repair, so for the interests of all Americans and for the Chinese people, I urge a "no" vote on H.J. Res. 121.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, last month the President of the United States was received by the Communist dictators who run China in the very place where those dictators killed over 1,000 people in 1989; that place was Tiananmen Square.

Mr. Speaker, that was morally wrong. Indeed, as I said before the Committee on Ways and Means, it was morally revolting, but it represents the logical result of our policy of appeasement of Communist China. The continuing, unlinked, and the unconditional conferring of Most-Favored-Nation trade status on China is the cornerstone of the appeasement policy, Mr. Speaker, so I have introduced this resolution that is before the House today, again for the ninth consecutive year, and which would suspend temporarily China's MFN status.

Mr. Speaker, ever since the Tiananmen Square massacre in 1989, there has been a sharp division within the Congress between those who advocate a policy of so-called engagement with Communist China and those who believe that a corrupt dictatorship should not be coddled, especially a dictatorship that is pursuing an arms buildup of unprecedented scope. Look at this headline in today's paper: China Conducted Tests as Clinton Visited on Nuclear Missiles.

Mr. Speaker, let us look at the record. Nine years have gone by since 1989 when Congress first debated the merits of Most Favored Nation status for China. The advocates of engagement with China have told us for 9 consecutive years running that a policy of open, unfettered trade with China, as my colleagues have just heard the gentleman from Texas say, is the way to open up the Chinese market to American goods, to improve the human rights conditions for the Chinese people, and to modify the Chinese regimes' rogue behavior around the world. Let me tell my colleagues, it is rogue.

But what does the record show on opening up the Chinese markets to American goods? Forget it, I say to my colleagues. I want my colleagues to listen to this. Since 1989, U.S. exports to

China, which were minimal to start with, have barely doubled: up 120 percent. During the same period, Chinese exports to the United States have gone up 626 percent.

I ask my colleagues to think about that. Go into any of the stores that are across this Nation. A $6.2 billion trade deficit with China in 1989 grew from $6 billion to over $49 billion last year.

□ 1045

By the end of this year, it will nearly be $60 billion and will be larger than that of Japan. Can my colleagues imagine that? How does that happen?

Mr. Speaker, after 19 years of providing MFN status for China, during which time the gross domestic product in China has grown at an average rate of 9 percent, listen to this, less than 2 percent of America's total exports are now finding their way into the huge markets that we keep hearing so much about. Less than one-fifth of 1 percent of our total economic activity is involved in trade with China after 9 years of MFN treatment. So much for the huge markets, Mr. Speaker.

Mr. Speaker, the advocates of engagement must be incorrigible Red Sox fans or Cubs fans, because their battle cry is always, "Wait until next year." But next year never comes.

What about human rights? We need to look no further than our own State Department's Human Rights Report of 1997. I will quote, "Continued tight restrictions on freedom of speech, press, assembly, association, religion, privacy and worker rights."

Mr. Speaker, I continue, "Serious human rights abuses persisted in minority areas, including Tibet," and if Members have never been there, they ought to go and see the devastation there, "where tight controls on religion and other fundamental freedoms continued and, in some cases, intensified." This is our State Department saying that.

Sure, there is an occasional release of a political prisoner or some other public relations gesture. But the fact remains that more people are behind bars in China right now today, I urge my colleagues to listen to this, than when President Clinton was there 3 weeks ago. More people in jail. I mean, how could we live with that?

Of the $63 billion worth of exports China sent to the United States last year, an estimated one-half came from companies that are controlled by the Chinese military or which employ prison labor. According to the Washington Post, American companies that buy products from the Chinese military and paramilitary police are some of the biggest names in retailing. Listen to these: Nordstrom, Macy's, K-Mart, Walmart, Montgomery Ward's. And just try to buy something in Staples not made in China. I tried and failed.

Do my colleagues know what surge protectors are? I went in a store back in my district in Glens Falls, and I could not find anything made in America. I went into another store. These shirts that I am wearing cost 23 cents an hour to make in China. How can Americans compete?

The gentleman from Texas (Mr. ARCHER), my good friend, said it is going to cost us 200,000 jobs if we do not renew MFN for China. How about the millions of jobs that we have lost in this country over the last 9 years because we cannot manufacture anything competitively with China, and yet they will not let our goods in there.

Mr. Speaker, to find the source of exports that do not come from the military, the police, or the prisons, try looking in the sweatshops that work people for 70 hours a week for 23 cents an hour or less. So much for human rights.

And what does the record say about rogue behavior? We got our answer to that one 2 months ago in the form of a nuclear arms race in South Asia. Days before the Indian nuclear test in May, their defense minister stated unambiguously that China represented the number one threat to Indian security. That is the Chinese saying that. Where did Pakistan obtain the technology needed to conduct its own nuclear tests? China, of course. We all the know that.

Only last week, a bipartisan congressional commission chaired by former Secretary of Defense Donald Rumsfeld warned that, "China is modernizing its long-range missiles and nuclear weapons in ways that will make it a more threatening power in the event of crisis."

Again, just look at this headline. The Rumsfeld report goes on to say that China is "a significant proliferator of ballistic missiles, weapons of mass destruction, and enabling technologies that they are giving to other rogue nations."

Only just yesterday, we learned that China has added six new ICBMs. These are intercontinental ballistic missiles aimed at the United States of America. Six more on top of the 13 that were already aimed here. The Rumsfeld report warns of a link between China's ballistic missile capability and its regional priorities, a linkage that was underscored by a senior Chinese general who has questioned whether the United States would trade Los Angeles for Taipei. Think about that.

Just last year a new wild card was injected into the MFN debate by the revelation that the Chinese Embassy in Washington may have sought to buy influence with the U.S. Government through campaign contributions. That was confirmed when fund-raiser Johnny Chung admitted receiving $300,000 from Chinese military officers who were connected to firms involved in satellite and missile technologies.

Mr. Speaker, the odor of money and influence peddling is hanging over this debate, and like everything else on the whole subject of MFN it is going to get worse.

The U.S. Government has looked at the record with respect to opening up the Chinese markets to U.S. products; with respect to encouraging better human rights for the Chinese people; and with modifying China's rogue behavior. On every account, MFN has struck out.

Clearly, the time has come to recognize that the burden of proof in this debate rests with the side of engagement. We do not have to suspend MFN permanently. If we did it for a month or 2 weeks or a day, the Chinese government would come around because they lick their chops at 250 million Americans with the greatest buying power in the world and they want to sell to us. Let us at least give our own people a fair bargain.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I speak in opposition to H.J. Res. 121, and support the continuation of trade relations with China. I oppose the resolution on the floor because I believe that our national strategic interests, not just our commercial interests, are at stake.

The U.S.-China relation is by far the most important bilateral relationship the United States will have in the 21st century. A constructive positive economic and political relationship with China is a key to a long-lasting peace and prosperity and stability in Asia and throughout the world.

Democratic and Republican presidents, President Carter, President Reagan, President Bush, and President Clinton have all recommended the extension of normal trading relations with China each year since it was first granted in 1980.

We have also 17 former Secretaries of State, Defense, and National Security Advisors and they have written a bipartisan open letter to Congress urging the continuation of normal trade relations with China.

They point out that normal trade relations advance our interests in China by continuing to open and reform its economy and improve the quality of life of its citizens. They underscore that the vital importance of continuing the engagement with China is serving America's best economic and national security interests.

As said by previous speakers, the gentleman from Texas (Mr. ARCHER) in particular, China represents 23 percent of the world population. One person in every five living on this planet is a Chinese citizen. We cannot ignore this simple reality and we cannot and should not try to isolate China. Rather, we should continue to build upon and strengthen the positive relationship which has undeniably been an engine for change in China.

This was demonstrated most recently and visibly on the President's recent trip to China last month when human rights and other sensitive issues were openly discussed and televised for the first time.

There is no disagreement about the fact that China still has a long way to go in granting its citizens basic human rights and religious and political freedoms. We all know that. Change toward respect for human values that we cherish is gradual and obviously slower in this case than we wish.

The Chinese market, of course, is not as open to our goods and services as we speak, and China may have shared nuclear technology with other nations. These are the kinds of things that obviously we deplore. But China is also working with us to restore stability in the Asian region. It is assisting in the prevention of the spread of nuclear weapons.

As we know with the Asian financial crisis, which many of the economists in the world and in the United States in particular have said is comparable to the prelude before the 1930 "Great Crash," the Chinese are assisting us by maintaining the value of its currency and not devaluing, obviously causing economic harm to its own citizens, unlike some other Asian countries, and encouraging a peaceful resolution in the differences among South Asian countries and certainly in the Korean Peninsula.

Such cooperation on areas of mutual national interest is the result of a constructive diplomacy and engagement. And while we also continue to deal forthrightly with Chinese leaders on these areas of disagreement, we continue to press them in the area of human rights and obviously democratic principles. In fact, as many of us know, we are at this time working with China on an issue called the rule of law. It is going to take a great deal of time to get the Chinese to understand that they have a right to sue in their courts, but we are slowly making progress in that area. We believe that in the area of commercial rules of law, eventually and hopefully it will move into the area of human rights and due process, items that we in our country cherish.

Revoking normal trade relation status will not only hurt U.S. exporters and help foreign competitors in the Chinese markets, but it will not really close our bilateral trade deficit. We continue to insist, as we should, that China provide meaningful market access and adhere to international trading rules before joining the WTO. But China and Hong Kong are also major customers for U.S. products. Until the recent financial crisis, the increasing trade deficit has largely been offset in our deficit with other Asian countries, particularly the Four Tigers.

Mr. Speaker, I might just add to this that the Chinese now are wondering whether they do want to enter into the WTO under the terms that we have suggested. We will allow and grant the Chinese the ability to enter into the World Trade Organization, but only as a developed nation. They want to come in as a developing nation, which means they will not have to comply with all the WTO rules.

But I would have to say that ultimately we will want the Chinese in the WTO, because that is the way to get the Chinese to abide by international standards that were promulgated by over 186 countries in 1996. Cutting off normal trade relations would cut off a vital link between our two countries and an important catalyst for change through increased business and trade contracts with Chinese leaders and citizens.

Even more important, our withdrawal now from a policy of normal trade relations would reverse the long process of engagement to encourage China to be a responsible and constructive member of the international community.

In effect, the enactment of H.J. Res. 121 would create a new Cold War in the 21st century with only negative consequences for our national security and certainly our own national interests.

Mr. Speaker, I urge my colleagues to cast a "no" vote on H.J. Res. 121, and to support a continuation of normal trade relations with China.

Mr. Speaker, I reserve the balance of my time.

Mr. STARK. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, pending the completion of my remarks, I ask unanimous consent that the gentlewoman from California (Ms. PELOSI) be allowed to control the remainder of my time.

The SPEAKER pro tempore (Mrs. EMERSON). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. STARK. Madam Speaker, I rise today in support of H.J. Res. 121, disapproving the extension of Most Favored Nation, or whatever they now want to call this gift to China. We will hear a good deal today about China's breaking their nonproliferation promises and treaties. We will hear that they were testing a rocket motor while the President was there, with full knowledge, I might add, of our State Department, which now gives China one of two intercontinental ballistic missiles in the world, Russia having the other.

We will hear repeatedly about the violation of the Universal Declaration on Human Rights, which China, the PRC, engages in repeatedly. We will also hear from numerous colleagues about the violation and the exploitation of their own labor force, the destruction of young girl children, the imprisonment for slave labor.

□ 1100

And we will hear repeated statements of China's unfair trade practices. We will hear that they ignore intellectual property rights with impunity, which means they copy anything they want and reproduce anything they want without paying the fair share for patent or trademarks.

We probably will conclude that they do not play by any rules other than their own, U.S. or international rules. And we may conclude, given this inhumane treatment of human beings and complete disregard of the rule of law, that the Chinese Government does not deserve normal trade relations with the United States. We certainly do not recognize Cuba for far less. So we are really treating China specially.

Each year the issues around the debate are the same: The Members in this body keep saying we need continued trade, it will help change China's practices. It has not. They have gotten worse. No one can indicate on the floor today that China has improved in any way. But China shows no progress and we continue to accommodate, acquiesce and back off.

My colleagues might begin to wonder why. Well, the reason why is that we are here today to bail out General Motors, General Electric, Motorola, Westinghouse and Boeing, the five largest exporters to China. And my colleagues are going to say, well, that is just wonderful. I heard the chairman of the Committee on Ways and Means suggest that we need this to protect the American economy. My distinguished colleague from California suggested there is a vital link.

Well, I would agree. And in the words of Ross Perot, this vital link is a large sucking sound. And what we are hearing is the American taxpayers' dollars being sucked right out of the American taxpayers' pockets and awarded to General Motors, General Electric, Motorola, Westinghouse and Boeing.

Now, how does this happen? My goodness, Boeing is selling a lot of airplanes. And my colleagues may say, bully, that is an American company, but the fact is there is a hitch. Before Boeing can sell an airplane, Boeing must build a factory in China or China will not let them sell any airplanes. Okay, so they build a factory. My colleagues may say there will be some more jobs. Wrong again. China requires that Boeing hire Chinese people in China.

The net result is that we are not creating any new jobs, and we may lose some net jobs as Boeing is attracted to build more than just what they sell in China, but a few extra tail sections for 727s, or whatever they are building over there, because it saves them some money. So the jobs leave and we get no gain there.

Well, then one might say, but Boeing is making some money on this and it

helps the U.S. economy. Wrong again. The dollars that Boeing makes stay in China. And by staying in China, the taxpayers of America lose. We are not collecting any income tax from Boeing on the money they make and invest in China. That means American taxpayers are being suckered big time. We are paying extra income tax to allow Boeing to take this profit and invest it in China.

Well, my colleagues say, maybe some day that will come home. This is not the end. For those of my colleagues who are waiting for the real kicker in this, it is not enough that the taxpayers of the United States are subsidizing Boeing, who are putting the money in China at our cost, we have got to protect them.

Not that we have to protect them with a lot of troops, we are going to hear about IMF, which means that now that Boeing and General Motors and General Electric and Westinghouse have all of this money in China, we cannot let the currency be devalued. So the taxpayers, suckers again, hearing that big sucking sound in this vital link, are going to be asked to come up with $18 billion more to protect the money that was already taken out of their pockets to give to Boeing and General Electric and General Motors and Westinghouse to invest in China.

It is a sucker game. It is a sucker game by the major corporations in this country who are being subsidized by the American taxpayers to invest in China while we lose jobs in America; while all we get back from China are shelves stocked in our big box warehouse stores so we can buy cheap Nikes and cheap T-shirts as we lose good productive factory jobs, as we lose tax revenue, as we lose our dignity. Because we do all of this while we countenance torture and we countenance turning our back on human rights.

It turns all things that Americans believe in on its head and it is wrong. That is what the trouble is. It helps no one but the large corporations in this country. And they are perfectly willing, in the interest of maximizing profits, to ignore the human rights that are so vital to our country's continued existence.

So I urge my colleagues to honestly look at the promises made and broken, the PRC's sale of weapons, chemical weapons, nuclear weapon materials, and the growing trade imbalance, and say, why am I doing this? Is it so important to bail out General Motors and Boeing and General Electric and Westinghouse? Have they contributed so much to my campaign that I have to vote to perpetuate this dishonest, immoral regime by subsidizing them with taxpayers' money?

I think my colleagues will find, if they examine their consciences, that it is in our interest and the interest of all American taxpayers to support the resolution, and I hope my colleagues will join me in voting to deny Most Favored Nation treatment to China until they decide to join the humane world of man and obey the human rights and the dignity and liberty that we all enjoy.

Madam Speaker, I reserve the balance of my time.

Mr. CRANE. Madam Speaker, I yield myself such time as I may consume.

I know that we want to expedite this procedure, since I see some of my colleagues here, like the gentleman from Ohio (Mr. TRAFICANT), who has fought against MFN all these years; and now the gentleman from Nebraska (Mr. CHRISTENSEN); and my good friend, the gentleman from California (Mr. DANA ROHRABACHER) over here; because all of these people who have waged this battle want to make sure they are out here on the Capitol steps at 12:30 to catch the bus to go down to the White House, because at 1:30 the President will be signing the legislation that terminates MFN.

We will never again be using that absurd language: Most Favored Nation. And so I know my friends here, who have fought this battle for years, are taking comfort in the realization that that label will be made a part of history and now we can get down to serious discussion about what we are really talking about, and that is normal trade relations. Big difference. Normal trade relations.

So I would hope some of those who are so ecstatic over their victory today will pay some attention to some of the arguments. We heard some arguments earlier from my good friend, the gentleman from New York (Mr. SOLOMON), who was concerned about what was being exported to the United States from China versus what we were exporting over there. And we heard from the gentleman from California (Mr. STARK) to that effect, too.

Some of the arguments advanced by the gentleman from New York (Mr. SOLOMON) were arguments that were advanced when the textile and apparel industry migrated from Burlington, Vermont, to south of the Mason-Dixon line. They did so for labor reasons and the cost of labor. And the textile and apparel industry has continued that flight, as my colleagues know, going down to the Caribbean and other countries because labor is cheaper in these areas where we are talking about a lack of skills.

With regard to, for example, the majority of our imports from China, it is underwear, it is toys, it is also footwear. Those are products that are certainly not high-tech but, to be sure, they manufacture good underwear, they manufacture good shoes, and they manufacture good toys over there. Our exports to them, the majority of ours, are power generating equipment, air and spacecraft and electrical machinery.

Now, my home State of Illinois exports over $1 billion a year of products to the mainland of China, and I would like to share some of these products with my good friend, the gentleman from California (Mr. STARK), over here, who I do not know how California is doing with regard to the breakdown of their list, but one of our big exports is scrap and waste. Scrap and waste. That is one of our big exports to mainland China. In addition to that, agricultural products, of course, is a biggie. We are an ag State.

In addition to that, let me recite some of the big exports from the State of Illinois. Primary metals, stone, clay, and glass products, rubber and plastic products, chemical products, paper products, food products, electric and electronic equipment, industrial machines and computers. It is a wide range of goods that we in the State of Illinois are blessed in finding markets for.

But that is not confined to my home State of Illinois, and I think that it is important for our colleagues involved in this debate to examine the breakdown in their own States of what their exports are; the component parts of their exports, but the magnitude of those exports.

So I would urge my colleagues to go back now and review the possibility of expanding, not contracting, normal trade relations, and to do that we have to guarantee that we defeat H.J. Res. 121.

Madam Speaker, I reserve the balance of my time.

Mr. CHRISTENSEN. Madam Speaker, I yield 5 minutes to the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations.

Mr. GILMAN. Madam Speaker, I thank the gentleman for yielding me this time and I am pleased to rise in strong support of H.J. Res. 121, offered by the distinguished chairman of the Committee on Rules, the gentleman from New York (Mr. SOLOMON), disapproving extending Most Favored Nation trading status to the People's Republic of China.

This disapproval resolution sends a clear message to Beijing that our Nation will not reward nations that ignore international standards and norms of behavior, and that we expect of China, as an important member of the international community, to change its ways on trade, weapons proliferation and human rights.

Their record to date is clear. Beijing continues to bar access to its markets, violates trade agreements, proliferates weapons of mass destruction, ballistic missiles and enabling technologies, and represses fundamental human rights, all while enjoying unimpeded access to markets of our great Nation.

China's weapons proliferation practices are a source of significant international concern, especially in South

Asia and in the Middle East. China is the number one supplier of conventional arms to Iran, including the C–802 cruise missile which directly threatens our troops in the Gulf, and has aided Teheran's nuclear and chemical weapons programs as well.

China has also provided significant assistance to Pakistan's nuclear and ballistic missile programs that resulted in greatly increased tensions in South Asia. That kind of behavior should not be rewarded with any MFN.

China continues to violate basic human rights of its citizenry, one quarter of the world's population. The PRC is a one-party authoritarian State where freedom of expression, assembly, and religion are suppressed. Thousands of Chinese citizens languish in so-called reform camps for alleged crimes of conscience.

Moreover, China has occupied Tibet and decimated its unique culture and religion since 1950. With regard to Tibet, I request that a letter dated July 22, from the special envoy of His Holiness the Dalai Lama, be inserted at this point in the RECORD, setting forth his Holiness's reservations with regard to MFN.

SPECIAL ENVOY OF
HIS HOLINESS THE DALAI LAMA,
July 22, 1998.

Hon. BENJAMIN A. GILMAN,
Chairman, International Relations Committee, U.S. House of Representatives, Washington, DC.

DEAR CHAIRMAN GILMAN: I understand that the House will be voting today on whether or not to renew Most-Favored-Nation (MFN) trading status to the People's Republic of China. While it is not customary for His Holiness the Dalai Lama to take a position on specific legislation, in this case I believe that some clarification of his views on trade with China may be useful.

As you may be aware, some House Members are using quotes from recent interviews with the Dalai Lama to justify MFN renewal. The Alliance of Christian Ministries ran a full-page ad in the Washington Post with the same intention. On neither occasion, were statement concerning MFN attributed to the Dalai Lama. But on both occasions, the suggestion was that the Dalai Lama would support MFN renewal. Of course, I was unhappy to see the Dalai Lama used in a debate in which he has not been party.

It is true that the Dalai Lama supports the U.S. process of engagement with China. However, the Dalai Lama has clearly stated that he does not support engagement if its primary goal is material enrichment. All decisions, he believes, must be guided by moral and ethical principles, including whether or not China should benefit from most-favored-nation trade status.

Sincerely,

LODI G. GYARI,
Special Envoy of His Holiness the Dalai Lama.

Madam Speaker, Beijing even refuses to renounce the use of force against Taiwan.

Our Nation should base our foreign policy, including trade, on the values that have made our Nation an indispensable Nation in the world community for democracy, for freedom, for human rights and the rule of law.

But, even if one believes that such issues such as human rights and weapons proliferation should not be linked to trade, continued MFN for China is a bad trade deal for our Nation.

□ 1115

Beijing continues to impose a 23-percent tariff on American goods shipped to China, while Chinese products entering our market enjoy a preferential 4-percent tariff under MFN. The trade deficit with China is now over $60 billion, that is with a "b", $60 billion, up 33 percent from only 2 years ago.

Our trade deficit with China will soon be the largest, even bigger than with Japan. The United States has been trying to negotiate a market opening trade agreement with China for the last 5 years, with no end in sight. And thanks to the trade advantage conferred by MFN, China now sends 33 percent of its exports to our Nation, but only 2 percent of our exports go to China.

Continual renewal of MFN status, which, by the way, was never given to the Soviet Union, gives China no incentive to open its markets to American goods or to make its economy more competitive. While I am on the side of American business, American business is not being treated fairly in the Chinese market. American firms allowed to do business in China are forced to transfer their technology there and are restricted on the distribution and selling of their products in China itself.

The Chinese need our markets more than we need Chinese markets. The leadership in Beijing badly wants MFN status from our Nation. I think it is time to end an arrangement that has not been fair to American companies or to American workers, and I think it is time to send a strong signal to Beijing that this inequitable and unsustainable arrangement must end.

Denying MFN for China will mark an important step forward in putting reciprocity back into our trade relationship and will serve notice that we no longer will tolerate China's proliferation of weapons or repression of human rights. Nothing less than a strong message will provide the incentive that is needed for Beijing to open its markets and reform its behavior.

Accordingly, I urge my colleagues to support the Solomon resolution, which revokes MFN for China.

Mr. MATSUI. Madam Speaker, I yield 3 minutes to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Madam Speaker, I rise today to express my opposition to H. Res. 121, the resolution of disapproval regarding normal trade relations with China.

I am concerned about the growing reluctance of the Congress to provide the leadership that is needed on international issues and to make improvements in trade relations and economic conditions throughout the world.

Opponents of extending MFN have discussed China's human rights record, nuclear proliferation, religious freedom, and trade barriers. Clearly, problems exist with China and work needs to continue on all these fronts. However, Presidents Clinton, Bush, Reagan, Carter, Ford, and Nixon have all recognized that constructive engagement is a better policy than isolation is.

The reality is that China has one of the fastest growing economies in the world. From 1979 to 1997, China's real GDP grew at an average annual rate of 9.9 percent. Projected growth in China is estimated by some to be in the average rate of 7 percent a year over the next two decades. At this rate, China could double the size of its economy every 10 years. And this policy of constructive engagement is going to ensure that the working men and women of the United States have access to this growing market opportunity.

I represent the San Joaquin Valley of California. This highly productive agricultural area produces agriculture commodities worth in excess of $22 billion annually, more than half of which is exported, and China is currently the sixth largest export market for U.S. agriculture goods.

In 1996, China bought over $1.9 billion of U.S. agricultural products. With 1.2 billion people and limited arable land, China must rely on imports to satisfy its demand for food. USDA estimates that two-thirds of the future growth in U.S. farm exports will be in Asia and 50 percent of that increase will come from China alone. Again, this policy of constructive engagement is clearly in the interest of the U.S. farmers.

Our ultimate goal must be to fully integrate China into the world trading arena as a full participant. That means helping to encourage WTO accession to China to ensure that they abide by internationally accepted trading rules. It also means continuing bilateral talks to address specific issues like intellectual property rights and non-tariff barriers.

Madam Speaker, I recognize the problems that continue to exist in China, and I appreciate the efforts of some of my colleagues in remaining committed to making improvements in the areas of human rights, trade policies, and nuclear proliferation. On those issues, none of us disagree that there is the need to continue to define ways that we can see significant improvement.

But I guess where many of us disagree is, is a policy that isolates the U.S. from China going to be more effective in achieving these improvements than the one of constructive engagement. That is where I clearly come down on the side that continued engagement with China is going to do

more to ensure that the rights of the citizens of China are advanced both in the interest of human rights as well as religious persecution, and this policy of constructive engagement is clearly in the interest of the working men and women of this country.

Ms. PELOSI. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today to support the resolution to revoke most-favored-nation status for China. I encourage my colleagues to vote in favor of the Solomon resolution, which would deny the special waiver that the President is requesting to grant MFN, NTR, whatever you want to call it.

I, too, voted for the IRS reform bill which had this little provision in it to change the name. But a rose is a rose is a rose. And in this case, it is a thorn, this thorn in terms of the enormous trade deficit, the enormous proliferation dangers that China presents, and the ongoing continued repression in China and Tibet.

Our concerns in Congress over the years have centered around three issues: trade, proliferation, and human rights, and let us just from the start establish some ground rules. This debate is not about whether MFN for China will be revoked or not. We all know it will not. The President will not sign the bill. What this vote is today whether this Congress will once again associate itself with the policy that has failed in all three areas of concern.

How much bigger will the trade deficit have to get for our colleagues to take notice? How many dissidents will have to be arrested, how much longer will many of them have to stay in jail for us to associate ourselves with their aspirations for democracy rather than calling Jiang Zemin, their jailor, the torturer in China and Tibet, a democratic leader who will take China into the future? And how much more proliferation of weapons of mass destruction, ballistic missiles, chemical and biological war technology does China have to proliferate for us to say enough is enough?

As I have said this debate is not about MFN revocation, it is about associating ourselves with a failed policy, or trying to give the President some leverage by saying this body will no longer tolerate all these violations of the Chinese Government in terms of trade, proliferation, and human rights. But on the basis of trade alone, there is sufficient justification, more than sufficient, to revoke most-favored-nation status.

When we first started this debate in the late 1980s, in 1988, the deficit for 1988 was about $3½ billion. For this year, for 1998, the trade deficit, 10 years later, will be $63 billion. And in the Clinton years alone, the trade deficit will be by the end of this year around a quarter of a trillion dollars with China alone. I repeat—in the Clinton years, the trade deficit with China will be about a quarter of a trillion dollars.

How much is enough, and why do we have that deficit? Because as the President went to the Great Wall of China, he should have seen it as a symbol of the great wall around China's markets. China simply does not allow most products made in America into China.

There is some trade: aerospace, some electronics, fertilizer. There are some areas. Certainly not enough from our agricultural community. We should be demanding more, and we are. And this trade deficit of $63 billion does not even include the piracy of our intellectual property, especially software, which continues; the use of transshipments to avoid our quotas; the use of slave labor for exports. And the list goes on.

Yes, China must come into the World Trade Organization in order to play by the rules. But what is more dangerous to our economy is the insistence of China that if we want to sell in a Chinese market, we must manufacture in a Chinese market and we must not only transfer our production, we must transfer our technology.

And so, we have the transfer of technology to China, which will have a dramatic and negative impact on our own economy. As I say, a country that large, an economy that large that does not play by the rules is a danger to our own economy.

On the technology transfer and the production transfer, do not take my word for it. Take the word of the president, the CEO of Boeing, who said, when a Boeing plane flies to China after one of aerospace sales, it is like it is going home so much of it has been manufactured in China.

When President Clinton was at the Terra Cotta Soldiers at Tian, how beautiful they are, if he had gone down the road a piece he would have gone to the Tian Aerospace Company, where 20,000 Chinese workers make $50 to $60 a month making the tailpiece for the Boeing 747, $50 to $60 a month. So if they want to call it normal trade relations, I do not know what their definition of "normalcy" is, but this is certainly not trade which is trade to the American workers.

Our colleagues who support normal trade relations with China will tell us that China's exports to the United States have risen four times in the past 10 years. But do my colleagues know how many times our imports from China have risen? They have grown about 30 times. From 1985 to 1997, China's exports have increased 30 times, while our sales to China have only risen four times.

So let us be fair about how we present this picture. And the news in the paper today is not good. Let me talk about what is new on trade. The trade figures that came out the other day were very damning. The trade deficit for May of this year was 25 percent higher than it was for May of last year and almost 10 percent higher than April of this year. So the trade deficit continues to grow.

Then we get to the subject of proliferation. What is new in that arena? As my colleagues know, the Office of Naval Intelligence last year said that China was the biggest and most dangerous proliferator of weapons of mass destruction technology to the Middle East. That Office of Naval Intelligence is not going to put out a report this year. But the CIA report that was held up until after the President's visit, by the way, but was just released demonstrates a similar and continuing pattern.

In this morning's paper it was announced that while President Clinton was in China pronouncing that nonproliferation was a major part of his agenda, the Chinese were testing a ballistic missile right at that very time, right in the face of the President's visit. How insulting!

While the President was there, the Chinese, on the subject of human rights, were rounding up dissidents and since the President's departure have continued to round up dissidents. Today the Washington Post writes about a continuing pattern of repression since President Clinton left China. So what was accomplished by all that?

We would think, with the hand of friendship that President Clinton had extended to the Chinese, that they would have offered him some level of cooperation. But they handed him the three noes. No, we are not going to sign the Missile Technology Control Regime to stop the proliferation. We will study it. They have been studying it for years. We will sign at some later date the Convention on Civil and Political Rights. Kick that can down the road again. And, no, we are not going to lower our barriers to allow us to become qualified to join the World Trade Organization.

They handed the President the three noes, and the Administration declared that that was a success. When is this House going to face the facts? Why is the House in a state of denial? But I have confidence, my friends, because I truly believe that we all believe in promoting human rights in this country and throughout the world; and I do believe that we associate ourselves with the pillars of our foreign policy, which is to promote our economy through promoting our exports, which is to promote democratic values, and to stop the proliferation of weapons of mass destruction.

So a vote today is not about MFN alone, although that would be a justified vote. It is about a policy that is not in keeping with the pillars of our own foreign policy. Vote no on MFN. Vote yes on the resolution to make the trade fairer, to make the world safer, and to make the people freer.

Madam Speaker, I reserve the balance of my time.

□ 1130

Mr. CRANE. Madam Speaker, I yield 4 minutes to the distinguished gentleman from Arizona (Mr. KOLBE).

Mr. KOLBE. Madam Speaker, I thank the gentleman for yielding me this time and I want to congratulate him for his leadership on this issue, and for the efforts that he has made through the years to help us maintain normal trade relations with China. He has been a giant in this fight.

Madam Speaker, I also want to respond to the comments that were just made by the gentlewoman from California, my friend and an individual whom I have a lot of respect for. She asked the question at the end, "Are we into denial? When are we going to stop denying reality?" I might turn the question around and say, when instead are we going to get out of the time warp that this body has been in with regard to U.S.-China relations, a time warp that goes back to a deep, dark Cold War era and does not recognize the massive changes that are taking place not just in China and the United States but in the region around it.

On the figures of trade that the gentlewoman pointed to, Madam Speaker, I would note that those trade figures do not include what is generally considered greater China, Hong Kong and Taiwan. We have a very different picture when we look at that. That really is the China that we are talking about as a larger trading China. But even then, I concede there is still a trade deficit with greater China.

And so I would ask the gentlewoman, at what point is the deficit small enought that it is acceptable to trade? When we have a trade deficit of only $10 billion, of $5 billion? Or is it only acceptable to trade with countries with whom we have a trade surplus? That would be unrealistic. And so I do not think that that really should be the criteria for maintaining normal trade relations.

But I want to address my remarks, if I might, Madam Speaker, to some other issues here. We are going to hear a lot—we have already heard—a lot of rhetoric about China and U.S.-Chinese relations. Unfortunately, most of this rhetoric tends to focus not on the larger picture but instead upon 100 little anecdotes. Those who want to cut off relations with China pursue their case here on the House floor with stories of gulags and imports produced by forced labor. They weave stories of Chinese government conspiracies to steal American jobs through unfair competition. They talk about individual stories of forced abortions and political repression. They take these anecdotes, these hundreds of little snapshots, and they lay them side by side until a verbal collage emerges, one which is designed to incite fear and intimidation in the hearts of the American people.

Any picture that emerges makes our hearts ache. We can see the exploited workers. We can visualize each individual story of political or religious repression. We see the tanks in Tiananmen Square. And we find ourselves affirming the tale of a Chinese army using trade with the U.S. to finance a massive military buildup, a buildup which somehow one day will lead to our own demise. Add to this the allegations of Chinese money illegally flowing into our electoral politics and we have all the stuff of a John LaCarre novel. In a Nation attuned to sound bites and slogans, this is a compelling story. But I submit that while these anecdotes may be individually accurate, woven together they tell only part of the story. The real story in China is one of slow and steady progress toward open markets and individual empowerment. Two decades ago virtually every aspect of Chinese society was under state control. Today over half of China's output is generated by private enterprise. Eighty-five percent of China's workers are employed in the private sector. The development of a strong, vibrant private sector, particularly in southern China, continues to draw power away from Beijing.

Economic liberalization, the growth of trade, and economic links with the United States over the past two decades has promoted freedom for the Chinese people. With growing employment opportunities in nonstate enterprises, millions of Chinese have obtained the basic freedom to select their own employment and to change jobs when dissatisfied with working conditions or wages. That is why I am convinced a policy of engagement is working on behalf of the Chinese people as well as in our own national interests.

If we look at the big picture, we will see a policy of engagement that is slowly and steadily working to liberalize China economically and expose the Chinese to Western values.

Madam Speaker, it is time we moved beyond the anecdotes, the rhetoric, and the snapshot mentality of looking at U.S.-China relations. It is time we begin to think about a multi-year renewal of normal trade relations. I urge my colleagues to begin this process today by voting "no" on House Joint Resolution 121.

Mr. CHRISTENSEN. Madam Speaker, I yield 4½ minutes to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Madam Speaker, I rise in strong support of the Solomon resolution disapproving most-favored-nation status for Communist China. Decisions like the one we are making today on this resolution define us as Members and define our Congress and our country as well, what do we hold dear, and for whom do we care and do we have convictions and principles that are transcendent above the monetary personal gain of a few powerful and rich interest groups. And do we have the strength of our convictions and the courage to stand up for our principles. These are all things that will be reflected in the decision we make today on this resolution and debates like the one we are having today.

This debate is not about engagement or even about whether or not there should be trade between the United States and the Communist Chinese regime. We will hear that studded in the arguments against this resolution. It is not about engagement and not about whether there should be trade. Whether or not we have most-favored-nation status, big companies can still go over and trade with Communist China. There will still be engagement.

Ronald Reagan never suggested that the Soviet Union while controlled by the Communist Party should have most-favored-nation status. That is why communism and tyranny disappeared in the former Soviet Union and they are now struggling for freedom. The question is how we should engage the regime, the regime that we must remember is currently the worst human rights abuser on the planet and a dangerous potential enemy for the United States.

The question is what kind of trade rules shall apply. The current rules of engagement with Communist China, this dictatorship with its massive human rights abuses, have made Communist China grow stronger and more powerful and more repressive. A $60 billion annual trade surplus is being used by the Communist Chinese regime to build up its military and build weapons that could someday incinerate the people of the United States and kill, at the very least, kill our defenders.

Today in the Washington Times we see a banner headline saying when President Clinton was in China recently talking about peace, even strategic partnership, reaching out his hand to the Communist Chinese, they were testing a new series of rocket engines that threaten the people of the United States.

This is a farce. We are being played for suckers. Of course that has happened in the past, has it not? But our current policies toward Communist China have been contrary to our principles, our belief in liberty and justice, it has been contrary to our economic interests and contrary to our national security. Human rights abuses which we will hear about today continue and are far worse today than they were 10 years ago, contrary to what the proponents of most-favored-nation status would tell us.

In Tibet, they could incinerate the entire country of Tibet and we would still have big business here trying to tell us we are going to make the Communist Chinese more freedom-loving if

we just trade with them, which means a quick buck for these big businessmen and means an out-of-work pink slip for our own workers here in the United States.

Yes, and they are still arresting dissidents. Right after our President left China, they rounded up a bunch more dissidents, Christians and Muslims and the Buddhists in Tibet still being repressed and thrown into damp prisons while we sit here in this wonderful body and debate in the coolness of this Chamber this issue.

No, our current trade policies have hurt our country. Yes, they have enriched some very major corporations. But this is not about free trade. Again, these companies can still go over there and trade. They can sell their wares. What is most-favored-nation status really about? I believe in free trade. I believe in free trade between free people. Most-favored-nation status is about whether or not these companies will be provided by the American taxpayer guarantees and subsidies for investments that they make in China that will put our own people out of work. Through the Export-Import Bank, through OPIC, the World Bank, IMF and the rest, these companies if we have most most-favored-nation status will put the American taxpayer behind the loans they need to create manufacturing units in China to put our people out of work. That is a betrayal of our own people.

The relationship, the rules of the game with China have worked against our national security, our people's interest as well as the fundamental principles of liberty and justice that America stands for.

Mr. MATSUI. Madam Speaker, I yield 3 minutes to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Madam Speaker, first of all, to clarify the comments of the gentleman who just spoke, it is my understanding while Ronald Reagan never asked for MFN status for the Soviet Union, he did repeatedly ask and receive MFN status, now normal trading relation status, for the People's Republic of China. Apparently that was an oversight in the gentleman's comments.

This is a difficult question. I think everybody on both sides of the issue has strong convictions. I think they are all pretty much courageous, contrary to what the gentleman from California has said. But I think we have to look at this in both the short term and the long term. This year, I think the short term is actually more important than the long term.

I appreciate the concerns regarding Chinese domestic policy, and I agree with just about everything the gentlewoman from California stated regarding human rights, weapons proliferation and labor and trade practices in China. But the reality is that China is now our fourth largest trading partner, and it is a billion-person market which in the long term will become even more important to the U.S. economy if we are going to remain the world's largest economy. I think every Member of the House believes that is in the best interests of the United States.

But in the short term, I think we have to look at the situation as it affects the country. China is part of what is at least a quarter if not more of the U.S. export market. It is an area of the world which is in a severe, or heading into a severe recession. The Chinese have tried to move their economy towards more market rationalization which I think Members on both the left, the right and in the middle would like to see the Chinese do because I think all of us, I certainly am a capitalist, believe is the best economic structure. The Chinese as they have done that, as they have seen their unemployment rate rise in their country in trying to move towards democratization, have also made a point of not devaluing their currency. That is terribly important if we are going to see the Asian economies, the South Korean economy, the Japanese economy, the Indonesian, Malaysian, Thai economies come back on the rise.

Why is that important? Because again that is where we sell at least a quarter to almost a third of U.S. exports. I do not think we want to see that export market go away. But if we impose what this bill would do, if we were to allow that to become law, U.S. companies would not be able to go over there and trade, because there would be a tariff differential which would raise the price of U.S. goods. It would cause serious problems in our economy and it would be using a blunt instrument where a scalpel is needed. Furthermore, in the long term, it would impact our ability to bring the Chinese into the WTO, which I think is also in the best interests of the United States, and bring them in as a developed nation and not a developing nation as they would seek to do.

How are we going to convince them that we want them to come in as a developed nation, not a developing nation, when we turn around and club them in the head as this type of legislation would do? This is a bad idea that will only hurt the American worker and the American economy. I would urge my colleagues to vote against the resolution.

Ms. PELOSI. Madam Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. BONIOR), the distinguished Democratic whip, a champion of workers rights and human rights throughout the world.

□ 1145

Mr. BONIOR. Madam Speaker, I thank my colleague for yielding me this time and commend her for her leadership on this issue.

Printing up T-shirts should not be a political offense, but it is in China. Zhou Guoquiang, a lawyer and democracy advocate, is in prison today because he printed up a T-shirt that read "labor rights". Maybe that should not surprise us. China is famous for throwing people in prison, even executing them, for the slightest murmur of dissent.

Yet, this Congress is considering rewarding China with most-favored nation status. Supporters say this is good for trade. Most-favored nation? Good for trade? The Commerce Department projects our trade deficit with China this year is growing by more than $1 billion a week and could reach $60 billion this year alone.

Of course, part of the problem is that China pays its workers $2 a day and imposes a unilateral tariff averaging 35 percent on American goods. So we have got low wages, tariffs, deficits. That is not in my estimation free trade. That is not fair trade.

Things are only getting worse. One of our fastest growing exports to China, of course, is our jobs. Electronics assembly, auto parts, toy manufacturing, even high-tech aerospace work, these are the kinds of good American jobs that are rushing to China in a race to the bottom.

When Chinese workers speak out for better wages and better working conditions, when they try to form a union or even just print a T-shirt calling for greater democracy, the government throws them in prison. Should we not here be condemning such behavior instead of rewarding it? Should we not back up our words with action?

If we reward China with MFN status, we are telling them that a unilateral 35 percent tariff is fair. If we reward China with MFN status, we are telling them that a $60 billion trade deficit is acceptable. If we reward China with MFN status, we are telling them that political persecution and forced labor are okay as long as they do not appear on the 6 o'clock news. That is not right, and we need to stand up and take a stand against it.

If we do not fight for fairness and freedom in human rights, it will not happen. If we do not take a stand for people like Zhou Guoquiang, what message are we sending to the rest of the world? China has not earned the status of most-favored nation. Until it demonstrates a commitment to real reform, fair trade, and human rights, I cannot vote to give it that status. I urge my colleagues to vote "no" on MFN.

Mr. CRANE. Madam Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. EWING), our good friend and colleague from my home State.

Mr. EWING. Madam Speaker, I want to first thank the gentleman from Illinois (Mr. CRANE) for the outstanding work he does in regard to the trade relations with China.

I rise today in opposition to the motion to reject normal trading relations with China. I realize there are many very deeply held views on this matter. I personally, as a Member of this body, have come to the conclusion that contact and relations and trade is the way to improve life in China. It is also very important to life in this country.

There are only six countries that do not have normal trading relations. Since 1971, China has moved from 15th to fourth among our trading partners in importance. Revoking normal trade relations would take the U.S. out of China's market at a very critical time when the China market development is going our way. It would allow our competitors in Europe and Latin America and Australia to come in and fill the gap.

Agriculture has a unique role in our export portfolio. While the total U.S. trade position has been in deficit, U.S. agricultural exports are in a surplus. More than a million American jobs depend on agricultural exports. China is one of our most important markets.

Both sides are concerned in this body, both sides of the aisle, concerned about the agricultural economy. We are moving bills. We are doing things. We are debating on this floor how we keep agriculture strong in America.

I say there is no time in American history that is more important for good bilateral relations and importance of U.S. China relations. It is time this body quit micromanaging our relationship with China. Not one of our trading partners has anything resembling this annual debate about normal trade relations. The annual fight places American interests in China at an extreme disadvantage. I suggest we reject this resolution.

Mr. CHRISTENSEN. Madam Speaker, I yield 2½ minutes to the gentlewoman from Washington (Mrs. LINDA SMITH).

Mrs. LINDA SMITH of Washington. Madam Speaker, I rise in strong support of this resolution. We do not have a normalized trade relationship with China even if it is written on paper. We must not isolate China. Actually, we need to continue to reach out and build a strong relationship with China. But we cannot reach out and close our eyes and our conscience at the same time and be the America that I grew up in.

I agree with labor on this. Last year, the United States racked up a merchandise trade deficit, a real trade deficit of $50 billion. It was $40 billion the year before. But look back a little bit. In 1980, we did not have a trade deficit with China.

You see, China is enjoying this new global economy, but they are not acting normal. We can change the words to "normal trade" from "most-favored nation status," but it still is not true that it is going to happen. It is obviously on paper.

In Washington State, China today blocks all the wheat, most all of the apples. We hope it will be a market someday, but it is not. We can say it is a market, and it is our biggest market; but if they do not accept our goods, it is not a market.

In the aerospace industry, China is forcing local investment and production at the expense of U.S. jobs. It is as simple as that. They require the technology be transferred and most of the planes be built, and they are building their own planes now. In fact, they plan on having their own production, their own companies run by the Red Army in the near future. What kind of assurance does that give the workers in my State that they will even have a job in 10 years? Not much.

I think that when we turn to our conscience, we have to decide if America does care about freedom around the world or if the almighty dollar is more important than that. I think that we have to start thinking about the conscience of America, because if America loses its conscience, who is America?

I know we are standing here and a lot of us are thinking about the big international corporations. Our districts are going to be really mad if the international market is not left open so they can continue to move their production.

But I want to start you thinking. Hewlett Packard in our State moved 1,000 jobs mostly to China 2 months ago. Those people we are trying to find service jobs for, sales jobs for, but there is no production. How much of that can we have before the families go home, and there is nobody home when the kids go home because mom and dad are both working two jobs?

This is very serious, folks. It goes right to the heart and conscience of America. Let us back up and say no today. But let us reach out and say let us have trade with a conscience, a strong conscience; and that is what America is all about.

Mr. MATSUI. Madam Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. Madam Speaker, I rise in opposition to H.J. Res. 121, the disapproval of normal trade relations with China.

This debate in this Chamber today is entirely legitimate. There are people here of goodwill who strongly disagree about the manner in which we are about to proceed. But the argument comes down to whether or not we should move forward with some faith or it be turned back by fear.

There is obviously a new twist to this debate this year as we now move to the statement of normal trade relations with China. But that statement is, indeed, a more accurate description of this trade relationship.

Currently the United States holds normal trade relations with all but seven nations. We all acknowledge that the relationship between the United States and China is complex. There are many issues, such as human rights and democracy and nonproliferation and Taiwan and Tibet and trade and intellectual property rights, that make this relationship at times confusing.

But the relationship at the same time is fragile, and we have to carefully strike an intelligent balance. This relationship is like walking on a tight rope, because one misstep on either side could throw the relationship into imbalance permanently.

A sound relationship with China at the end of the day is in our best national interest. China is the world's largest country. We tried isolation for the better part of this century. Is there anybody here who would argue that that policy worked?

We tried it and that policy failed, and we ought not on this occasion to repeat the mistakes of the past. Engagement with China is the best solution. China in this modern age cannot be isolated. We have to continue to engage China in a dialogue that promotes mutual interests and obviously a continued focus on human rights.

President Clinton, in what I think is one of his best moments during the last 6 years, has just returned from a very successful visit to China. That relationship was advanced during Bill Clinton's visit as he offered a nationwide broadcast that offered his views in a candid moment. The broadcast of President Clinton enabled Chinese citizens to see the President of the United States on live TV, and everywhere across this globe people are marching to the drumbeat of democracy or at least embracing its concepts, and that will be true in China shortly as well.

While Bill Clinton was there, he aggressively addressed human rights issues. He spoke to the notion of democracy and he spoke eloquently about religious freedom.

The Dalai Lama, in a New York Times interview, referred to the President's press conferences as, quote, one of the best things that has ever happened for the Tibetan cause. We can build upon what President Clinton started on his visit and continue to engage the Chinese in a dialogue about human rights and freedom.

Normal trade relations go beyond just the trade of goods. It is about exchanges of ideas and democracy and human rights as well.

Ms. PELOSI. Madam Speaker, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. TRAFICANT).

Mr. CHRISTENSEN. Madam Speaker, I yield 1½ minutes to the gentleman from Ohio (Mr. TRAFICANT).

The SPEAKER pro tempore (Mrs. EMERSON). The gentleman from Ohio (Mr. TRAFICANT) is recognized for three and a half minutes.

Mr. TRAFICANT. Madam Speaker, the American people are fed up. The American worker feels betrayed, and

you cannot blame them. Communist China has a 34 percent tariff on our products. Communist China sells missiles to our enemies, and a recent report says communist China has purchased more intercontinental ballistic missiles with nuclear warheads and is pointing those warheads at every major city in the United States.

Think about it. Intercontinental ballistic missiles with nuclear warheads aimed at every American city, purchased by Chinese communist dictators with American dollars taken from American workers. Unbelievable.

Even as the President recently visited China, listen to the intelligence report of our own government: The Chinese communists test-fired, quote/unquote, test-fired a rocket motor that could propel a nuclear warhead at every American city and could wipe out the capital of the United States in a heartbeat. Beam me up, ladies and gentlemen.

Communist China does not deserve special treatment.

Candidate Clinton said George Bush is soft on China; no MFN. Ronald Reagan, for the record, never granted a special favored treatment to the Soviet Union and they no longer exist. What has happened to us? What has happened to us, ladies and gentlemen? They tried to buy our last presidential election. They are buying our secrets and technology if they can't bribe their way to get them. They are ripping us off in trade to the tune of $60 billion a year, taking $60 billion out of our economy; over one million American jobs lost every year. Are we stupid?

This is not even a debate about trade anymore. Today's debate is about national security and, by God, the Congress, if they do not approve this resolution, will be financing the greatest military threat in the history of the United States.

Quite frankly, I do not understand the White House. I am going to tell it right the way it is. The White House will not wise up until there is a Chinese rocket stuffed right up their assets. They are so dumb on this issue they could collectively throw themselves at the ground and miss.

□ 1200

I support this resolution. I do not want to hear any more mumbo-jumbo about trade. We are getting our clock cleaned. China knows it, and they are taking it all the way to the bank with a smile on their face.

Not for me. Not for me. I will not support one more special favored treatment for Communist China, and advise everybody to do likewise.

Mr. CRANE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I have a quote here for my friend who was just in the well from President Ronald Reagan while he was President. He said,

The U.S. and China, despite their differences, hold more than enough in common to provide firm ground on which they can work together for the benefit of both. China and America have begun a productive partnership.

Madam Speaker, I yield 4 minutes to the distinguished gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Madam Speaker, I thank the gentleman for yielding me time.

Madam Speaker, I rise in opposition to this resolution. While I strongly support efforts to improve human rights in China and to influence their defense and foreign policies, this resolution will only undermine our work in these areas and compromise our national economic interests. U.S. engagement has brought concrete results in human rights, defense and foreign policy areas. We must continue normal trade relations with China to further these and all American interests.

Only continual communication, contact and engagement can bring China into the world community of nations on the basis of the values that unite the world leaders, who share a commitment to market economic principles as the only hope for a prosperous world, who support democratic political principles as the only hope for a peaceful world, and who oppose the proliferation of nuclear weapons.

The pace of change in China is accelerating. The government is accepting a measure of debate in political matters that was unheard of just a few years ago.

Earlier this year, a former Chinese Government official distributed an essay on advocating free elections at the highest level of government without censure. Further, well-regarded economists and professors have also spoken out freely for the first time in favor of democracy. The climate is changing in China, and our engagement is generating results in the important area of human rights.

But trade and investment are bringing constructive change on many fronts in China. United Technology Corporation, Connecticut's second largest employer and one of the most active United States companies in China, has been working with the Chinese equivalent of our EPA to establish the highest world standards for the building of manufacturing plants in China. This not only will help them avoid the mistakes that we made that so polluted our environment, but it also will assure that our companies who build to those standards will not be at a competitive disadvantage, and it begins to lay that foundation of law and principle that we need China to adopt to be part of the World Trading Organization and part of the GATT trading protocol based on universally accepted legal standards.

PPG Industries also participates in joint venture manufacturing in China. Each of their operations require compliance with PPG corporate environmental health and safety programs, which in America are considered the best practices in the United States, and far more demanding and respectful of people's rights than the common practice in China.

PPG summarizes the impact they are having in China by saying "There are roughly 2,000 Chinese citizens who now have some understanding of American ideas, work styles, management methods and commitment to market economies, free information flow, ethics and human values."

My point is that engagement, continual engagement, and contact, people-to-people, is what builds knowledge of the very values that underlie democracy and market economies. Only engagement can create that fundamental foundation, that change in people's beliefs about their own rights and opportunities, on which a modern China depends and on which a strong world community of nations will depend, a community of nations capable of spreading prosperity throughout the world and of keeping the peace.

We must not reject normal trade relations with China. If we do, we abandon the one rational hope for social and political reform in the People's Republic of China, the process of change from within.

I could give examples of how our failure to stand by normal trade relations will cost Americans jobs, examples of products in which we are making the parts and they are assembling them, but I do not have that time. I just say that on every front, engagement will create both a China that can govern with us to create a prosperous world, but also a China that will help create a peaceful world with respect for human rights.

Mr. CHRISTENSEN. Madam Speaker, I yield two minutes to my good friend, the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Madam Speaker, polls show today that the majority of ordinary citizens are alarmed and offended by Chinese policies and are opposed to our Nation's policy of appeasing China. In the debate today, I feel they are being left out in the cold.

The gentleman from Massachusetts talked about we have to walk this very careful walk with China. What are we scared of? I do not quite understand it. Are we so empowered by money that we are willing to compromise? U.S. policy is more concerned about the Chinese than they are of taking them to task, because they are afraid that it will hamper their ability to make these untold profits in the Chinese markets in the indefinite future?

Madam Speaker, the Chinese government controls nearly all the industries and businesses in China. You cannot go over there and own your own business.

The Chinese government will always own 51 percent-plus. China is much more dependent upon access to the U.S. markets. Thirty-three percent of China's exports come to the U.S. Only 1.7 percent of U.S. exports go to China.

China uses, frankly, a trade deficit to purchase advanced military weapons like Russian naval weapons and to develop their own advanced military technology, nuclear submarines, intercontinental ballistic missiles and such. So, frankly, I do not understand what we are scared of today. Why don't we stop this appeasement?

What is the problem here? This is the United States of America. Here the United States is worried about China, and we have this skewed policy. We impose a little 2 percent tariff on Chinese products, while the Chinese propose a whopping 35 percent tariff on our goods.

Again,what are we scared of? Why are we just walking around all the time concerned about hampering our relationship with China? We keep talking about engagement at the expense of appeasement. I say to all Members of Congress, that in China workers attempting to organize unions in China today do not just face opposition from companies, they end up in jail, in forced labor camps. Is that the kind of policy you want to condone by going ahead and appeasing China?

For all of these factors, the record deficits, the tariff gap, the wage disparity and the abuse of workers, that is why I rise in support of House Resolution 121 which disapproves most favored trade status for China.

Mr. MATSUI. Madam Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Madam Speaker, as we enter the next millennium, the gravest national security issue facing our Nation is whether the world's largest country, a country that is more than five times as large as the United States, becomes our most dangerous military threat, or our greatest economic opportunity. Whether China becomes a threat or an opportunity depends upon whether our policy becomes one of isolation or one of engagement. That is the issue that is to be decided by this vote.

A vote to reject normal trade relations sends a signal to China that we consider them an enemy in the same way that we do our avowed enemies like Iraq and Libya. They will then have every reason to continue to proliferate weapons to such enemies and to aim their missiles at the United States, because we will have declared that our policy is not one of engagement, of the building up of mutual trust and respect, but of isolation, and distrust.

If we, though, follow the advice of the many Christian missionaries working in the villages in China that have asked us to establish permanent, normal trade relations with China, we will embark on a path toward peace and prosperity in the next millennium, because what we are talking about goes far beyond dollars and cents here. What we are talking about is the spread of ideas and ideals. Foremost among those ideals is the value of human individualism, an ideal that is inevitable and indomitable in a fare society.

China is a nation with a tremendous work ethic and a rich historic culture. Its historic ethic can enhance the entire world's march toward peace and prosperity. But that destination can only be reached through economic interdependence and mutual respect.

From an American nationalistic standpoint, it is important to keep the 200,000 jobs involved in exports to China. It is important to avoid passing on $500,000,000 more of Chinese tariffs to American consumers. But, far more important is the security and prosperity of our children's children. That is really what is at stake today.

If China wants to compete on the world's market, it will eventually have to be, with a free enterprise economy. If China wants to lead politically, it will have to adopt a democratic system and if it ever wants to realize its full societal potential it will have to be on the basis of respect for human rights and liberties.

I urge my colleagues to vote against disapproving normal trade relations with China. Vote for the peace and prosperity that can be ours if we make the right decisions on these issues.

Ms. PELOSI. Madam Speaker, I am very pleased to yield 3 minutes to the distinguished gentleman from Maryland (Mr. CARDIN), who has been a champion for human rights and in very tough struggles throughout the world and an expert on trade issues.

Mr. CARDIN. Madam Speaker, let me thank my friend from California for yielding me this time and congratulate her for her leadership in this area.

Madam Speaker, I rise in support of this resolution and against most-favored-nation status for China. Yes, the United States should be engaged in international events and in China, and we should exercise leadership. That is what we have done in the past.

The United States was engaged in South Africa in its apartheid government. It used trade sanctions, it used its leadership to bring about a change in that government without bloodshed. That is engagement. That is leadership.

The United States was engaged in the former Soviet Union that did not enjoy most-favored-nation status, and we brought about a change in that society because we were willing to exercise leadership. That is what the United States should be doing in China.

The record in China is beyond dispute. Its legacy of human rights abuses, predatory trade actions, nuclear proliferation, and the list goes on and on and on, it should not have most-favored-nation status.

I know that we are changing the name of that later today to "normal trade relations," but there is nothing normal about a trading partner that pirates the software of U.S. companies, there is nothing normal about a trade partner that has a huge trade imbalance with us because of the tariffs and barriers that it has to its market, and there is nothing normal about a trading partner that has such a horrible record on human rights that we should not want to be associated with as a partner.

China, with forced abortions and the way that it imprisons its own people because of political expression and the way that it prohibits religious activities, there is nothing normal about that type of country, and it should not enjoy normal trade relations with the United States.

The Chinese philosopher Confucius told the story how when he was traveling with some of his followers in a remote part, he came across a woman who was weeping at a grave, who had just buried her husband who had been killed by a tiger. Confucius, talking to the woman, found out this tiger had also killed her husband's father, and Confucius asked, "Why do you still stay here with this tiger being here?" The woman responded, "There is no oppressive government here." Confucius told his followers, "An oppressive government is worse than a tiger."

□ 1215

Yes, the United States must be engaged in and exercise leadership, and in doing that we should deny Most-Favored-Nation status to China and exercise real leadership and engagement on the issue.

Madam Speaker, I encourage and urge my colleagues to support the resolution before us.

Mr. CRANE. Madam Speaker, I yield myself such time as I may consume.

I have a quote I would like to share with my colleagues.

> A truly moral position would do two things. First, it would honor those who have fallen by pursuing their lost dreams and helping China reform from within. Second, it would open, not shut, the door to the message of freedom and God's love. Leaving 1 billion people in spiritual darkness punishes not the Chinese government, but the Chinese people. The only way to pursue morality is to engage China fully and openly as a friend.

That quote was from the Reverend Pat Robertson on June 30 of this year.

Madam Speaker, I yield 2½ minutes to the gentleman from Michigan (Mr. KNOLLENBERG).

Mr. KNOLLENBERG. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, I rise today to support normal trade relations for China

and to oppose the resolution. American workers benefit most from normal trading status with China. I think the facts are very clear. If we reject normal trade relations with China, we do not improve the trade deficit, but we will see a substantial loss of exports to China.

Now, in my State of Michigan alone there are some $365 million in exports each year. That supports some 5,000 jobs, not over there; they are here, they are in this country, in Michigan. If we translate that into the U.S. situation, it is approximately 25,000 manufacturing jobs each year that are a part of our trade with China.

China has been reported as the world's third largest economy after the United States and Japan. It has by far the world's highest annual rate of growth of something like 9 percent, and we cannot, we simply cannot exclude America's companies, farmers, workers, goods and services from this very, very large market.

In addition, we must remember that the U.S. trade with China is a way to directly permeate a society which has been closed off to the world for centuries. Increased economic prosperity creates a desire for political freedom among individuals. China's economic reforms which were instituted in the past 20 years have demonstrated that, and I use the word "engage", an engaged China is more conducive to change.

The record is crystal-clear: personal freedom in China is on the rise, people are living better, the principles of democracy are spreading at the grassroots level, and there is an unquestioned relaxation of control over the press and the media. American principles are spreading in China.

Madam Speaker, for the sake of our businesses, our jobs, our workers, not to mention the well-being of the Chinese people, we must reject this resolution. We must not slam the door on one-fourth of the world's population. If we really want to promote human rights and civil rights, and by the way, I do, and we want to plant the seeds of mutual understanding first, then continue normal trade relations. I urge opposition of this resolution.

Mr. CHRISTENSEN. Madam Speaker, I yield 8 minutes to the gentleman from New Jersey (Mr. SMITH), my colleague and good friend and a true champion for the unborn and for human rights all around the world.

Mr. SMITH of New Jersey. Madam Speaker, when the People's Liberation Army massacred, wounded, and incarcerated thousands of peaceful pro-democracy activists in June of 1989, the well-intentioned but wishful thinking and fashionable view of the 1980s that somehow the PRC was turning the page on repression was shattered. The myth was gone.

The brutal crackdown on the reformers, some of whom still today languish in gulags, in laogai, was not the end but was the beginning of a new systematic terror and cruelty campaign which continues to this very hour.

To a significant degree, President Clinton put a happy face on China during his recent trip. While paying some attention to human rights, he minced his words, he heaped praise on Jiang Zemin and painted a largely upbeat, far too optimistic picture of a brutal dictatorship. He made the powerful architects of repression somehow look respectable. I am sure he meant well.

However, Amnesty International testified at the Subcommittee on International Operations and Human Rights, which I chair, on June 26, and Amnesty believed and said that they believed that President Clinton's trip represented his Dunkirk, his human rights Dunkirk. It was.

Stephen Rickard, director of the Washington office of Amnesty said, and I quote, "The history of President Clinton's policies on human rights in China is unfortunately a history of retreat after retreat, until there is no longer any room to retreat."

As a trade and as a public relations trip, the trip was clearly a success. As a human rights mission, it was, I believe, an unmitigated disaster.

Madam Speaker, it is my deeply held conviction that back in 1989 and by the early 1990s the hardliners in Beijing had seen enough of where indigenous popular appeals for democracy, freedom, and human rights can lead. The Communist dictatorships that controlled Eastern and Central Europe and even the Soviet Union had let matters get out of hand, and Beijing took careful note as, one-by-one, tyrants like Nicolae Ceausescu of Romania, Erich Honecker of East Germany, and Wojciech Jeruzelski of Poland were ousted.

Everything Beijing has done since Tiananmen Square and since the President's trip points to a new bottom line that we ignore and that we trivialize at our own peril, and that is, democracy, freedom and respect for human rights will not happen in the PRC any time soon.

This dictatorship is not going to cede power to and respect for the people of China, especially when we fail to employ the tremendous leverage at our disposal. However unwittingly, however unintended, we are today empowering the hardliners. Withholding MFN I believe will spur reform. Where else will the Chinese find markets for their $60 billion worth of exports? They are not going to find it in Europe, they are not going to find it in South America or Central America or anywhere else. They want our market. We have leverage, and we are squandering that leverage.

Madam Speaker, any honest assessment of the true human rights picture on the ground must recognize that torture, beatings, detentions and arrests of dissidents, even during the President's trip and immediately after, increased reliance on the hideous and pervasive practice of forced abortion and coerced sterilization, and new, draconian policies to eradicate religious belief, especially the underground church, the Christianity and the Tibetan Buddhism, all of these are on the rise.

As a matter of fact, if we look at Tibet, there is a genocide taking place, ethnic cleansing. People are escaping, being pushed out; forced abortion is used with greater impunity there, and they are, as we all know, incarcerating monks as well as nuns in Tibet.

Some have argued, Madam Speaker, that conditions have improved, and at times they cite the cultural revolution as a backdrop to measure improvement, but I believe that is a false test. The depths of depravity during that period have few parallels at all in history, and the Chinese leaders knew themselves that such extreme treatment of their people could not be sustained. But the real test is the post-Tiananmen Square reality, and the jury, unfortunately, is in. China has failed miserably in every category of human rights performance since 1989, and it is getting worse, not better.

I would invite Members of this body to come to some of the hearings. We have had over a dozen hearings in my subcommittee, heard from everybody, especially the human rights community, and they speak in one accord, that repression is on the rise.

Madam Speaker, I met with the great democracy wall leader Wei Jingsheng in Beijing before he was thrown back into jail, a man of candor and incredible courage. Both then and now that he is released, he says he is incredulous, he cannot believe how naive and shortsighted the Clinton Administration and the bipartisan majorities are in this Congress who support MFN. He cannot believe how complicit we are willing to be, and again I think he says, and I agree with him, some of it is naivete.

At a recent hearing of the Subcommittee on Human Rights, I asked Wei what practical effects MFN and other concessions to the Chinese government had had for prisoners of conscience. He said that the torturers are usually more cautious in their treatment of political prisoners at times when the U.S. is withholding. I repeat, they are more cautious, this is Wei talking, and he knows, he spent years in the gulag; they are more cautious when we withhold something than when we offer it to them on a silver platter.

He said as soon as there is a turn for the better in Sino-American relationships, like when the U.S. declared its intention to establish a strategic collaborative partnership with China, immediately the prisoners were beaten

and received other abuses. The bully boys are unshackled, they can do with impunity to those human rights and religious prisoners as they wish.

We heard similarly that in Xinjiang province a Muslim Uighur talked about they waited until right after MFN was confirmed again before they executed 7 people, and they killed 9 people as they paraded these people through the marketplace where people were crying for their loved ones who were going to be executed.

Madam Speaker, I am deeply disturbed that the President did not even raise some of the issues that we were led to believe that he would, such as organ harvesting and prison labor, when we met with Jiang Zemin. Harry Wu has implored us, has implored us to cease our appeasement and to speak out boldly and strongly.

Regarding forced abortion, the President disregarded the recent testimony from Mrs. Gao, a former Chinese official charged with administering the PRC's program in Fukien. She said, with tears in her eyes, "I was a monster in the daytime, but in the evening I was like other women and mothers, enjoying life." She talked about how women are routinely forcibly aborted all over China, and she did it herself. She recently escaped China in April, and came to our subcommittee and gave us that information.

Madam Speaker, for the victims of human rights abuses, the policy of comprehensive appeasement has been tried. Madam Speaker, we stood up to the Soviet Union, we said that Soviet Jews mattered, that human rights mattered. We withheld MFN to the Soviet Union, even risking a nuclear power exchange with that country at the height of the Cold War. Why can we not do it with China? The human rights abuses are horrific, they are horrendous. Appeasement does not work. We need to have constructive engagement that says we are willing to risk profits, to put people above profits, because people do matter. Let us stand with the oppressed, not the oppressor.

Mr. MATSUI. Madam Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Madam Speaker, I am opposed to the Solomon resolution. I am deeply concerned about our relationships with China. They need more attention, not less. This is true of trade relations, of human rights, of Tibet, of proliferation issues. And I think the question really is whether denial of MFN or NTR will accomplish that goal in any of these areas, and I think the answer is no, it will not work.

I want to spend my few minutes talking mostly about trade, but I do not view that any more importantly than I do human rights issues—I have worked on them over the years, or Tibet, our family has been deeply involved in that issue, or proliferation issues.

Let me focus for a minute on trade. We have a skyrocketing deficit with China, and one can explain it in various ways. In some respects it is not as large as it seems if we look at the whole region. But look, the point is, denial of MFN will not settle the problem of the trade deficit.

China is a large, burgeoning, controlled economy. They have a very different system than we do. They have State subsidization. They have control of wages and working conditions. And it raises more dramatically than any other country how this country of ours, this beloved Nation with our free market, will relate to nations that control their economies, control their wages, subsidize their industries and the like. And what is true of China is true of other nations, especially in what was once called the Third World.

□ 1230

We need to face these issues in the negotiations over their status with WTO. We need to attack these issues directly. We need a comprehensive policy. Withdrawing MFN is not going to move us one step forward in that direction. In fact, I think it would distract from it. It would distract from it.

Look, I hate the notion of isolation. I am for engagement. But there is something kind of in between. We need engagement but it has to be even more than constructive. It has to be hard-nosed. It has to be part of a comprehensive plan, and this annual discussion over MFN distracts us from arriving at this goal.

So let us in this House, on all these issues, human rights and other issues, let us pledge ourselves from here on in to have a day-to-day involvement with these issues, not the once a year discussion through MFN. I oppose the Solomon resolution.

Ms. PELOSI. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I agree with the gentleman from Michigan (Mr. LEVIN). We should have more discussion about this issue until we address the problems that have been caused by the current policy, of which MFN for China is the centerpiece.

Madam Speaker, could you tell us the time remaining?

The SPEAKER pro tempore (Mrs. EMERSON). The gentleman from Illinois (Mr. CRANE) has 37 minutes; the gentleman from Nebraska (Mr. CHRISTENSEN) has 27½ minutes; the gentleman from California (Mr. MATSUI) has 39 minutes; and the gentlewoman from California (Ms. PELOSI) has 35 minutes remaining.

Ms. PELOSI. Madam Speaker, I yield 2 minutes to the gentlewoman from Georgia (Ms. MCKINNEY), next in our cavalcade of the champions of human rights throughout the world.

Ms. MCKINNEY. Madam Speaker, the emperor has no clothes. The United States has been stripped naked by the Chinese communists, and "the sight ain't a pretty one."

Madam Speaker, our own policies support a regime that is repugnant to the American values we espouse so sincerely, yet we continue down the same dangerous path. First of all, we sell invaluable technology to the Chinese that increases the accuracy of their missiles. And what do they do? Point those very same missiles back at us.

Then President Clinton pays Beijing a courtesy call and at the same time they embark on a building program for ICBMs that shakes Asian stability, China's neighbors, and our friends.

So little respect do the Chinese have for our government that they have led us from one embarrassing event to another. The message we send to the Chinese is that we really do not care about those values we talk about, as long as they keep signing those contracts.

The litany is a long one. China's violation of human rights; her unfair trade practices and obstacles to market access; China's lack of legal and regulatory transparency; her outrageously uncooperative attitude in weapons and nuclear nonproliferation; the large and growing U.S. trade deficit with China; and, more recently, the allegedly illegal Chinese donations.

Candidate Bill Clinton said, "We will link China's trading privileges with its human rights record and its conduct on trade and weapons sales." But Bill Clinton's own State Department has this to say about China: "The government continued to commit widespread and documented human rights abuses in violation of internationally accepted norms."

Maybe the United States is following the bad advice of a fortune cookie, or it is the pressure of too many Gucci-clad lobbyists trying to help corporate America make a fortune at the expense of American values, the Chinese people, and American workers.

Madam Speaker, the Chinese have learned all too well that for the United States money talks and everything else walks.

Mr. CRANE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I have another quote I would like to share with my colleagues.

> It's critically important to have a broad range of contacts with China. The West should not try to isolate the communist regime . . . Economic change does influence political change. China's economic development will be good for the West, as well as for the Chinese people. China needs Most-Favored-Nation trade status with the United States and it should fully enter the world trading system.

Madam Speaker, that quote is from Wang Dan, student leader, Tiananmen Square, July 6, 1998, and he spent all but 2 of the years since Tiananmen in prison in China.

Madam Speaker, I yield 4 minutes to the distinguished gentleman from Minnesota (Mr. RAMSTAD).

Mr. RAMSTAD. Madam Speaker, I thank the gentleman from Illinois (Mr. CRANE) for yielding me this time.

Madam Speaker, as a member of the Subcommittee on Trade, I rise today in strong support of the President's decision to renew normal trade relations with China. I have come before this House many times to talk about how increased trade with Western countries has exposed the people of China to democratic values and practices.

I have Dear Colleague letters which show that spiritual leaders from across the spectrum, from Pat 4Robertson, Billy Graham, to the Dalai Lama support engagement, not isolation. Engagement with China, I believe, is the key to better human rights conditions for the Chinese people.

The people of Hong Kong, Taiwan, and other Asian nations have asked us to renew normal trade relations with China, because not renewing NTR could have a real negative impact on their economies and their people.

Madam Speaker, most profoundly of all I was reminded just yesterday of the importance of the U.S.-China trade relationship when I met with Walter Hanson. Walter is the CEO of Ibberson, Incorporated, in my district, which is an agricultural design, engineering, and construction service company. Mr. Hanson was in town to receive an award from the United States Chamber of Commerce, the "Small Business Success Story Award," for his company's success in China.

This is a great story about an American business, how Ibberson has grown because of its trade not only with China, but other foreign nations. In fact, Ibberson did not even venture into foreign markets until I believe it was 1985. Now the international arm of this company, which employs 182 people, accounts for 50 percent of company sales with one-third of these international operations alone in China.

This is about jobs, Madam Speaker. When questioned about the company's involvement in China, what it has meant to the Chinese, Mr. Hanson explained it very well. He said that the food processing plants that his company designs and builds generate better feed for Chinese livestock which, in turn, improve the nutritional value of food for the Chinese people. The processing plants they design in China meet all U.S. standards for worker and environmental safety. They are setting a great example for the Chinese people.

The Chinese people that Ibberson employs in building and running the operation receive higher pay. After going back and forth to China for over 10 years, Mr. Hanson learned that the Chinese people emulate the West and he saw how they used their higher pay to buy more of our products.

These jobs also, Madam Speaker, are not jobs that have been stolen from Americans, as some of my friends on the other side of this issue will tell us. In fact, according to Mr. Hanson, the opportunities to export to China create jobs back in Minnesota and many other States in our country. If it were not for international sales, Mr. Hanson believes that his small business could have gone down the same path that its 10 leading competitors did. They are gone. They are out of business. Think of what that means to the 182 employees of this company.

Madam Speaker, continuing normal trade relations with China acknowledges the progress that has been made, but it does not disregard the need for further improvements in human rights for Chinese citizens. As a member of the Congressional Human Rights Caucus, I too abhor any and all human rights abuses. But if we are not engaged with the Chinese, how can we influence their policies? How do we stop these abuses? We must be engaged.

Madam Speaker, a normal engaged relationship between our country and China is critical for improving the lives of people in both countries and for job creation and economic growth. I urge my colleagues very, very strongly to oppose this resolution before us today and to support normal trade relations with China. It is the right thing to do.

Mr. CHRISTENSEN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I want to correct the record. The Dalai Lama, as of today with the statement that the Dalai Lama has clearly stated he does not support engagement if its primary goal is material enrichment. All decisions, he believes, must be guided by moral and ethical principles, including whether China could benefit from Most-Favored-Nation trading status.

Madam Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. WOLF), a champion of human rights all around the world.

Mr. WOLF. Madam Speaker, I thank the gentleman from Nebraska (Mr. CHRISTENSEN), for yielding me this time.

Madam Speaker, let me stipulate at the beginning, because I feel so passionate about this, I want to stipulate that there are good and decent people on both sides of the issue. I believe that. I mean that. I do not question anybody's position on this issue.

But I believe that the administration's policy is fundamentally immoral and this Congress is ready to ratify a fundamentally immoral policy, a policy that has no morality behind it.

Did my colleagues see today's Washington Times? "China conducted tests as Clinton visited." And then it goes on to say, "China continued to supply missile technology to Iran and Pakistan last year and also sold Iran poison gas equipment," and then tested it when the President was there.

Madam Speaker, did my colleagues also see the story out of the Pentagon yesterday saying that our Special Forces will be training the Chinese People's Liberation Army? Are they going to train them so they can invade Taiwan? Are they going to train them to shoot better when they do whatever they do? Why would the Clinton administration support the training of the Chinese People's Liberation Army by American men and women? That is immoral. That is immoral.

Nuclear proliferation. China gave the technology to Pakistan, which then triggered India to test their nuclear weapons, which then triggered Pakistan to test their nuclear weapons, which has brought disorder and made it a dangerous subcontinent. China did that. No one else.

We are not going to take away MFN. This vote is not to take away MFN. This vote is to send a message to the Chinese government. We know the Senate will not do it. We know the President would never sign it. So this is not a vote for engagement or disengagement or taking away MFN. It is a vote to send a message.

Human rights. There is no progress. Bishop McCarrick, who is one of the three people the President sent to China, sent a letter up yesterday asking us to take away MFN to send a message. There is no progress on human rights in China.

There are more people in jail today in China than there were when the President landed in China. Catholic priests are in jail. Bishops are in jail. I was in Beijing Prison Number 1 with the gentleman from New Jersey (Mr. SMITH); 240 prisoners that we saw working on socks to export to the United States are still in jail. Protestant pastors are being persecuted.

Tibet. I visited Tibet last year. China has plundered Tibet. For those who care about culture and history, China has destroyed the buildings. There are TV cameras monitoring the streets. The public security police are all over. They have destroyed 4,000 monasteries. Lhasa is nothing more than basically a dirty Chinese city because of what they have done. So in human rights, there is no progress. There is regress. We are going back with regard to weapons proliferation, with regard to trade. We have a $50 billion trade imbalance and it's going up 20 percent a year. They send us 30 to 40 percent of their goods, which could be made by American workers. We send them .02 percent of our goods.

Slave labor camps. Remember Solzhenitsyn's book "Gulag Archipelago"? There are more slave labor camps in China today than there were when Solzhenitsyn wrote the book "Gulag Archipelago" about the former Soviet Union.

We are sending a message. The message is that we care. The American people are not where the administration is and the American people are not where this Congress is. The policy of this administration is fundamentally immoral and MFN for China will ratify a fundamentally immoral policy.

Now, I am all for jobs. I have got a 90 percent Chamber of Commerce voting record. But jobs, jobs, jobs. It says in the Bible that "man does not live by bread alone." What about the monks in Dracphi Prison? What about the Buddhist nuns that have been tortured? What about the Catholic priests, some persecuted for 30 years? We've heard very little talk about that.

Madam Speaker, I strongly rise and urge those who are searching, those who are thinking, those who are undecided, we are not voting on MFN today. We are really voting on whether or not we want to send a message. Do we want to send a message of hope, a message to the Catholic bishop who was there because he gave Holy Communion? Do we want to send a message of hope to the Dracphi Prison, which I went by in Tibet where the man who took me by was even afraid, because he risked his life to take me by so I could take a picture of it.

□ 1245

Or do we want to send a message that all we care about is the policy of business, and we will train the Chinese People's Liberation Army, and we will allow them to test their missiles when our President is there, because fundamentally all we care about in this country is business and we do not care about human rights. That is the issue.

I urge support of the Solomon amendment, whereby we will not be denying MFN but we will be sending a message of hope to the Chinese people and those who are being tortured in the prisons.

Madam Speaker, I rise in strong support of H.J. Res. 121, to revoke Most-Favored-Nation (MFN) status from China. I do so because since current U.S. policy has been in place—a policy of so-called "constructive engagement"—there has been no progress on human rights in China. No progress on weapons proliferation. And no progress on trade. It is a failed policy and this House should vote to put some backbone into this policy of appeasement.

Year after year we debate this issue. Year after year the House votes to continue MFN to China. Year after year, the Chinese Communists in Beijing continue to harshly control religious practice; imprison religious leaders and dissidents; plunder Tibet; sell weapons to Iran, Pakistan and other rogue or unsafeguarded countries and engage in unfair trading practices. Congress must send a message to Beijing that we are serious about our values, our national security and our commitment to fair trade.

Our policy on China is amoral—and I would argue that it borders on being immoral—because it is focused on preserving good relations with a brutal regime in order to help American companies get business deals. It is a one-sided policy that ignores the most fundamental values of the United States.

First, on the issue of human rights. There has been absolutely no progress since President Clinton de-linked trade from human rights in 1994 and no progress since the President's recent trip to China. In fact, more dissidents are in jail today than before the President's trip. As Air Force One was landing, Chinese democracy activists and religious leaders were being harassed and detained.

The Washington Post reports today that yet another dissident has been given a three-year jail sentence—part of a continuing pattern of tightening repression in the weeks following the President's trip.

Just days after the President left China, 11 dissidents who tried to register a political party advocating democracy were detained by the Public Security Bureau. Five remain in detention. Last week, some 100 dissidents released an open letter calling for their release. Most of them are under surveillance or house arrest.

Religious persecution persists. Christians are still being put in jail for holding Bible studies in their homes, meeting with other believers, conducting Catholic mass and distributing Bibles. Leaders in China's underground church are constantly under surveillance, placed under house arrest, interrogated and pressured to close down "house" churches. Many are arrested or sent to labor camps. Over the past year, the number has gone up.

There are still a number of Catholic bishops in jail on account of their religious activity. None have gained their freedom. More have been arrested. Mercifully, the Chinese released 78-year-old Bishop Zeng from prison several months ago because his health was failing, but he is still under house arrest. The Chinese government also revoked the passport of a 96-year-old Cardinal, Cardinal Kung, who lives in the United States in exile.

A large number of Protestant house church leaders are in jail. Not one of the 30 religious prisoners on the list presented to the Chinese government during the President's visit or the visit by the 3-person religious delegation in February has been released.

There has been absolutely no progress.

In Tibet, the Chinese government continues to destroy the Tibetan culture, imprison dissidents including a large number of monks and nuns, restrict religious activity, monitor monasteries, denigrate the Dalai Lama, and leave millions of Tibetan people without hope for a better future.

Since the debate on MFN last year, I have visited Tibet. I saw first-hand the repression taking place. Absolutely nothing has improved for those people. Lhasa is no longer a Tibetan city. Surveillance cameras are all over. So are Chinese security officials. I heard story after story of harsh repression. Prisons are a growth industry.

Tibetans are sinking further and further into despair as Chinese immigrants rush to settle Tibetan lands. Chinese karaoke bars and prostitutes line the streets, many across from the Potala Palace, the historic home of the Dalai Lama. Young Tibetan men, denied a meaningful role in society, are idle and increasingly alcoholic. They are without hope.

China is sinking millions of dollars into Tibet—for roads, factories and telecommunications, energy, housing and so on. Lots of people are getting rich, but very few of them are Tibetans. Most are Chinese. China's constitution allows the state to claim all natural resources for its own, and Beijing is making millions on Tibetan virgin lumber and minerals.

At the same time, Tibetans are being robbed of their language and their culture. They are told it is inferior. Chinese propaganda spews out of the public address system and public security cameras record private conversations. Monks and nuns are forced to choose between undergoing "patriotic re-education campaign" and denouncing the Dalai Lama or being expelled from the monastery and sent to prison.

Tibetan refugees—monks and nuns forced out of their monastery, children sent out by their parents to be schooled, the young seeking an opportunity simply to live as Tibetans, and the elderly hoping the see the Dalai Lama before they die—continue to risk their lives to flee over the highest mountain passes in the world into freedom

There has been no progress in Tibet. Absolutely none.

Uighurs in Northwest China—who are predominately Muslim—are also being persecuted. They are deprived of their right to religious freedom and having their culture destroyed. Nothing has improved for them either.

So on the issue of human rights—there has been absolutely no progress. In fact, things are getting worse.

Second is the issue of weapons proliferation. So maybe human rights has not improved, but haven't we at least been able to work with the Chinese to get them to stop proliferating weapons of mass destruction and make America safer? No. There has been no progress here either.

Thanks to China, the world is a more dangerous place today. China has continued to sell missiles and missile technology to Pakistan, despite continuous pledges not to do so. Because China helped advance Pakistan's nuclear program, India decided to resume nuclear testing. Several days later, Pakistan conducted its own nuclear tests. Now we have an arms race in Southeast Asia.

We put sanctions on Pakistan and sanctions on India. But we continue to kowtow to the Chinese government.

China also sells nuclear technology to Iran and helps Iran's missile program. China is helping the Khartoum government build a pipeline to pump oil out of Sudan—a country that sponsors terrorism and engages in genocide against its Christian population. China is helping the junta in Burma. China's friends are this world's most ardent enemies of democracy.

So sadly, there has been no progress on preventing China's proliferation of weapons and weapons technology.

I should also note that China is also modernizing its military and building ICBM missiles capable of hitting the United States. The Washington Times revealed yesterday that six more were built in the first four months of this year. A secret Air Force intelligence report released recently said China's new mobile ICBM's "will be a significant threat not only to

U.S. forces deployed in the Pacific theater, but to portions of the continental United States." China is the only country with missiles currently pointed at the United States, in spite of claims otherwise by some in our government.

Third, fair trade. Our policy has not helped open China's market to U.S. goods. Today, China's trade surplus with the United States is almost $50 billion. In May, it was up 24 percent over April. While China's trade surplus with the U.S. continues to skyrocket, American goods are being kept out of the Chinese market. China sends 30–40 percent of its merchandise exports to the U.S. In contrast, the U.S. sends only .02 percent of its merchandise exports to China.

What about the huge Chinese market? The real story is that 80 percent of China's total imports are re-exported to the rest of the world.

Harry Wu—who spent 19 years in China's gulag on account of his beliefs—advocates revocation of MFN to send a message. He says "the undoubted primary beneficiary of foreign trade in China is the Chinese Communist Party. . . . As the Chinese economy grows so does the power of the Chinese Communist Party."

China forces American companies to turn over technology and transfer production to China in exchange for doing business there. China not only uses this technology to modernize its military, but also to compete with American companies and American workers. America is losing jobs to China.

So the current policy has resulted in no progress toward promoting more fair trade with China either.

No progress on human rights. No progress on proliferation. No progress on trade. The sign of a failed policy.

The Clinton administration says the way to achieve progress in these three areas—human rights, proliferation and trade—is to continue our policy of "constructive engagement." The same administration confirmed yesterday that U.S. special forces will begin training Chinese PLA troops to "develop rapport and understanding." It is also the same administration that allowed two American companies to export sensitive satellite technology to China—which proliferation experts say significantly improved China's missile program—allegedly in exchange for campaign donations.

In my view, this administration doesn't have much credibility on this issue. They have achieved nothing with their current policy besides some good soundbites and photo-ops. It is a failed policy.

I'd rather listen to the advice of Wei Jingsheng, one of China's most noted dissidents. He has spent 18 years in prison for his outspoken views on democracy.

He says that voting to revoke MFN for China is the "most concrete and most effective means available to address Chinese human rights and political reforms and gives President Clinton real power to represent the American people in his discussions with the Chinese communists over the questions of trade conditions, human rights, regional and global security and other issues." I submit his entire statement for the RECORD.

He also says his conditions in prison improved when the Chinese really believed that MFN would be taken away.

Archbishop McCarrick, one of the religious leaders who went to China earlier this year as part of a religious delegation, also believes the House of Representatives should send a message to Beijing by voting to revoke MFN. He urges a strong vote in favor of H.J. Res. 121. He says "A strong vote to deny MFN status to China should strengthen the Administration's commitment to putting human rights at the top of the China agenda and send a strong signal that the status quo is not acceptable." I also submit his letter for the RECORD.

There are many reasons to revoke China's MFN status. But, there are good people on both sides of the issue.

I want to end by addressing those who think revoking MFN is a blunt instrument. Remember, that at the end of the day, Congress will not take away China's MFN. The vote today is not really about revoking MFN, it's about sending a message.

A message of hope to the Christians, Muslims and Tibetan Buddhists suffering for their faith. A message of hope to the political dissidents who still bravely speak out for justice and freedom despite the risk of going to prison. A message of hope to these men and women being beaten, tortured, raped, imprisoned and killed for their beliefs.

This vote is also about sending a message to the regime in Beijing. A message that we are serious about our values, our national security and our commitment to fair (not just free) trade.

If you vote in favor of H.J. Res. 121, you will be sending a message, not taking away MFN. I urge you to send this message.

How long will we continue to rubber stamp our current policy—a policy of appeasement? A policy that is amoral and not in line with the values of the American people.

Let's put some strength back into our China policy. Let's put some morality back into our China policy.

Vote YES on H.J. Res. 121.

Madam Speaker, I also include for the RECORD newspaper articles and letters from various organizations discussing the current situation in China with regard to many of the areas I have spoken on:

[From the Washington Times, July 22, 1998]

CHINA CONDUCTED TEST AS CLINTON VISITED

(By Bill Gertz)

China test-fired a rocket motor for its newest long-range missile during President Clinton's recent visit to China, Pentagon officials said yesterday.

The July 1 motor test for the DF–31 missile was part of China's ongoing strategic weapons modernization effort, which included producing six new long-range missiles in the first four months of the year.

In commenting on a report in The Washington Times about the surge in ICBM production, the State Department said yesterday that China's strategic nuclear modernization will not affect efforts to develop a cooperative security relationship with Beijing.

"The U.S. and China are building a cooperative security relationship, as symbolized by the agreement of the two presidents not to target strategic nuclear missiles at each other," State Department spokesman James P. Rubin said, referring to last month's summit.

"At the same time, we are aware that China continues its limited efforts to modernize its nuclear forces," he said.

Asked about The Times' report, Defense Secretary William S. Cohen declined to comment. "If it's an intelligence report, I wouldn't comment," he told reporters at the Pentagon.

Pentagon officials with access to intelligence reports told The Times that the test-firing of the new solid-fuel rocket motor is part of efforts to develop Beijing's newest ICBM, the DF–31 road-mobile missile. When deployed in the next several years, the missile will be the second mobile ICBM in the world. Russia's SS–25 is now the only mobile ICBM in service.

The officials said the test was unusual because it came during Mr. Clinton's June 27–July 3 visit.

A U.S. official who is an expert on missiles said he believes the Chinese intentionally timed the test to coincide with Mr. Clinton's visit.

The official noted that Secretary of State Warren Christopher traveled to China several years ago to discuss human rights and the Chinese responded by arresting dissidents before, during and after the visit.

"President Clinton said proliferation would be high on his agenda [during the summit], and by testing this key component for a new long-range missile when they did, the Chinese have made clear their lack of respect for both the president and his message," the official said.

This official does not believe China has "de-targeted" its long-range missiles away from U.S. cities despite its recent pledge. The CIA reported earlier this year that 13 of 18 CSS–4 missiles are targeted on U.S. cities.

The Chinese apparently knew the rocket motor test would be detected by U.S. spy satellites or other electronic listeners, Pentagon officials said. The test was carried out at the Wuzhai Missile and Space Test Center, located about 250 miles southwest of Beijing, they said.

Highly classified intelligence reports on the test were sent to Secretary of State Madeleine K. Albright in China as she accompanied the president, the officials said.

According to reports by the Air Force's National Air Intelligence Center (NAIC) the DF–31 is a single-warhead missile with a range of more than 4,500 miles in the "late stages" of development. Its solid-fuel propulsion is a major improvement over liquid-fuel CSS–4s, the current mainstay of the Chinese ICBM force.

"The DF–31 ICBM will give China a major strike capability that will be difficult to counterattack at any stage of its operation," said a December 1996 NAIC report labeled "secret." "It will be a significant threat not only to U.S. forces deployed in the Pacific theater, but to portions of the continental United States and to many of our allies."

A map accompanying the report showed that the DF–31 could hit targets throughout the western United States along a line running southwest from Wisconsin through California.

The DF–31 will give China a strategic missile design "similar to those of current generation Russian missiles," the report said, noting that the missile will probably be fitted with decoys and chaff to defeat missile defenses.

Deployment of the DF–31 is expected within the next year and a half at the earliest, the report said.

China also is building a second mobile ICBM, the DF–41, that will have a range of

more than 7,000 miles. It will be deployed soon after the DF–31.

Regarding the new CSS–4s, Pentagon officials told The Times that China delivered six of the ICBMs to the People's Liberation Army nuclear forces between January and April. The surge in production, which was spotted by U.S. spy satellites and other electronic monitors, is part of a defense industry restructuring that will result in the closing of Beijing's sole ICBM production facility, at Wanyuan, in central China, within the next several months.

Two more CSS–4s will be produced before the shutdown, they said.

The underground production facility at Wanyuan is being relocated to a missile production center near the industrial city of Chengdu in central China, the officials said.

The CIA estimates China has 18 CSS–4s. The new missiles are the "Mod 2" version of the systems.

"This is a very serious problem," said House Majority Leader Dick Armey.

The majority leader said he has many questions about the Chinese missile program, including why the United States did not learn earlier about Beijing's weapons proliferation efforts, which he called "frightening," and how China acquired the technology to build missiles.

"We have a lot of serious, very serious, questions," he said.

The biggest question: "Does my grandson have to learn to duck and cover like I did when I was a boy?" Mr. Armey asked, referring to nuclear air-raid drills common in schools during the 1960s.

BEIJING CONTINUED ARMS SALES TO PAKISTAN, IRAN LAST YEAR

(By Bill Gertz)

China continued to supply missile technology to Iran and Pakistan last year and also sold Iran poison gas equipment and advanced conventional arms, according to a CIA report to Congress made public yesterday.

The report identified China, Russia and North Korea as major suppliers of weapons of mass destruction and delivery systems to "countries of concern"—the CIA's term for rogue states seeking unconventional arms and missiles.

"During 1997, Chinese entities provided a variety of missile-related items and assistance to countries of proliferation concern," the CIA said in its semiannual report to Congress on activities during 1997.

"China was an important supplier of advanced conventional weapons to Iran," it stated, noting that Beijing apparently has halted sales of C–801/C–802 antiship cruise missile as promised in late 1997.

The report also said that "Chinese and North Korean entities continued to provide assistance to Pakistan's ballistic missile program in 1997," and that Beijing gave "extensive support" to Pakistan's program to develop weapons of mass destruction.

Pakistan test-fired its 925-mile-range Ghauri missile for the first time in April.

An eight-page unclassified section of the report was released by the Senate Intelligence Committee. Its findings contrast sharply with recent Clinton administration assertions that China is curbing dangerous weapons proliferation activities.

Sen. Richard C. Shelby, Alabama Republican and chairman of the committee, said the report was disturbing.

"The report shows a high level of activity about the ongoing sale of missile technology and weapons of mass destruction by China, Russia and North Korea, who are the worst offenders," Mr. Shelby said in an interview. "It also shows that Iran, Iraq and Pakistan are the greatest benefactors."

A review of the policies should be carried out by Congress and the administration to see what can be done to solve the problem, he said.

It is the second report to Congress by the CIA and was required by a section of the 1997 Intelligence Authorization Act. The law requires a report every six months. Release of the report was overdue by a year and was doubled to cover the entire 12-month period of last year.

It also was delayed from release until after President Clinton's visit to China last month in an apparent effort to avoid offending Beijing, according to congressional sources.

The CIA report on global weapons proliferation activities during 1997 discloses these key findings:

Russia, China and North Korea continued to supply missile-related goods and technology to Iran.

"Iran is using these goods and technologies to achieve its goal of becoming self-sufficient in the production of medium-range missiles," the report said.

China provided Iran with chemical warfare material to supplement its stocks of blister, blood and choking agents and bombs and artillery shells. Iran is seeking "a more advanced and self-sufficient chemical weapons infrastructure," it said.

Egypt is working with North Korea on a joint missile development project, according to a North Korean army defector.

China also continued to supply nuclear technology to projects under International Atomic Energy Agency monitoring but appeared to be abiding by a pledge not to engage in new nuclear projects in Iran and halted its support for a uranium conversion plant.

Iraq is developing "dual-use" items that could boost its chemical weapons production capabilities and has purchased vaccines, growth media and thousands of pesticide sprayers in 1997 with potential biological weapons applications.

On Russian weapons proliferation efforts, the CIA said "Russian firms" supplied a variety of missile-related goods to rogue nations seeking missile delivery systems. Russian help to Iran "means that Iran could have a medium-range ballistic missile much sooner than otherwise expected," it said.

Russia also supplied India with extensive technology that could be used for nuclear weapons, and provided conventional weapons and spare parts to countries in the Middle East, including Iran and Syria.

North Korea continued to export missile equipment and components to rogue states in what the CIA said was an effort to obtain hard currency for the cash-strapped Pyongyang government.

Western nations such as the United States, Germany, Britain, Italy and France were major targets of weapons acquisition efforts by states seeking nuclear, chemical and biological weapons and missile systems, the report said.

WEI JINGSHENG FOUNDATION,
New York, NY, July 15, 1998.

To All Honorable Members of the House of Representatives.

DEAR LADIES AND GENTLEMEN, Some people are saying that President Clinton's visit to China was extremely successful, while others say it was not. My own view is that he only half succeeded, or, to put in another way, it wasn't a total failure. Mr. Clinton did in fact exert greater efforts in Beijing, but his efforts on behalf of America demands did not achieve tangible results. Why? Because Mr. Clinton didn't build up adequate pressures to back his demands.

When I was still in prison, I clearly felt that if Most Favored Nation trade status passed the Congress with ease, various "instructions" from the Chinese community judiciary organs made treatment for political prisoners much worse. When there were reports in the People's Daily that talked of "hostile forces' inside the American Congress who plotted to revoke China's most favored nation status, the prison guards received less "instruction" and the treatment of political prisoners improved accordingly. During eighteen years in prison, I never stopped making demands for improved treatment so I was sensitive to any change in the treatment of prisoners.

Perhaps because of the daily flow of so many resolutions in the Congress, many friends have grown somewhat weary of the burden of the MFN vote. They may not fully recognize the importance of the vote in their hands. In fact, on the question of Chinese relations, legislatures control all the initiative. To put it more bluntly, only the U.S. Congress controls the real initiative.

During his trip to Beijing, Clinton needed to make some demands. Otherwise he would have no way to account for his trip to the American people and Congress. Yet he did not intend to do things too boldly, because without adequate pressure from the Congress and public commentary, he lacked the means to persuade Jiang Zemin or Zhu Rongji to make further concessions. Meanwhile, the pressure put on Clinton from both Jiang and Zhu could not be small, so he didn't want to offend anyone.

Jiang and Zhu had no choice but to accept the inconsequential demands of Clinton; at the same time, they also had no choice but to resist making substantive results. Cognizant of the pressure from the Congress and public opinion, both Jiang Zemin and Zhu Rongji felt they needed to give Clinton some face. Otherwise they might lose any chance to get collaboration on the larger issue: the need for President Clinton's cooperation to maintain their shaky dictatorship. But there remain great pressures from Communist Party hardliners that continue to influence Jiang and Zhu and their positions within the party. This battle line is determined by the amount of pressure exerted by the U.S. Congress. It can be said that both Clinton and Jiang Zemin accurately assessed the prevailing strength of the two sides. There were no great mistakes. (This conclusion is only limited to their behavior in Beijing and Shanghai.)

Now, there is only one key variant that Clinton could use to persuade Jiang and Zhu; Jiang and Zhu could then use this excuse to persuade the hardliners in the CCP. This is precisely pressure from the American congress. If the Congress is not able to make the Chinese communist realize that the loss of MFN is possible, then the more enlightened wing of the CCP cannot pass this pressure on to persuade the hardliners. Therefore, in considering the temporary cancellation of MFN for China, we can see it not only as the most concrete and most effective means available to addressing Chinese human rights and political reforms, but also gives President Clinton real power to represent the American people in his discussions with the Chinese communists over the questions of trade conditions, human rights, regional and global

security and other issues. This is the best means to gain more achievements.

Your eternal friend,

WEI JINGSHENG.

THE LAOGAI RESEARCH FOUNDATION,
Mitpitos, CA, July 13, 1998.

United States House of Representatives.

TO THE HONORABLE MEMBERS OF THE HOUSE OF REPRESENTATIVES: As we approach this year's vote, I wish to voice again my support for the revocation of Most Favored Nation trading status for the People's Republic of China. Some may wish to call this degree of involvement "Normal Trade Relations" but under any name, I must oppose treating this oppressive regime as a worthy trading partner for the United States.

China serves as the single exception in the history of the United States' stance towards communist countries. The United States refused to grant MFN status to the Soviet Union, and has maintained its position against the repressive regimes in Cuba and North Korea. Why do we grant this totalitarian regime a privileged position when it comes to trade relations?

The question remains: who benefits from China's MFN status? While some of the Chinese people have experienced an increased standard of living, the undoubted primary beneficiary of foreign trade in China is the Chinese Communist Party. In other words, as the Chinese economy grows, so does the power of the Chinese Communist Party. This is the same Chinese Communist Part that remains guilty of systematic, egregious human rights violations; the same Party that uses the technology it acquires from the United States to modernize its military; the same Party that unequivocally refuses to undergo political reform, or even to tolerate calls for political reform.

The Party continues to enforce, with severe measures, its planned birth policy. Recent testimony has shed light on the use of forced abortions and sterilizations. Additionally, in one of the most barbaric violations of human rights, the CCP sanctions the harvesting of organs from executed prisoners, some of whom may be facing the barrel of a gun because they expressed their political beliefs. This same party runs the prisons which house the Laogai, China's forced labor system, where Chinese prisoners labor to produce goods to be sold on the international market. Religious persecution persists in China, ads do the repressive policies towards the people of Tibet. Each of these acts is intended to sustain the Party's stronghold of power.

Some have argued that granting Most Favored Nation status could lead to progress in human rights and other issues, including nuclear proliferation, in which China remains outside the international norm. This argument was never used in reference to the Soviet Union, North Korea, or Cuba. We know that bolstering those nations' economies would only strengthen their political power. Despite arguments to the contrary, mere economic contact with democratic nations would not suffice to bring the Chinese leadership in line with international standards of behavior. The Chinese Communist Party is well aware of those standards, and continually chooses to flaunt them.

I urge each of you to recognize the importance of your individual vote on Most Favored Nation trading status for China.

Sincerely,

HARRY WU.

[From the China Reform Monitor, July 20, 1998]

PENTAGON: ELITE U.S. SPECIAL FORCES SEEK TO TRAIN CHINESE COMMANDO FORCES

(By Al Santoli)

Pentagon spokesman Kenneth Bacon confirmed an AP dispatch that elite Special Forces soldiers will train Chinese PLA troops under a plan being considered in Washington, the South China Morning Post reports. "You need to engage, so you develop rapport and understanding," says U.S. Special Operations commander, General Peter Schoomaker. "What we encourage is low-level contact at the small-unit level. . . To develop trust and confidence that then brings in higher level people to the point where you establish the kind of relationship where you can have different types of dialogue." Military collaboration with the PLA is endorsed by U.S. Pacific Command chief, Admiral Joseph Prueher.

Talking with reporters, Bacon also confirmed the conclusions of a Congress-sponsored panel on ballistic missile threat to the U.S. chaired by former Defense Secretary Donald Rumsfeld, that China is a major exporter of ballistic missile to Iran and other states. "It's true, and it's unfortunate," Bacon said.

The Rumsfeld panel's final report identified China as a threat to U.S. national security, "as a significant proliferator of ballistic missiles, weapons of mass destruction and enabling technologies."

U.S. CATHOLIC CONFERENCE, DEPARTMENT OF SOCIAL DEVELOPMENT AND WORLD PEACE,
Washington, DC, July 20, 1998.

DEAR REPRESENTATIVE, As the Congress again takes up the matter of accepting or rejecting the President's waiver regarding the extension of favored trade relations to the People's Republic of China, I write to express the views of the United States Catholic Conference in this regard.

Each time over the past several years when the issue has arisen, it has been our conviction that the Administration—both present and previous—has been insufficiently committed to pressing the Chinese authorities on their systemic violations of certain fundamental human rights. We have cited the persecution of religious groups, such as the unregistered Protestant and Catholic churches, the Buddhists of Tibet and others. We have raised the questions of the one-child policy and of coerced abortion, and have noted the widespread practice of using conscript labor for many of China's manufactured products, among other well-documented charges.

We acknowledge that President Clinton made a significant effort to raise these issues during his recent state visit to China, and we applaud that. But little, if anything, has changed on the human rights front since the visit. Indeed, the continued arrest and detention of democracy advocates there only point up the necessity for unrelenting official U.S. firmness on issues of human rights and religious freedom.

The Most Favored Nation debate may not be the best forum, but it does offer the Congress an important opportunity to raise the priority of human rights and religious liberty. Therefore, we urge the Congress to send the Administration as clear a message as possible by voting in large numbers to overturn the President's waiver of applying the relevant sanctions of the Trade Act of 1974. A strong vote to deny MFN status to China should strengthen the Administration's commitment to putting human rights at the top of the China agenda and send a strong signal that the status quo is not acceptable.

Sincerely yours,

MOST REVEREND
THEODORE E. MCCARRICK,
Archbishop of Newark, Chairman, Committee on International Policy.

Mr. MATSUI. Madam Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. JEFFERSON).

Mr. JEFFERSON. Madam Speaker, I thank the gentleman for yielding me this time. I rise today to discuss the issue of normal trade relations status for China.

We know that MFN tariff treatment is not a privileged trading status, but the normal tariff treatment we extend to most nations, including many with whom we have substantial disagreements. MFN has been supported by every administration that has confronted the issue since 1980. China should be afforded MFN status again this year.

I think we all agree that China has not done enough on human rights, enough on intellectual property rights, and enough on proliferation issues. Encouraging improvement in China's records in these areas is an important goal for U.S. policy, and I commend and support many of my colleagues for continuing to press the administration to address these issues with China, as do I.

However, I would like to focus on one part of the critics' argument that we should not grant MFN for China because we have a large trade deficit with it. While it is true China is the second largest trading deficit partner of the United States, this should not preclude our continuing trade with this Nation, nor should it cloud the fact that the U.S. economy benefits substantially from trade with China despite the deficit.

Japan is our number one deficit trading partner and there is no call today to terminate our trading relationship with Japan. In fact, the calls are to strengthen Japan's economy so that it will not fail, because Japan's importance to our economy dictates that if it fails, it has important consequences for the U.S. economy despite the Japanese deficit with us.

I know that there has been heavy debate on whether a higher trade deficit is evidence of a trade policy failure. Actually, the trade deficit is evidence that our strong economy enhances consumer purchasing power, which draws imports, giving U.S. consumers a wide selection of goods to choose from at the most competitive prices.

Indeed, withdrawal of China's MFN status would result in U.S. consumers paying approximately $390 million more a year for goods such as shoes, clothing, toys and small appliances. For manufacturers the cost of goods

made with Chinese components would increase, reducing the competitiveness of their finished goods in domestic and international markets.

Recently Secretary Rubin and others in the administration have echoed this argument that the rise in our trade deficit reflects the strength, not the weakness of the U.S. economy. We must evaluate the trade deficit in this larger context. Look at the facts: We have not seen the trade deficit undermine our strong economic performance. The U.S. economy remains on a track of sustained growth, low inflation and low unemployment.

Revoking China's normal trading status will only serve to hurt U.S. exporters and manufacturers, not close the trade deficit. We have an important decision before us, Madam Speaker. Will we engage China so that other nations will not gain a competitive edge in developing Chinese markets over us? Or will this Congress choose to encourage China to improve its records on human rights, on weapons proliferation, and other issues?

I would urge my colleagues to choose both courses, and that extending NTR to China is a step in the process of doing just that.

Ms. PELOSI. Madam Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO), who has been an active participant in the fight for human rights and workers' rights throughout the world.

Mr. DEFAZIO. Madam Speaker, I thank the gentlewoman for yielding me this time.

We can change the name of the debate to normal trade relations, but we cannot change the issues that are before the Members of this Congress. We can say it is only a debate about trade relations; we must discard our concerns about human rights; we must discard our concerns about Chinese involvement in the proliferation of high-technology to terrorist nations; we must discard other principal concerns of our Nation, this is only about trade. But even the United States Trade Representative and their spin doctors cannot make China's trade policy look good or normal by anybody's means.

Sixteen single-spaced pages replete with special tariffs, taxes, written and even, yes, unwritten rules and restrictions against U.S. goods. The goods they want in, the high-technology goods to foster their military or their future economic superiority, they get in, and they do profit a few U.S. corporations. But the goods they want to produce, the industries they want to nurture, the areas where they want to employ their people, those U.S. goods, no matter how much better, no matter how much cheaper, they cannot get in. If they cannot stop them with the tariffs or they cannot stop them with the taxes, or the written rules, they stop them with the unwritten rules, the corruption and the bribery. China is the most unfair trading nation on earth.

Now, the proponents say the choice is isolation or engagement. What about reciprocity? What about reciprocity, the American principle, the ideal of a level playing field? No, the proponents of normal trade relations, well, they prefer the doormat policy. We have a doormat trade policy.

Anything and everything produced anywhere in the world, no matter how unfairly, no matter by prison labor, child labor, whatever else, it is welcome here. And if we do that, someday, someday those nations might reciprocate and allow our goods into their countries.

It is not working too well, folks, and we have to start somewhere. China is the most egregious example. Let us start there. This is the last 3 years of unfair trade policies against U.S. goods. Look, the book is getting thicker every year. It is time to act.

Mr. CRANE. Madam Speaker, I yield myself such time as I may consume to share another quote with my colleagues.

> It is in the vital interest of the United States that China continue to open and reform its economy and improve the quality of life of its citizens. We can advance that vital interest by continuing to extend normal trading relations to China.

That was on June of this year by former Presidents Ford, Carter, Bush and 17 former U.S. Secretaries of State, Defense and National Security Advisers.

Madam Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. Madam Speaker, I thank the gentleman for yielding me this time.

Today, Madam Speaker, we take up legislation that is freighted with more emotion and ideology than almost any other that this Congress may consider this year. Yet the outcome of this debate will shape our relations with one of the great nations of the world and our opportunities in the world's greatest emerging market. It will play a major role in shaping the economic and strategic geography of the next century, a century which, I believe, will be dominated by American ideals, American innovation and American culture, but only through engagement.

Our relationship with China is, obviously, in a difficult phase. We have disagreements of the most fundamental sort over trade, human rights and arms proliferation, and the Chinese Government has been justly criticized for their abominable record in each of these areas. But the proponents of this resolution offer as a blanket solution to these disputes the disruption of normal trade relations with China; in effect, cutting off our growing trade opportunities in the vast emerging market of mainland China, while treating the People's Republic as a pariah on a par with a few rogue nations.

Not one of the proponents of isolating China has answered the fundamental question: How will ending normal trade relations address the problems facing Sino-American relations? It will not address the problem of marketing access. Clearly, that is a problem. But the solution to opening up Chinese markets is to negotiate their entry into the World Trade Organization on a liberal basis; it is not ending normal trade relations.

Clearly, there is a problem with intellectual property rights. It is intolerable that in the past the Chinese have tolerated piracy within their borders of American products and American technology. But the solution is selective pressure, which has worked recently; it is not ending normal trade relations.

Clearly, there is a problem with human rights, and I do not want to minimize this, including political rights and religious freedom. The solution is to promote reform from within China, promoted by contact; not by ending contact.

And here I want to quote Wang Dan, the eloquent veteran of Tiananmen Square and of the gulag, who wrote recently in Newsweek that, "Economic change does influence political change. China's economic development will be good for the West as well as for the Chinese people. China needs Most Favored Nation trade status with the United States, and it should fully enter the world trading system. The terms of that entry must be negotiated, of course, but in any case the rest of the world must not break its contact with China."

Madam Speaker, in my view, American ideals are infectious. Through engagement we can introduce them decisively to the largest and most important developing nation. I urge my colleagues to look at this issue dispassionately and to vote to continue the engagement that is the sole catalyst for Chinese reform, that will strengthen human rights and build a durable market economy that American products can enter and compete in.

Oppose this ill-conceived resolution and ill-conceived policy, not for their sake but for our sake.

Mr. CHRISTENSEN. Mr. Speaker, may I inquire as to the time remaining on all sides?

The SPEAKER pro tempore (Mr. PEASE). The gentleman from Illinois (Mr. CRANE) has 27½ minutes remaining; the gentleman from Nebraska (Mr. CHRISTENSEN) has 22¼ minutes remaining; the gentleman from California (Mr. MATSUI) has 36 minutes remaining; and the gentlewoman from California (Ms. PELOSI) has 31 minutes remaining.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. KENNELLY), the distinguished member of the Committee on Ways and Means.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I thank the gentleman for yielding me this time.

There is no doubt we should have normal trade relations with China. It is very important to the future of the United States of America, and we come here today to vote on this issue again. The stakes are high. So often this is the case in important legislation. And the rhetoric is heated. And this also happens when people feel very strongly on a subject. But, for once, claims that this issue is critical to our future are fully justified.

Understanding that this is a difficult vote for many Members of this body; it, in fact, is one of the most difficult votes that we cast on China. On the one hand there is the China of opportunity: vast, populous, an almost infinite market, with its growing production, and bustling economy. And on the other hand there is the China of reality, where democracy is not a reality, a place where 2,000 languish in labor camps, a place that welcomes an American President but arrests others who might be dissidents if they disagree.

For me, the question is not whether to accept China as it is, it is how to best move China toward what we want in America, and I think the majority of the Chinese people would wish for, a place of additional hope and opportunity.

For me, the best path is that of engagement, not retreat. Normal trade relations cannot make China a worse place for democracy than it already is. Normal trade relations cannot decrease the freedoms available to the Chinese people at this very moment. And normal trade relations cannot limit our opportunities to shape the future of China.

We really have an opportunity today to do what we called the new legislation "normal trade relations" with China. I urge my colleagues to vote for normal trade relations and get on with the business of the United States of America and China.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume to say that it is wonderful to have this debate because we have big problems with China, and they are the result of this policy, of which MFN for China has been the centerpiece.

All this quoting from letters of former Presidents and Secretaries of State, et cetera, they are the people that got us in the spot we are in right now. It is no wonder they support their own position. But we are here today to change that.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. BROWN), one of the agents of change.

□ 1300

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentlewoman from California (Ms. PELOSI) for yielding.

Every day we see more and more Chinese products on American shelves, products made by child labor, products made in terrible working conditions, products made by prison labor, products made by grossly underpaid workers.

Chinese workers and slave labor conditions make dolls like this for America's children; 14-year-old children in China make softballs like this for 14-year-old children in America to play with on playgrounds. Every year we buy $75 billion of goods from China, a nation of slave labor and child labor and a nation which sells nuclear weapons to our enemies and shoots missiles at Taiwan, a regime that terrorizes political dissidents and brutalizes Tibet.

Is that what we stand for as a nation? Are these values our values? Are these the values that we want to teach our children? Is this the legacy we want to leave our children?

I ask Members of the House to vote no on MFN, to vote yes on H.R. 121.

Ms. PELOSI. Mr. Speaker, I reserve the balance of my time.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

I would like to share one other quote with our colleagues here:

> I am optimistic about China, and the reason is because I believe China will meet the challenges it faces. I think it will add many new chapters to its modern success story. And in this, let me say, I hope the United States plays a positive role.

This was former President George Bush in June of this year.

Mr. Speaker, I yield 3 minutes to our distinguished colleague, the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, I rise today in opposition to this resolution and in support of normal trade relations with China.

The open exchange of goods and services has been a critical component of fostering understanding between nations for centuries and has helped bring about regional economic and diplomatic stability.

As Reverend Pat Robertson stated so eloquently in a piece in the Wall Street Journal last month,"Leaving a billion people in spiritual darkness punishes not the Chinese but the Chinese people. The only way to pursue morality is to engage China fully and openly as a friend."

And the best policy, Mr. Speaker, continues to be engagement. The same can be said about Congress' obligation to protect our national security. Will cutting off trade with China help us maintain adequate intelligence and diplomatic ties with a growing superpower? The answer, of course, is no.

While presidential summits occur only once in a great while, the day-to-day act of engaging in commerce continues unabated. It is the majesty of free trade that brings together businessmen and women in a ritual that has solidified relationships and fostered goodwill among the people of nations, not just their governments.

Make no mistake about it, denying normal trade relation status to China will drive U.S. tariffs into the 50-percent range and destroy our trading relationship. It is the equivalent of a declaration of economic war. Is this the signal we want to send to the Chinese people?

United States Government indicators already suggest that the Asian economic crises is beginning to affect the domestic production of goods in the United States. As a result, this debate takes on added significance.

China's resolve in holding firm in their commitment not to devalue their currency has helped to keep that region from slipping even further into an economic abyss. Any sudden and drastic shift in trade policy will only cause further harm to our economy and cause greater instability in a region already struggling with economic and nuclear proliferation problems. Free trade brings both economic and diplomatic benefits. Now, more than ever, we must continue our normal trade relations with China.

I urge my colleagues to reject the Solomon resolution. By doing so, we will allow American businessmen and women, religious leaders, and human rights advocates the ability to share their products, their philosophies, and their ideas with this rapidly-changing country.

Mr. Speaker, I include for the RECORD documents endorsing this vote against this resolution by the United States Chamber of Commerce.

THE VOICE OF BUSINESS—PRESERVE NORMAL TRADING STATUS WITH CHINA

(By Thomas J. Donohue)

WASHINGTON.—The President's recent trip to China highlighted an important annual debate in Washington: Should Congress renew China's Most Favored Nation trading status with the United States?

Some believe that Congress ought to restrict trade with China pending further human rights reforms and democratic changes in that country. But others recognize that cutting off trade will backfire—it could actually work to the detriment of those well-meaning goals, while hurting American businesses, workers, and consumers.

To begin with. Most Favored Nation (or "MFN") trading status is not special in any way—it's a term for the normal trading relationships that the United States has with the rest of the world. Just six nations are without MFN status—North Korea, Cuba, Serbia/Montenegro, Laos, Vietnam, and Afghanistan—and they face either extremely high tariffs or embargoes on their goods. By granting MFN status, we are not doing any country a favor—we are simply treating that country as a normal trading partner.

And not doing so with China would be an enormous economic and strategic mistake.

China is a vitally important trading partner of ours. In 1977, two-way trade was $400 million. By 1997, this figure had exploded to more than $75 billion—and it's still growing.

US-China trade supports over 200,000 export-related American jobs, as well as tens of thousands of jobs in US retail, financial services, consumer goods and transportation companies—not to mention American companies that rely on imported Chinese components to make their finished goods. Restricting trade with China would hurt a range of American companies—from large, globally competitive corporations, to tens of thousands of small enterprises.

Ironically, destroying the opportunities of thousands of American entrepreneurs is being touted as a moral and just policy. Indeed, some believe that refusing to grant MFN status is the best way to express distaste with China's domestic policies. This is wrong, too. Trade allows us the best opportunity to set the example and create the necessary relationships to effect change in China. Foreign companies there set the tone for democracy by reducing area poverty, helping to increase the standard of living, and teaching the values and behaviors necessary for open trade and democracy.

Trade helps to strengthen China's growing civil sector, creating independent pockets of wealth that allow people to reduce their dependence on the state. And by engaging China on the economic front, it has gradually become more open and tolerant. In fact, missionaries working in China have asked Congress to continue to grant China MFN trading status—they believe that it is having a positive effect. Commercial engagement naturally won't solve all the problems of the world—but it sure goes a long way.

Finally, refusing MFN status in order to forward one political goal—expressing disapproval of China's human rights record—would make achieving other political goals much harder. As a nuclear power with the largest population in the world. China is crucial to the stability of the Asian region. China is also taking steps to become a part of the world economic community. And China's cautious and helpful reaction to the Asian financial crisis has helped contain the problem.

As the door to China has opened wider, ideas of freedom are flooding in. It is in the U.S.'s enlightened self-interest to trade and work with China—creating an economic and national security ally in an area of the world that demands it.

ENGAGEMENT WITH CHINA HAS LED TO CONCRETE BENEFITS

TRADE

In 1977, two-way U.S.-China trade was $400 million. By 1997, two-way trade had grown to $75.3 billion.

U.S. exports to China grew to $12.8 billion in 1997.

U.S.-China trade supports over 200,000 export-related American jobs, as well as tens of thousands of jobs in U.S. retail, financial services, consumer goods, and transportation companies.

China is the 6th largest export market in the world for U.S. farmers. In 1997, the United States exported $1.6 billion in agricultural products to China. The American Farm Bureau called China "the most important growth market for U.S. agriculture into the 21st century."

The World Bank estimates that China's infrastructure needs over the next decade are in the neighborhood of $750 billion. U.S. companies in the power generation, telecommunications, petroleum and other industries are well poised to meet these needs.

SECURITY

China helped broker a United Nations (U.N.) peace accord in Cambodia.

During the Persian Gulf War, China acceded to U.S. military action against Iraq by not exercising its U.N. Security Council veto.

In 1994, Chinese pressure helped defuse a crisis over North Korea's efforts to obtain nuclear weapons, and more recently China has played an important role in the Four-Party Talks between the United States, China, and North and South Korea.

China and the United States have made concrete progress on nuclear cooperation and nonproliferation goals. China joined the Nuclear Non-Proliferation Treaty in 1992; signed the Chemical Weapons Convention in 1993; and signed the Comprehensive Nuclear Test Ban Treaty in 1996.

HUMAN RIGHTS DEMOCRACY

The best way for the United States to see a prosperous, free China is for U.S. companies to stay commercially engaged. Commercial engagement is not a panacea that will solve all the problems of the world, but the human impact is clearly positive.

A June 8, 1998 Asian Wall Street Journal commentary noted that foreign companies in China set the tone for democracy by (1) reducing poverty; (2) teaching the values and behaviors of democracy (open communication, receptivity to change, teamwork, information sharing, and initiative); (3) supporting the rights of the individual, and (4) hiring on the basis of merit.

Trade is helping to strengthen China's growing civil sector, creating independent pockets of wealth that allow people to reduce their dependence on the state. Economic freedom is an essential dimension of other freedoms.

The lives and freedoms of ordinary Chinese have improved dramatically in the last twenty years. Access to outside sources of information, such as foreign television programs, books, and magazines, has expanded dramatically.

On June 14, The Washington Post reported that genuine elections have become commonplace in roughly half of China's 928,000 villages.

While China must further improve its human rights climate, sustained senior-level U.S.-China dialogue will mean continued attention to U.S. concerns in this area.

INTERNATIONAL FINANCIAL COOPERATION

China has received a great deal of international praise for the responsible role it has played to date in the Asian Financial Crisis. China has not devalued its currency in spite of the very damaging effect the crisis has had on its exports. Senior U.S. and Chinese officials have had ongoing consultations about how to address the crisis.

Mr. CHRISTENSEN. Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. CLEMENT).

Mr. CLEMENT. Mr. Speaker, this is a very important issue for all of us, something we need to consider seriously. Are we or are we not going to trade with China? Are we or are we not going to have normal trade relations with China? Are we going to say that 1.2 billion people we ought to totally ignore and isolate?

Do we want to go back to the Cold War? Do we want the Germans and the French and the Russians and every other country on the face of the Earth to do business in China but yet the United States of America is not going to do business anymore? That is the question we are asking ourselves today.

I have come to the conclusion that we should have normal trade relations with China. I think it is in the United States' best interest to trade with China. I firmly believe that the best way we can continue to influence and impact change in China is through engagement, not estrangement.

Certainly, the Chinese government must take serious legitimate steps to reverse its record of human rights violations and it must incorporate democratic reforms to promote liberty, freedom, and justice for the Chinese people. We want that to happen.

As a matter of fact, when President Clinton visited China recently, and I thought it was a tremendous success, even though we had many critics even here in the House of Representatives that said, Oh, Mr. President, do not go to China. You should not go to China. You should not go to China at all for any purpose, even though it might improve relations and solve a lot of problems that exist today. Well, I say to all of them, those of them that believe strongly in freedom and rights and human rights, this is the opportunity we have in the United States of America to make sure that we continue to move forward.

China has a population of 1.2 billion people. Shanghai alone, one city in China, has 17 percent of all the building cranes in the world just in that one city. The Minister of Education in China said not long ago that "we are teaching more Chinese English than you have in population." I say that not to raise fears or concerns. I am saying that they are on the move.

And there is no doubt we will see sometime in the 21st century that China will be a superpower. Yes, it is just a developing nation today. It will be a superpower. I want a friend, not a foe. I ask my colleagues to vote no on H.J. Res. 121 and support normal trade relations with China.

Ms. PELOSI. Mr. Speaker, I am pleased to yield 3 minutes to the distinguished gentleman from New Jersey (Mr. PASCRELL). While only a freshman, it is impossible to believe he is only a freshman, with all the work that he has done on this issue so successfully.

Mr. PASCRELL. Mr. Speaker, I hold up an ad that was in The Hill today, which cost $3,885 for the record. It is a part of the democracy we live in. I will not name the firm, but the firm writes this: "This firm is committed to helping China develop sustainable economic growth."

And I find that to be very, very laudable. But what about us in this country? That is what this is all about. And to answer the last speaker who spoke eloquently here, we are all for freedom. The question is, what does that freedom mean?

We have seen what has happened to the textile industry in this Nation over the last 30 years. If that was not bad enough, China is currently the third largest source of U.S. textile and apparel imports. Chinese textile and apparel exports to the United States are limited by U.S. quotas established under a bilateral agreement with China. The most current agreement was reached in February of 1997.

The U.S. Customs Service, that is us, has found evidence that China has attempted to circumvent the U.S. textile quotas by transshipping Chinese products through other countries to the United States using false country-of-origin labels. This is a very common problem. I ask the opposition to this resolution to respond to this illegal trafficking of goods into this country.

We talk about the sliding Asian economy. As it gets worse, there will be a propensity to produce more cheap goods to flood our markets. That is what this is all about. We cannot have normal relationships with the Chinese government. Our fight is not with the Chinese people. God, they have been treated horribly. Our argument is with the Chinese government.

Instead of thinking about what kind of message will we send them if we put sanctions, if we do this or that, my question is, when are they going to start sending us messages that are not confusing messages, that speak to this very one-sided ad in The Hill newspaper this morning? When are they going to begin following the law of the land and of the world? When are they going to be treating their workers as human beings? When are they going to stop trading nuclear weaponry equipment to countries that are our enemies? That is a very serious question.

We believe in freedom in America, and we cannot wish it through a trade agreement that is not reciprocal.

The SPEAKER pro tempore. Without objection, the gentleman from California (Mr. DREIER) will control the time allocated to the gentleman from Illinois (Mr. CRANE).

There was no objection.

Mr. DREIER. Mr. Speaker, I am very happy to yield 2 minutes to the gentleman from Morristown, New Jersey (Mr. FRELINGHUYSEN), a very hard-working member of the Committee on Appropriations, one of the leaders in the cause of our strategy of engagement.

Mr. FRELINGHUYSEN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of normalizing trade relations with China and against the resolution.

As a Member of Congress who supports increasing our trading exports and increasing American jobs, the only way we can accomplish this is by continuing normal trading relations with China.

While there has been much heated rhetoric over this annual decision, the fact is that a vote against extending trade relations with China will indeed cast a serious doubt in the United States and abroad on Congress' capacity to deal constructively with many of the serious issues facing our relationship with China and, for that matter, other nations.

The U.S. must send a signal that we will continue to be engaged with China. Engagement has worked and continues to work. Without engagement, we cannot expect any constructive movement towards our mutual goal of protecting human rights or dealing with the Asian financial crisis.

Our policy of engagement allows us to press human rights directly with Chinese leaders. Normal trade and economic engagement has continued the process of opening China, exposing Chinese citizens to our politics, our ideas of freedom, and all the things that we hold dear in our country.

In addition, China has played an important role in responding to the Asian financial crisis, in part by maintaining its exchange rate. Would these things have happened if we would not have pursued continuing engagement with China? Probably not.

An estimated 400,000 jobs depend on exports to China and Hong Kong. In my home State of New Jersey, approximately 5,000 to 8,000 jobs depend upon our continuing trading with China. Our national exports to China have more than tripled.

I rise against the resolution and for normal trading relations.

China is now our fifth largest trading partner. In New Jersey exports to China amount to $350 million and range from manufacturing products such as electric and electronic equipment to various food and paper products. Revocation of trading status with China would invite retaliation against U.S. exporters and investors, giving a huge edge to other nations, thus hurting U.S. consumers, who pay upwards of half a billion dollars more per year on products because of higher tariffs.

Mr. Speaker, I support trade relations with China and improving human rights in China and urge my colleagues to vote against this resolution.

While there has been much heated rhetoric over this annual decision, the fact is that a vote against extending trade relations with China will cast a serious doubt in the U.S. and abroad on Congress' capacity to deal constructively with many of the serious issues facing our relationship with China and the nations! The U.S. must send a signal that we will continue to be engaged with China. Engagement has worked and continues to work. Without engagement we cannot expect any constructive movement towards our goal of protecting human rights or in dealing with the Asian financial crisis. Our policy of engagement allows us to press human rights directly with China's leaders. Normal trade and economic engagement has continued the process of opening China, exposing Chinese citizens to our politics, ideas and personal freedoms.

Mr. CHRISTENSEN. Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I thank the gentleman from California (Mr. MATSUI) for yielding me time.

Mr. Speaker, I rise today to support trade with China. It is absolutely essential for America's farmers. We can face the challenges with trade that China represents, or we can turn our back and face the consequences: lost markets for American farmers and the possibility of food shortages in China.

China cannot produce enough food. They have 25 percent of the world's population, 7 percent of the world's arable land.

□ 1315

In 1997, U.S. ag sales to China totaled $4 billion. Huge trade surplus in agriculture, almost 250 percent in our favor. One of our largest wheat importers.

China is increasing its food imports. Normal trade relations with China is absolutely critical to continued market access. As the China economy improves, more value-added goods will be bought by China.

China will have to play fair to enter the World Trade Organization. China must show improved access for U.S. ag products to enter the World Trade Organization. Revoking normal trade relations will derail this progress.

Engagement results in improvements. We want a peaceful, prosperous China. A billion hungry Chinese does not lead to a stable democracy. The U.S. is well positioned to help feed their people while maintaining positive relations. Turning our back on China today would be a huge mistake. We must recognize we are in a global economy.

Human rights is a great concern. But just recently in my home State of Arkansas we found that the governor had ignored torture and abuse of children in our State in juvenile detention centers. That is a terrible thing. None of us approve of that. But we did not stop trading with the State of Arkansas because that happened. We must continue an effort to have constructive engagement. I urge a "no" vote on H.J. Res. 121.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume. Before I yield, I want to comment on the gentleman's statement about agriculture. I think it is absolutely true that our agricultural products should have access to China. Unfortunately,

they do not. Just over 2 percent of U.S. agricultural exports are allowed into China. A witness before the committee on Ways and Means in favor of MFN for China, nonetheless his testimony, Mr. Micek's testimony said:

Our ability to participate in some of China's agricultural markets remains restricted. The Chinese central government controls grain production, pricing and distribution. The government also controls how much fertilizer and agricultural chemicals are imported, what prices will be paid for grain and cotton, and how much of these commodities can be exported. The government maintains monopolies on grain and fiber purchases, as well as on the main distribution channels for agricultural inputs. We have had difficulty collecting on contract obligations, even from branches of the government.

I do not understand why the agricultural community in this country is not demanding more in terms of access to Chinese markets instead of following down this path of just keep waiting another 10 years and maybe we will be able to increase our exports to China above 2 percent.

Mr. Speaker, I also want to quote Senator KENT CONRAD from the Senate Finance Committee hearing on July 9, 1998 when he said China has reduced imports of American wheat from 3 million tons a year to 400,000 tons in the past 4 years while wheat farmers in North Dakota were facing disaster.

In agriculture as in other trade sectors, and these are my words, the administration's policy is not working. Let us change that. Let us change the status quo.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Vermont (Mr. SANDERS), a champion of human rights in this Congress.

Mr. SANDERS. Mr. Speaker, I rise in strong opposition to most-favored-nation trade status with China, or whatever it may be called today.

Yes, I know that all of corporate America wants us to pass MFN. I know that companies who contribute tens of millions of dollars to both political parties want us to pass MFN. I know that the corporate media wants us to pass MFN. But nonetheless, we should do the right thing, protect American workers, protect decent-paying jobs, and we should oppose MFN.

Mr. Speaker, our current trade policy is a disaster. This year we will have a record-breaking trade deficit of some $200 billion. That means that we are importing $200 billion more in goods and services than we are exporting, with the loss of some 4 million jobs, many of them decent-paying jobs. Our trade deficit with China this year is exploding, and this year will reach some $60 billion.

Mr. Speaker, American workers should not be asked to compete with the desperate people of China who are forced to work at wages of 15 cents an hour, 20 cents an hour, 30 cents an hour, and who are unable to form free trade unions, elect their own government or speak out for their rights. That is not fair competition or a level playing field. We should not continue through MFN to encourage our corporations to throw American workers out on the street while they invest tens of billions of dollars in China in search of cheap labor. Let us not forget, Mr. Speaker, that over the last 20 years, while trade with China has increased and our deficits with them have soared that the standard of living of American workers has gone down and people are working longer hours for lower wages.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to my very good friend and classmate from Findlay, OH (Mr. OXLEY) the chairman of the Subcommittee on Finance and Hazardous Materials of the Committee on Commerce.

Mr. OXLEY. Mr. Speaker, I rise in opposition to the resolution of disapproval.

Mr. Speaker, before I get into the thrust of my comments, I think most of all we need to be reminded that this debate is really all about extending normal trading relations with China, something that we do with 223 other countries and we finally got around to changing that nomer and I am glad that we did.

We have got to consider how far our relationship has gone with China in the last 20 years. In 1978, China was trying to recover from the results of the cultural revolution. The little economic activity that did take place was completely controlled by the government in a traditional, centrally-planned system. The Chinese people were lucky to have rice on the table. There was no religious or political freedoms whatsoever.

Mr. Speaker, 20 years of economic freedom have created a thriving middle class of 350 million people. Freedom of religious expression, while certainly limited, has returned and churches of all faiths are active across the country. Finally, local elections are now free and competitive. People are beginning to have a say in politics.

Mr. Speaker, a few years ago, I had the opportunity to visit China with several other members. We were pleased to participate in a luncheon that was hosted by AT&T, one of our major telecommunications companies that are opening markets within China. I was seated beside a young lady who was working at that time for AT&T. We discussed her past and her future and she told me that she had been a student at Brown University, one of 20,000 college students from China who study in the United States every year, most of whom return to China to build a new China. That is what she said she was all about, that she wanted to return to her home country, build a new China, and she said, I realized my utmost dream, and that was I had a chance to be educated in the United States and work for an American company in my home country.

China is changing. We have to recognize that fact. I ask that the resolution be defeated.

Mr. CHRISTENSEN. Mr. Speaker, I yield 5½ minutes to the gentleman from Pensacola, FL (Mr. SCARBOROUGH).

Mr. SCARBOROUGH. Mr. Speaker, I thank the gentleman for yielding me this time and I rise in support of this resolution. I love these debates just because of the things that we hear. I heard earlier the human rights conditions in Arkansas being compared to the human rights conditions in China. Just 5 minutes ago we heard it. How desperate can you be to pass this thing?

In Arkansas you were not drug off away from your family for holding a religious service in your home for 2 years. That happens in China. There are not 1.2 million people from Arkansas who have had to flee their country or their State simply because they believe in Buddhism as has happened in Tibet. In Arkansas you are not taken out and killed if you disagree with the government. That still happens in China. In Arkansas, 60 million people have not been killed over the past 50 years. That has happened in China. Ten times the number of people killed in the Holocaust by Adolf Hitler during World War II, 10 times that amount of people have been killed in China since 1949. Yet the human rights condition in the State of Arkansas is compared to the human rights condition in China. How desperate.

I also hear, "I want a friend, not a foe." I think that is a sweet sentiment. I also want a friend, not a foe. But does a friend just 2 years ago threaten nuclear annihilation of Los Angeles, California? Now, maybe you do not like Hollywood or the Dodgers, but this is a dangerous thing. You do not threaten nuclear annihilation of Los Angeles.

Also, we are constantly being given false choices. We have to be told, you are either a friend or a foe of China. We will either engage in China or be knuckle-dragging isolationists. That is a false choice. We all recognize that the 21st century will be the American and Asian century. We all recognize that 7 out of 10 countries in the Pacific rim will be the largest economic powerhouses in the world in the next 50 to 60 years. We all recognize we will once again face a bipolar world that we will be sharing with China. The question is, when we are negotiating in this bipolar world, will China receive the message that we are going to be negotiating every time by Chinese values, or by normal, human issues and values?

I think it is essential that at the beginning of this new century, we have to

lay down markers and say this is what we believe in, this is what we stand for, these are principles that we will not negotiate. I thought that is what we did in 1995 when we said we will extend MFN, the good old days, when it was called MFN, we will extend it under three conditions: Number one, do not abuse human rights; number two, do not export nuclear weapons; number three, stop stealing our intellectual properties.

The past 3 years have only shown things have gotten worse. In human rights, ask Wei. He was at a press conference yesterday saying things are no better today than they were 3 years ago. Tibetans are still being crushed. Christians are still being crushed. Human rights are not respected in China today any more than they were in 1995.

As far as their nuclear export business, let us look and see what has happened in India and in Pakistan. Let us see what has happened in Iran. Let us see what has happened in Iraq. They continue to export weapons technology that place my children and your children and everybody else's children under a graver threat of nuclear annihilation today than we were in in 1995. Yet we just blow it off. We lay down these markers, the Chinese scoff at us, and we pass it in 1996 and 1997.

The Chinese say they are going to cooperate with the President more, and they fire missiles, they conduct weapons tests while the President is in Beijing. The Chinese have a word for it. The word is kowtow, and it is what many people in this Congress, many people in this administration, and many of these people on Wall Street have been doing for years. The question is why? The question is why are we doing this? Why are we negotiating away what we stand for? Why have we turned our back on Jeffersonian democracy? Two reasons. They are the next great export market. Well, God bless the next great export market. And also it is cheap labor. Let us face it, this is the dirty truth. Cheap American products are fueled by what we would consider slave labor in China.

I believe, like the gentleman from Nebraska, like the gentlewoman from California and like many others in this fight that no matter how cheap goods are that we import from China, cheap goods, paid with the blood of fellow human beings, are too expensive. I say support this resolution, and for once send a message to China that we will not continue to kowtow to them, and once they understand that, then we can begin the next century which we will share with Asia and together we will work together to fight for the things that should matter to both of us.

□ 1330

Mr. MATSUI. Mr. Speaker, I yield 4½ minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I thank my good friend from California (Mr. MATSUI) for yielding to me. I want, first of all, to salute him and the gentleman from Indiana (Mr. HAMILTON) on our side for their hard work on this issue, as well as recognizing the gentleman from Arizona (Mr. KOLBE) and the gentleman from California (Mr. DREIER) on the Republican side for their bipartisan effort on this very, very critical issue. I also want to congratulate the President on his recent trip to China and the success of that recent trip.

As I get into my remarks, I want to be very clear about what this debate is about and what it is not about. It seems to be more and more that we have a number of myths about this debate.

The first myth is that this debate is about MFN, most-favored nation status, or it is about normal trade relations, or it is about isolationism. It is not about any of those terms. It is about constructive engagement with maybe the most important bilateral relationship that the United States will have over the next 50 or 100 years.

Will we constructively engage, cajole, criticize, beat up a power that we do not agree with on some fundamental issues? I believe in the President's policy of constructive engagement. This is a nation that is accelerating in power around the world. The Russian relationship is declining. The Chinese relationship is quickly accelerating.

China has 1.2 billion people, the fastest growing economy in the world, growing at 9 to 13 percent a year, and plays a critical role in this Asian crisis going on right now for our exports and for the strength of our economy. This is a vitally important relationship.

Many people get up and argue the second myth: This is in the Chinese people's interests for us to engage China. No, it is in the United States' interest to do this. It is in our interest to do this for trade.

I am not happy with the $63 billion trade deficit. I wish the President would have had some more success on this issue, quite frankly. But the income level of the average Chinese citizen is growing rapidly. Hopefully, in the not too distant future, this citizen in China is going to be more and more free, religiously free, politically free, and economically capable of buying more and more U.S. products.

It is in the American interests for us not to isolate China on defense than for us to spend more and more money on our defense budget. It is in our interests in international competition. It is in our interest on international cooperation, where China has been very, very helpful with issues of concern and sensitivity to North Korea.

Finally, the last myth is, that those who support constructive engagement are not in favor of human rights. I want to dismiss that myth very forcefully. Nobody is more sensitive to what happened in Tiananmen Square than, I think, President Clinton. He has taken on Jiang Zemin in Washington face to face, he has taken on Jiang Zemin in China face to face, and he has done it on TV.

Many of the supporters of constructive engagement recently voted for the Political Freedom in China Act, the enforcement ban on slave labor products, enforcing restrictions on Chinese missile exports, and so forth.

If we want to truly move China in the right direction, if we want to make them more sensitive to human rights, open up religious freedoms, make them eventually sign the missile technology control regime, let us, in a bipartisan way, vote for constructive engagement today.

Ms. PELOSI. Mr. Speaker, I am pleased to yield 3 minutes to the gentlewoman from Ohio (Ms. KAPTUR), who is a nationally recognized leader on human rights throughout the world.

Ms. KAPTUR. Mr. Speaker, I thank the gentlewoman for yielding and for her tremendous international as well as national leadership on this issue.

I urge my colleagues to vote "yes" on H.R. 121 and, therefore, vote "no" on extending most-favored-nation to China. Why do I say so? Mainly because the policy is not working. It is one way. Most-favored nation is not normal. It is abnormal. It is preferential.

How can you say, when China keeps 40 percent tariffs up against our goods, and we allow their goods to come in here at 2 percent, that kind of differential, how can that be normal? It is preferential. It is defective. It is not reciprocal. It is not normal.

Why should we reward, therefore, a growing trade deficit to our country that results from that system? Over $50 billion now, a 350 percent increase during the last decade, knocking off a quarter point off our GDP. People say, well, what does that really matter? It matters because it erodes productive power inside this society as we cash out our middle class jobs and working class jobs across the Pacific.

We have had to raise the minimum wage here. We have to save health benefits for our people. We have to try to somehow retain pension benefits at the level they existed in the past decades. And this begs the question of the other issues that should concern us on China—nuclear weapons proliferation, the kind of religious and human rights abuses China is famous for, the brutality toward Tibet.

If you look at agriculture, even in this so-called era where we are supposed to have a beachhead with China, we actually reached our little teeny weeny blip in exports in 1996 and have had a 23 percent decrease since that time.

They keep their tariffs up on our soybean oil. They do not let in our citrus.

They keep their state-run monopolies on fiber and wheat. What are we to do?

In this post-Berlin Wall era, what is it that the United States stands for? Are we using our moral, political, and economic power to build democracy in developing nations of the world? Or are we, as Nelson Mandela reminded us during President Clinton's visit there in Africa, part of a web of forces that exploits ordinary people on behalf of repressive regimes and transnational corporations who hold a disdain for democratic principles themselves?

I can tell which side of the question the passion in this debate is on. Vote "yes" on H.R. 121. Let us represent the voices of millions of people in this country and in China who feel they are held in bondage by those who fundamentally do not respect and will not tolerate the very idea of democracy for all.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have another quote I want to share with my colleagues: If each person in China were to eat one more slice of bread every day, they would need 400 million bushels more. That is about what Kansas' entire output was last year.

Mr. Speaker, I yield 1 minute to our distinguished colleague, the gentleman from Kansas (Mr. RYUN).

Mr. RYUN. Mr. Speaker, I rise today to address a very contentious issue that deserves debate. This is a debate between religious freedom and human rights in China as well as about how to promote democracy and economic freedom throughout the world.

As a supporter of freedom as well as free trade, I wish trade relations with China were a much easier issue. However, the actions of the Chinese leadership in Beijing make this a very, very complicated issue.

As a member of the House Committee on National Security, I am very concerned about China's role as a proliferator of weapons of mass destruction and for fueling the nuclear arms race between India and Pakistan. As a Christian, I am concerned about the slowness of China's progress in the area of human rights and religious liberty.

However, after much prayerful thought, I continue to believe that the best way to affect China morally, economically, and politically is through interaction with the Chinese. We should demonstrate the American way of integrity, honesty, and openness.

During last year's debate I quoted this editorial from the Economist which stated: "If you hear your neighbor beating up his children, do you give a shrug and say it is none of your business?"

I answered absolutely no last year and I do so again this year. We should not shirk our duty to go next door and try to stop the abuse.

I urge my colleagues to support normal trade relations with China in hopes of continuing our influence of religious and economic freedom.

Mr. CHRISTENSEN. Mr. Speaker, I yield 2 minutes to my colleague and friend, the gentlewoman from Florida (Mrs. FOWLER).

Mrs. FOWLER. Mr. Speaker, I rise in support of this resolution and to oppose granting China normal trade relations status.

China continues to sell weapons of mass destruction and missile technologies to rogue states. Approval of normal trade relations status, formerly known as MFN, will not persuade China to act more responsibly.

Last year the Director of Central Intelligence reported that China was a most significant supplier of weapons of mass destruction-related goods and technology to foreign countries, end of quote. China has provided key technologies for Pakistan's nuclear and missile programs, and has driven India's programs. It continues to provide weapons of mass destruction and missile technologies to Iran. Last January, a Chinese state firm agreed to provide Iran with hundreds of tons of hydrofluoric acid, used for making nuclear weapons, and Sarin poison gas under falsified documents.

On top of this, China only this year increased its ICBM arsenal by one-third, weapons that can target the United States.

I urge my colleagues to tell China's leaders they must change course. Support this resolution.

Mr. MATSUI. Mr. Speaker, I yield 4½ minutes to the gentlewoman from Missouri (Ms. MCCARTHY).

Ms. MCCARTHY of Missouri. Mr. Speaker, I thank the gentleman from California (Mr. MATSUI) for the time.

Mr. Speaker, I rise today to speak in favor of extending normal trade relations to China for the coming year and against House Joint Resolution 121.

Extending normal trade relations is in the best interest of the United States. It will strengthen our presence in Asia and allow us to remain engaged on such questions as human rights and protecting the global environment.

Further, it will help to integrate China with the rest of the world and expose China to American values of individuality, freedom and democracy. Our engagement with China has resulted in the release of Wei Jingsheng and Wang Dan and the signing of an international covenant on economic, social and cultural rights.

Extending normal trade relations to China does not endorse their disregard for human rights. Instead, it provides the United States with an opportunity to speak against China's human rights violations, as the President did on his recent visit.

Our relationship with China has made it possible for organizations such as China's Children to facilitate the adoption of 154 baby girls in my district alone. Next week's Children's Hope International, of which China's Children is a member, will be meeting right here in our Nation's Capital to discuss and determine how this new engagement will facilitate even further progress.

One quarter of the world's people live in China, Mr. Speaker, and it is one of the fastest growing economies in the world. It is estimated that China's energy demand will double within 10 years. It is already the world's largest producer of ozone-depleting substances and the second largest emitter of greenhouse gases. Building trade relations with China will open the door for the United States to work with China to protect the global environment we are all concerned about.

Trade relations will also provide opportunities for cultural exchange. The United States and China have agreed to implement cultural and educational programs to increase the interaction between the two societies, including high school student exchanges, scholar exchanges for the Fulbright program, and book donations of 550 American volumes to Chinese educational institutions. These exchanges are the key to promoting American ideas of individual freedom and democracy in China.

Finally, approximately 400,000 American jobs depend on export to China and Hong Kong, and export to these countries have more than tripled over the past decade. China is our fifth largest trading partner and it is crucial that we continue our relationship with China.

In 1997, my State of Missouri exported $296 million in goods to China, and from 1995 to 1996 our exports to China grew by 631 percent. China is in Kansas City's eighth largest export destination, with $61 million in merchandise and export in 1996 alone. My district exports plastic materials and resins, automotive parts, telecommunications equipment, building materials, food and dairy products, agricultural machinery and pollution control equipment to China.

Since 1988, 51 percent of all new manufacturing jobs in Missouri have been as a result of foreign investment in China, and these new positions have been higher paying than traditional manufacturing jobs. The average monthly wage for Missouri employees who work for a foreign subsidiary is 13 percent higher than all Missouri businesses.

For example, Blackwell Sanders Peper Martin, one of Missouri's leading law firms and the Nation's fastest growing firm, employs more than 320 attorneys and 500 staff members, and many of their clients transact business with China and anticipate growth in that area.

□ 1345

Mr. Speaker, a small manufacturing company in Kansas City, Dan Bunch

Enterprises, has shared with me that they expect a 40 percent increase in jobs for their company this year as a direct result of trade relations with China.

I urge my colleagues to support extending normal trade relations to China, and to continue to work toward engaging this country on international issues of importance. Please oppose House Joint Resolution 121. Help to bring freedom and democracy to the people of China.

The SPEAKER pro tempore. The Chair advises Members the following time remains in this debate: For the gentleman from Illinois (Mr. CRANE), 18½ minutes; for the gentleman from Nebraska (Mr. CHRISTENSEN), 15 minutes; for the gentleman from California (Mr. MATSUI), 19½ minutes; and for the gentlewoman from California (Ms. PELOSI), 19 minutes.

Ms. PELOSI. Mr. Speaker, I am pleased to yield three minutes to the gentleman from Pennsylvania (Mr. KLINK), a real powerhouse for American workers.

Mr. KLINK. Mr. Speaker, I thank the gentlewoman for yielding time and being so kind in her comments.

Mr. Speaker, I have to support this legislation, H.R. 121, and I must oppose normal trade relations for China. I wish I could come here and say that I wanted to promote normal trade relations with China, that I felt that that would solve all of our problems, but my conscience will not allow that to happen.

You see, we keep granting the Chinese favorable trading status in hopes that they are going to clean up their act, that they are going to fix all of these problems, and each year we are increasingly more and more disappointed.

Since the Tiananmen Square massacre back in 1989, the U.S. trade deficit with China has soared from $6 billion a year to $60 billion this year, tenfold. If we use the common multiplier of 20,000 jobs for every $1 billion in trade, that is 1.2 million U.S. jobs that we have lost this year. If that is normal trade relations, Mr. Speaker, I, for one, want nothing to do with normalcy.

China continues to use slave labor conditions to produce its goods and products, using children and military and exporting the goods to America, while our goods to China face tariffs that are 5 to 20 times that of the Chinese exports to the U.S. If that is normal, Mr. Speaker, then maybe we need abnormal trade relations with the Chinese.

Furthermore, in the area of human rights, the Chinese continue to be the most serious of violators. Indeed, China's treatment of the people who attempt to practice freedom of religion is directly responsible for many of us here voting earlier this year to support the Freedom from Religious Persecution Act. The Chinese have little tolerance for freedom of speech or assembly, and the Chinese have been implicated in aiding the nuclear weapons program of Pakistan and Iran. Mr. Speaker, if all this adds up to normal trade relations, then I want nothing to do with it.

One of the previous speakers talked about Kyoto. I was in Kyoto last year, and we spoke to the Chinese. Whether you agree with global warming or disagree, you have to admit that it does not do any of us any good to emit pollutions into the atmosphere.

The Chinese sat across from us and said they will not do anything in the next 20 years, or the next 50 years, or the next 100 years, or the next 150 years. It was no, no, no. That is the same approach they take to trade. The Great Wall of China is in fact the word "no." When they tell us repeatedly they are not going to do business with us in a fair way, why should we try to establish normal relations with them?

We want to try to improve our relations with the Chinese, but it has to be a two-way street. The government of China has to tell us that they are willing to treat us with respect, and we must send a message back to the 1 billion-plus Chinese people that we stand beside you. When we in the United States say that we believe in equal rights for everybody, it is everybody, whether they live in our country or they live in China. So we must approve H.J. Res. 121.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would remind colleagues on the floor and who are following this debate that if we are losing all these jobs, I do not know where we will find the labor force, since we have been at full employment for two years. But, in addition to that, on the religious persecution issue, to be sure there are restrictions that remain, but there are now an estimated 12 to 20 million Protestants in mainland China, 4 to 10 million Catholics, 100 million Buddhists, 18 million Muslims, and 2 to 3 million Taoists currently practicing their religion in China. There are more than 12,000 official Protestant churches and 25,000 homes or other unofficial meeting places where church services are held.

Mr. Speaker, I yield two minutes to my distinguished colleague, the gentleman from Illinois (Mr. PORTER).

Mr. PORTER. Mr. Speaker, I thank my colleague from Illinois for yielding me time.

Mr. Speaker, yesterday I had a meeting with Doug Johnson of the Center for Victims of Torture, who is working to find innovative ways to address human rights problems all around the world. He said to me, "When the only tool you have is a hammer, every problem looks like a nail," and I believe that this is a statement that applies directly to this situation. Our hammer is MFN, and all we have is a problem that looks like a nail.

We have to find other tools to deal with China. There is not anyone in this Chamber that does not know that the bottom line is that MFN is not going to be withdrawn. Even if the Senate were to agree with the House and even if the House were to pass it, the President would veto it, and it is not going to happen.

The gentleman from Virginia (Mr. WOLF) said earlier, yes, but it holds out hope to prisoners. If that is so, it is a good debate and we should have it. I have the highest respect for the gentleman from Virginia (Mr. WOLF) and his judgment and his leadership on these issues, but we have to look, Mr. Speaker, for the other tools.

Last year, we introduced legislation in the Congress that would add other tools to our addressing human rights abuses in China. Together with a number of colleagues, the gentleman from California (Mr. DREIER) and the gentleman from Arizona (Mr. SALMON) and others, we introduced legislation that would provide us with real tools to change China: Increased funding for Radio Free Asia, increased funding for the National Endowment for Democracy, discrete sanctions on human rights abusers, increased reporting on human rights by the State Department, increased contact between Chinese people and Americans, and more. This body passed that legislation. It is over in the Senate now.

Mr. Speaker, this is the way we have to address these problems and solve them.

Mr. MATSUI. Mr. Speaker, I yield 4 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I do identify very strongly with the comments we just heard from the gentleman from Illinois (Mr. PORTER).

Mr. Speaker, we are in the process of shaping our relationship with China for decades to come, but we are also in the process of defining what kind of international leadership in the post-Cold War era we are going to have, moving away from military might and trying to thoughtfully exercise our role in a changing economy.

Our annual ritual of threatening to revoke normal trade relations is understandably mystifying, not just to the Chinese, but to many others around the world.

But looking at the Chinese, this ancient culture can appropriately be baffled by the many voices of Congress and the administration that happens every year in this debate, when they and every Member on this floor is aware that there are problems in many other countries that enjoy normal trading relations, in Asia, in the Middle East, in Africa, that have problems

with human rights, environmental issues, religious persecution, and enjoy routinely normal trading relations. Normal trade relations is in fact a blunt instrument which does not advance our agenda of integrating the Chinese into the community of nations with whom we share economic, environmental and human values.

We also need to pause for a moment on this floor to reflect upon the important and complex relationship that this country has in fact enjoyed with China over the course of this century. The Chinese were a key ally in dealing with the former Soviet Union, and it was as a result of that relationship that we hastened the end of the Cold War. They continue to be a moderating influence in the area where the American troops are most likely to be engaged in armed conflict, the Korean Peninsula.

We also need to realize the environmental value to the United States of remaining engaged with the Chinese. Strengthening our relationship will help influence their decisions on controlling pollution and development.

I do not think anybody should accept Chinese behavior assisting rogue nations or denying that we should do all in our power to encourage greater freedom for the Chinese people. There is, in fact, much more that needs to be done. But, as the President's recent trip to China highlighted, significant progress has been made over the course of the last couple of decades. There have in fact been gains, even in areas of religious freedom, and there are the stirrings of grassroots democracy, unthinkable only a few years ago.

Mr. Speaker, the environmental progress, progress on human rights, greater freedom for the Chinese people, peace and stability in Asia, greater economic opportunity for the United States, these are all key long-term goals that are in fact shared by the vast majority of people on this floor. I strongly urge the rejection of the resolution before us.

I would just make one brief reference to a dinner I had in my district two weeks ago with a variety of representatives from high tech companies. One small high-tech company admitted that their software was in fact continuing to be pirated by the Chinese. They stepped back for a moment and said to me, "Yes, it is true. But, you know, the way we are looking at it, we have them hooked on our product. Ultimately they are going to be relying on us for the product, in the long run." I think this is the sort of approach we could engage in this debate as well.

Ms. PELOSI. Mr. Speaker, I would like the record to show the rate of piracy of software in China is 95 percent.

Mr. Speaker, I am very, very pleased to yield one minute to the very distinguished gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I thank the gentlewoman for her outstanding leadership on this issue.

Mr. Speaker, I rise in favor of withdrawing normal trade relations with China. Does anyone really think that this is going to be the norm, this is the type of norm we want? We want a country that uses its platform, a very large country, for nuclear proliferation, for conventional arms sales, like missiles, for weapons of mass destruction? That, of course, has such an abysmal record on human rights, that is threatening countries with force, threatening parts of its nation, Taiwan and Tibet, with force?

If one just wanted to look at the trade issues, is it normal to in fact trade with countries that have encouraged child labor, that have forced labor, that have slave labor, that use their military production capacity for consumer product production, that have no worker rights? Is that the norm?

There are no safety rights and no health rights for workers, as well as blatant disregard for intellectual property and other types of normal trade rules. Prohibitive and unfair tariffs, which they unilaterally impose, is that normal, or offsets they require, so much so, as one of my colleagues said, that a Boeing plane is at home when it arrives there?

Mr. Speaker, I think it is time we ask for what is normal and vote up this resolution to deny normal trade with China—over two decades of excuses and excusing China is enough. China is not entitled to be treated special when its actions are so below the norm.

I rise today in support of the resolution to withdraw normal trade relations with China. Because of the limited progress that has been attained on vital issues between the United States and China, extending normal trade relations is inappropriate. The action to curtail normal trade relations is harsh, but based upon the objectives, values, and facts as they pertain to United States-China relations, necessary.

China's government continues to be one of the most oppressive in the world. The United States has a responsibility to employ our economic leverage and respond to the irresponsible, inhumane and unjust behavior. Revoking trade relations may not be an ideal vehicle, it is at best a blunt instrument. But it is one of the only mechanisms we have today to highlight China's lack of compliance with internationally accepted human rights norms. And yes, their conduct and behavior is such that this type of profound action is indeed justified.

Many of my colleagues are willing to set the human rights issues aside, reasonably concerned about economic impacts which may result in revoking normal trade status. It has been said that this legislation would hurt American labor. However, the trade deficit with China is in reality actually costing American jobs, notwithstanding the upside-down logic that has been repeatedly advanced by the interests that profit from the United States/Chinese trade deficit. Some 63B this past year.

If China was a market for made in the USA goods, it would indeed be a vital method of boosting our economy. If we were importing goods from Chinese-owned businesses, we would be promoting free enterprise within China. However neither one of these scenarios reflect reality. Some American companies use China as a production platform—a manufacturing site for goods which are then sold in the United States. Jobs which have traditionally provided American workers with living wage employment within the USA and a real chance to join the middle class are being given to Chinese workers, who are paid $2 a day or less!

It has been said that all of these issues will be more effectively addressed within the framework of normal trade relations; that trading with China would encourage the breakup of the socialist economic, political, and social systems and support free enterprise; that we don't want to offend China for fear of further oppression. Historically, reduced tariffs have not automatically resulted in enhanced human rights. After all, trading indiscriminately with Nazi Germany, or Japan in the 1930's didn't cause reform, and it is unlikely to cause reform today. In fact, we can take some solace in the action which limited economic intercourse with the former Soviet Union, or on a different scale, with nations like South Africa. These limits and economic sanctions did have positive results.

Let's change the focus of this debate. Rather than focusing on what kind of country China is, we must ask ourselves; what kind of nation are we? Has the United States reached the point where we believe that economic change alone will deliver human rights? That trade relations are supreme to the welfare of American workers? More important than standing up for freedom and democracy? All of the factors being discussed here today; the record deficit, the tariff gap, the wage disparity and the abuse of workers, illegal copying of intellectual property, arms proliferations, weapons of mass destruction, and technology transfers—all of these undermine values which this country is committed to uphold. Continuing to grant normal trade relations status to China would send a clear message; business as usual, our Nation will bend if the price is too high. Frankly, that is a price that we cannot afford. Human rights and people must come first in our world view and values. If this is the norm, the U.S. may as well put on the shelf its advocacy and values when it engages in trade.

Chinese actions, both internally and internationally, do not merit special status or normal trade status with the United States. I encourage my colleagues to join me in supporting this legislation, which sends a clear message to the Chinese government that such actions will not be tolerated and that the U.S. policy in light of such Chinese policies and actions is not business as usual and normal trade relations.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have another quotation I would like to share with my colleagues. "No country has a larger interest than Taiwan in seeing prosperity take hold on the mainland, for

prosperity will help push mainland China into becoming a responsible member of the international community. MFN is a useful tool in steering the PRC on the path to prosperity and eventually democracy."

That is a quote from the Honorable Jeffrey Koo, Advisor to Taiwan Government, Chairman, Chinese National Association of Industry and Commerce, in May of this year.

Mr. Speaker, I yield 1 minute to our distinguished colleague, the gentleman from Pennsylvania (Mr. FOX).

□ 1400

Mr. FOX of Pennsylvania. Mr. Speaker, I rise to support normal trade relations with China. However, I share the concerns of others in this body about stopping the human rights violations. This should be achieved, I believe, through constructive engagement with China.

Of special concern are those particular human rights violations that involve the killing of minor criminals whose body parts are then sold for profit. I will note that the U.S. Attorney's Office in New York is investigating these crimes. The need for engagement goes beyond the improvement of human rights violations, but also making sure the balance of payments, of trade, are improved, and stopping the nuclear proliferation.

My hope for the future, Mr. Speaker, is that China moves to democratic rule and the U.S. becomes their role model nation. I believe that by working together, the government that flourishes now in Taipei, Taiwan can be what the people of Beijing, China yearn for and will receive. I hope that my colleagues join me in supporting normal trade relations.

Mr. CHRISTENSEN. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. HUNTER), my good friend and colleague.

Mr. HUNTER. Mr. Speaker, I thank my colleague for yielding me this time.

Mr. Speaker, a lot has been made about the label of this debate. Is it over "normal trade relations" or is it over "Most-Favored-Nation status?" In reality, it is over $64 billion. It is a $64 billion question, because we send to China $64 billion more each year than they send to us.

The second question we should ask is, is it in America's interests to send $64 billion a year to China? Well, let us examine some of the things they are doing with that money. They are buying missile cruisers that were designed by the then-Soviet Union to do one thing: kill American aircraft carriers and the men and women who operate those aircraft carriers. That is one thing they bought with the money we have given them.

What are some of the other things they have done with the money we have given them, some of that $64 billion? They have upgraded their strategic systems. That means the Long March missiles, some of which are aimed at American cities like New York, like San Diego, like Los Angeles. So they have built and deployed and aimed nuclear weapons at some of our cities with some of the money that we have given them.

What are some other things they have done with some of the $64 billion we have given them? They have proliferated poison gas components and nuclear weapons components to such adversaries of the United States as Iran, Iraq, Libya, and North Korea. They have sent poison gas and nuclear components with some of that $64 billion that we have given them.

Mr. Speaker, I say to my colleagues, if this is a business deal, the currency of this business deal may be death in the future for young Americans in uniform, and that is the worst kind of trade deficit. Vote up on this resolution.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Speaker, I rise in opposition to the disapproval motion and in support of renewing normal trade relations with China.

The question is whether renewing normal trade relations with China is really a false and antiquated choice. We can no longer afford to ignore this superpower. We need to maximize our lines of communication. Where we can agree with China on matters of trade, we need to agree; where we disagree with respect to human rights or national security, we should fight like the dickens to protect our interests, and we certainly can assume they will do the same with respect to their interests.

It is fair to say that a trade deficit exists with China that we need to aggressively tackle. It is estimated that about 400,000 well-paying jobs are created in this country as a result of trade with China, but it is not nearly enough. But make no mistake about it, the solution to that problem does not lie in revoking normal trade relations with China, it lies in hard-nosed negotiating at the bargaining table.

In my State of Florida there are many nontariff barriers that exist with respect to importation of agriculture into China, and at the bargaining table where we have a voice is the best way to effectuate that change.

Much has been said about human rights violations in China. Billy Graham wrote a letter last year to the gentleman from California (Mr. DREIER) citing the work of his son, Ned, with churches in China, in which he advocated improving our relationship with China and having a stronger relationship. The best way for us to effectuate positive change in elevation of religious freedom and other democratic values we so deeply cherish is by exposing that country to our values and doing so by a more aggressive relationship with China where there is more interaction. That happens by normal trade relations; it happens by sending more of our religious leaders and other leaders concerned about human rights into China to bring about change from within.

We cannot ignore this superpower. We need to continue to have normal trade relations. It is in the best interests of our country in terms of trade; it is our best way for effectuating positive change within the borders of China.

Ms. PELOSI. Mr. Speaker, I am very, very privileged to yield 1 minute to the gentlewoman from California (Ms. WOOLSEY) who comes closest in my mind to being the conscience of this Congress.

Ms. WOOLSEY. Mr. Speaker, I would like to thank my colleague from California (Ms. PELOSI) for her leadership in this regard. I rise in support of this resolution.

Mr. Speaker, we have been told and we are hearing today that economic engagement will solve China's abuses of human rights and that China has made progress in many areas. To that I ask, what progress? Repression of religion is not progress; forced abortion is not progress; nuclear proliferation is absolutely not progress; and repression of peaceful expression is not progress.

Mr. Speaker, we have been told that revoking MFN status would discourage progress or a change in China. Well, I do not believe that for one second. The Chinese bluster, they bully, and if they believe we are committed to progress, they will progress themselves because they want to sell their products to the United States. To ensure that China makes real progress in labor rights, religious tolerance, basic human rights and the end of nuclear proliferation, vote for H.J. Res. 121.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume for another quotation.

"Vigorous economic development leads to independent thinking. People hope to be able to fully satisfy their free will and see their rights fully protected. And then demand ensues for political reform * * * The model of our quiet revolution will eventually take hold on the Chinese mainland," end of quote. That was from the new Taiwanese President, the first elected President of Taiwan, in his inaugural address 2 years ago.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. CUNNINGHAM), our distinguished colleague.

Mr. CUNNINGHAM. Mr. Speaker, China is a rogue nation, as dangerous to us and the world as a dangerous pit viper. It is ruled by totalitarians and lying communists over a people that want to be free.

Dissidents beg us to stay engaged, both diplomatically and economically, and I take a back seat to no one in fighting Communists or socialists in this country and abroad. China is different than it was 10 years ago because we have engaged economically. Go there and see the differences that we have made. If we had not engaged, China would not be different. Trade with Middle East, trade with Northern Ireland, we could make the same arguments on trading with them.

I understand why the other side is opposed to this issue. I am that close to being with them on the issue, because while engaging in trade, the President has failed the other side. You do not walk softly and carry a big stick of candy in trade. You do not not stand up for American rights and let China have high tariffs. You do not let our own forces train the Communist PLA that will be used against Taiwan. You do not slap Taiwan in the face and support China. You do not not stand up for human rights. And the other side is absolutely correct, but I believe unless we trade economically, unless we try and change this 10,000 year-old dog, that we will be behind.

COSCO, Long Beach shipyard. You do not let a pit viper in the crib of your baby. You do not let a communist Chinese shipping company that has shipped chemical and biological weapons into California. They have shipped AK-47s into California. They have shipped to Iran and Iraq, the reason that we are there right now in California.

So the President has failed in his policies with China, but he has also traded with them, and I think that will make the changes necessary.

Mr. CHRISTENSEN. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina (Mr. SANFORD), my good friend and colleague.

Mr. SANFORD. Mr. Speaker, I thank the gentleman for yielding me this time.

I stand in essence where the gentleman from California, my colleague, stands, and that is, it has been said that it is but a straw that can break the camel's back, and that is where I am with this vote, because on the one hand I very much believe in free trade. I look back at the gentleman from California (Mr. DREIER) back there, who has been courageous in leading for free trade around the globe, and I believe with him in that very simple concept.

But I also believe that we in Congress have a fiduciary responsibility to send a message where we think a message ought to be sent, and that is where I am struggling. Because if we look right now, I would say that there is a growing sense that there is an expansionist policy in the South China Sea with China, and that we ought to send a signal that says that is not okay.

Now, admittedly, using MFN to send that signal is a very blunt instrument, but as a Member of Congress it is the only instrument that I have that will mean something to the Chinese. So it is with great reluctance that I will be voting against MFN, but I do so because of what is happening.

We look at for instance what happened in the Straits of Taiwan last year when they opened democracy. Taiwan was trying to hold its own elections when China had military exercises. We would say we have a problem. If we look at what happened with Mr. Fareef or the Spratly Islands, you would say we have a problem. When China moved natural gas drilling rigs into what was clearly identified as territorial waters of Vietnam, you would say we have a problem. I think we ought to send a signal that says expansionism is not okay.

So other people may have a problem with human rights or trade or a variety of issues, but for me it comes down to one very simple thing, and that is an expansionist policy is bad for the region in Southeast Asia and it is bad for our allies in Southeast Asia.

Mr. MATSUI. Mr. Speaker, I reserve the balance of my time.

Ms. PELOSI. Mr. Speaker, I am very pleased to yield 2 minutes to the very distinguished gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, my Most Favored Nation, America, has freedom of speech, freedom of press, freedom of religion, freedom of assembly, believes in the rights of minorities, believes in human rights, believes in workers' rights, believes in nuclear nonproliferation, and believes that life is sacred.

China has no freedom of speech, no freedom of press, no freedom of religion, no right of free assembly, does not believe in the rights of minorities, does not believe in human rights, does not belief in workers' rights, does not believe in nuclear nonproliferation, does not believe life is sacred.

Why then should China become the Most Favored Nation of the United States of America? Most Favored Nation indeed. Of whom? Most-Favored-Nation status is now held up as the elixir of liberty, the cure-all. Give MFN to China, let us just keep giving China access to our markets, expose them to our values, they say, and they will become more like us. Even as they take away millions of American jobs and arm the Asian subcontinent.

Mr. Speaker, this vote will not tell us anything about what China is or what it is becoming, but it will tell us plenty about what America is and what we are becoming. The Bible says, "He who troubleth his own house shall inherit the wind."

When we place free trade over human rights, when we place free trade over democratic rights, when we are so eager for a friendship with China that we forget our moral compass, we are a Nation which is preparing to inherit the wind.

Send a message: liberty and justice in trade, in America, and even in China.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume to share another quote with my colleagues. "The current debate about renewing China's 'Most Favored Nation' trading status no doubt raises many complex and difficult questions. . . However, I am in favor of doing all we can to strengthen our relationship with the Chinese people. . . Furthermore, in my experience nations respond to friendship just as much as people do." The Reverend Billy Graham, June of last year.

Mr. Speaker, I yield 1 minute to the gentleman from Nebraska (Mr. BARRETT).

□ 1415

Mr. BARRETT of Nebraska. Mr. Speaker, I also rise to oppose ending normal trade relations with China. Proponents of ending trade with China fail to answer the question: If we end normal trading relations with China, then how do we influence change?

The days when the U.S. could act like a bull in a China shop are over. Countries simply go elsewhere if they do not like the sounds that are coming from ours.

That is why maintaining normal trade relations with China is vital to agriculture. Ending trade with China could cause a 3-year loss of more than $2 billion in U.S. farm income. At $1.6 billion, China is our seventh largest agricultural export market, and almost half of our exports are of wheat, corn, and soybeans, staples of our Nebraska exports.

Some may claim a moral victory if we end trade with China. I am confident it will be a hollow victory, washed away in a few months when our trade competitors fill the void left by exiting U.S. businesses.

Mr. Speaker, I encourage my colleagues to reject this resolution, and maintain the engine of change. Maintain trade with China.

Mr. CHRISTENSEN. Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I continue to reserve the balance of my time.

Ms. PELOSI. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Maryland (Mr. WYNN).

Mr. WYNN. Mr. Speaker, I thank the gentlewoman from California (Ms. PELOSI) for yielding me this time, and I also offer my congratulations and thanks to her for her strong, outstanding leadership on this issue.

Mr. Speaker, I rise in opposition to Most Favored Nation status, and rise in support of the resolution. People

will say that we have made some progress in our dealings with China. I do not see that progress. I see a $64 billion trade deficit. I see jobs that should be in this country that are in China. I see the piracy of intellectual property by China going unabated.

Mr. Speaker, the reality is basically this: If we do not take a strong stand, we will continue to be the loser. They have engaged in trade practices that do not benefit this country, but some people somehow say that that is progress despite the fact that we continue to lose jobs.

Mr. Speaker, our best jobs, the so-called good-paying, high-tech jobs come out of our intellectual property. But they pirate our intellectual property and guarantee that we will not see the benefit of those good jobs.

It is suggested we must stay engaged. We must stay engaged, but engaged based on toughness and strength, not on weakness.

Mr. Speaker, I urge support of the resolution.

Mr. CRANE. Mr. Speaker, I reserve the balance of my time.

Mr. CHRISTENSEN. Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BERMAN).

Mr. BERMAN. Mr. Speaker, I rise in support of another year's extension of normal trade relations, formerly known as "Most Favored Nations trade," for China.

This is a tough issue, and I have great respect for people who come down on either side of the question. But in the end, I have concluded that I should base my vote not on what I hope may be in terms of China's future, but on what I think China's leaders can do.

Last year, I voted against MFN for China because of my concern that China's leaders were not living up to their international agreements in regard to preventing the proliferation of weapons of mass destruction. I was concerned that the administration had failed to make this enough of a focus in its discussions with the Chinese and had not produced the results which I thought were necessary.

The administration's efforts to engage China to make new commitments and to live up to old ones have intensified over the past year. They have produced some encouraging results.

The U.S. and China agreed to not target strategic nuclear weapons on each other. I know this is a small step. Retargeting nuclear missiles can be accomplished in a matter of hours, if not minutes, but it is a sign that the Chinese are willing to take active steps to reduce the risk of accidental launch, and the challenge we now face is to extend this small, positive step in the direction of a more serious effort at eliminating the threat of nuclear war.

China indicated during the President's trip that it is actively considering membership in the Missile Technology Control Regime. I am quite cognizant of the fact that we have been inhaling the vapors of Chinese commitments in this area for many, many years. But I am willing at this point, based on all the things that have been happening, to accept the administration's analysis that the latest commitment by the Chinese to consider joining the MTCR is a sign they will soon join the MTCR regime.

Mr. Speaker, I rise in support for another year's extension of normal trade relations—formerly known as most-favored nation trade—for China.

I have supported MFN in the past although last year I voted against. it. As Ranking Member of the Asia and Pacific Subcommittee, I have spent many hours in hearings and meetings on China. I have traveled to China and Hong Kong, meeting with senior leaders, including the new Chief Executive for Hong Kong, C.H. Tung.

Much of China's behavior since the last time we voted on this issue has been deeply disturbing.

Our trade deficit with China continues to expand at an alarming rate while our trade negotiators appear to be no closer to reaching a firm agreement with China on entry into the World Trade Organization (WTO)—an agreement that would guarantee more opportunities for American exports. Our companies continue to invest in China and China continues to export to the United States but access for American goods remains restricted. I am struck by a brochure distributed to Members by General Motors, extolling the value of its investment in China even as GM's operation in the United States are being struck by American workers. GM claims that it needs to shrink its American operations while at the same time it trumpets its 18 automotive projects in eleven provinces of China employing over 10,000 people.

Maybe the Chinese gave GM no choice: either produce in China or don't sell to China. Maybe China keeps its tariff levels so high that American cars won't sell in China unless they are produced there. Either choice is the wrong one. A trade policy which results in larger and larger deficits and comes at the cost of jobs for American workers will not long have the support of the American people. Corporate America, the Administration, and the Chinese Government should be aware that if these trade problems are not resolved the Administration's policy of engagement with China will collapse from the weight alone of this failure.

The human rights situation continues to be troubling. As the State Department Human Rights Report this year noted, "the Government continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms stemming from the authorities' very limited tolerance of public dissent, fear of unrest, and the limited scope or inadequate implementation of laws protecting basic freedoms." In other words, not much has changed in a year.

I am concerned that in some areas the situation may be worsening. I recently introduced H. Con. Res. 283, expressing the sense of the Congress about the situation in Tibet. Repression in Tibet has increased steadily since 1994 and, despite the joint pronouncements on Tibet during the President's recent visit to China there is no sign that the Chinese are willing to take the initiative of meeting with the Dalai Lama.

I continue to believe that change in China's human rights behavior will only come through internal pressure—pressure that can be nurtured to some extent by outside support but which will ultimately depend upon the will of the Chinese people. Those leaders who risk their lives to speak out today are the vanguard of the future.

But my vote has not depended upon setting a standard of what China's leaders should do but cannot now accomplish. I recognize the type of reform which I would want to see in China would require a revolution in the Chinese political system. However much I may wish that, I recognize that it is unrealistic. I believe that we need to continue to press the Chinese to release individual prisoners and to reform their system to permit greater freedom but I believe that the final revolution in China must be one by the people.

That day is inevitable. There is no doubt that there has been tremendous progress in China in terms of economic development and opportunity for the Chinese people, accelerating the forces of change in China in a direction that can only lead to greater personal liberty for the Chinese people. What impresses me most is not the shallow monuments of contemporary office buildings but the changes being wrought in the Chinese people as a result of greater access to modern ideas. China is being changed by its exposure to us in ways more profound than any glass edifice.

However, I do not base my vote on what I hope may be but on what I think China's leaders can do.

Last year I voted against MFN for China because of my concern that China's leaders were not living up to their international agreements in regard to preventing the proliferation of weapons of mass destruction. I was concerned that the Administration had not made this enough of a focus in its discussions with the Chinese and had not produced the results which I thought were necessary.

The Administration's efforts to engage China to make new commitments and to live up to old ones have intensified over the past year and have produced some encouraging results:

The United States and China agreed to not target strategic nuclear weapons at each other. I know this is a small step. Retargetting nuclear missiles can be accomplished in a matter of hours if not minutes. But it is a sign that the Chinese are willing to take active steps to reduce the risk of accidental launch, and the challenge we now face is to extend this small, positive step in the direction of more serious efforts at eliminating the threat of nuclear war.

China indicated during the President's trip that it is actively considering membership in the Missile Technology Control Regime (MTCR). Chinese membership in the MTCR would be an important step if it comes before the Chinese have exported all the missile equipment they want to rogue regimes. I know that our policy makers have been breathing the vapors of Chinese commitments on the

MTCR for years from private letters to President Bush's Secretary of State to pledges to the Clinton Administration to abide by MTCR guidelines. I am willing to accept the Administration's analysis that the latest commitment by the Chinese to "consider" joining the MTCR is a sign that they will soon join the MTCR.

China has put a place for the first time comprehensive controls on nuclear exports and joined the Zangger Committee which coordinates nuclear export policies among Non-Proliferation Treaty members. In joining the Zangger Committee I look forward to seeing the Chinese play a constructive role in promoting the work of the Committee, not use their position to weaken international controls.

The Chinese also promised to halt their nuclear cooperation with Iran. Stopping aid to Iran is an important step. We have yet to obtain a similar commitment from Russia to cease support for safeguarded nuclear facilities.

The Chinese also committed to cut-off all cruise missile aid to Iran. Cruise missile technology is important. With short-range cruise missiles, the Iranian Navy could endanger American warships in the Persian Gulf if not threaten directly American control of that vital waterway.

If we were to revoke normal trade relations with China, we would jeopardize the progress we have achieved in these areas. The Administration's efforts to engage in a dialogue with the Chinese on critical issues would definitely become a dialogue with the deaf. We would lose much and gain little. Continuing our trade relations with China offers the prospect of further progress.

But in voting to maintain China's current trade status with the United States, I do so because of the assurances which I have received that these achievements will be matched in the coming year by real progress in gaining, first, Chinese membership and participation in international agreements to halt the spread of weapons of mass destruction, and, second, that the Chinese will take unilateral action to control the export of technology and material which is used in the production of weapons of mass destruction and delivery systems.

In voting to maintain China's current trade status with the United States, I do so with the expectation that there will be substantial progress in the coming year to eliminate barriers for American exports to China and to improve protection of American intellectual property.

In voting to maintain China's current trade status with the United States, I do so with the expectation that China will follow through with the commitments it made this year to sign and ratify the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR). Prior to the Clinton-Jiang summit in Washington, the Chinese signed the ICESCR but have not yet ratified it. They have since indicated that they would sign the ICCPR. As with the MTCR, these are commitments which China needs to follow through on now that they have been made.

I will vote no on the resolution of disapproval this year not because I am satisfied with the progress that has been made but because I believe that what has been achieved promises to be the basis for more progress during the coming year.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentlewoman from California (Ms. PELOSI) for yielding me this time.

Mr. Speaker, it is a shame Congress does not have a "truth in advertising" law, and it is a shame it does not apply to this bill. If we had a truth in advertising law, this bill would be called the Annual $20 Billion Tax Forgiveness for the Most Oppressive Communist Regime in the World.

That is what it is all about. When we give them normal trade relations, formerly known as Most Favored Nation, they changed the name because the American public did not like the idea of giving them a $20 billion tax break. So now they are going to try to slide it in again.

Why is it wrong? They charge us 40 percent on America products when they are sold in China. This would allow our country to charge them only 2 percent. I am getting a little tired when I go to visit the troops of finding out that we have 12,000 soldiers, sailors, airmen, and marines on food stamps, but we cannot find the $100 million to help pay them a little better.

I am a little tired when our military retirees are saying they are not getting the health care that they were promised, when we do not have the $2 billion to fulfill that pledge.

I am extremely tired every time an American helicopter and an American plane crashes because it is too old to be flying our kids around, and we do not have the money for weapons procurement. But, Mr. Speaker, we just gave the most repressive regime in the world 20 extra billion dollars to modernize their equipment.

The Chinese communists in the past 3 years have acquired ports on both ends of the Panama Canal. On the first day of the year 2000, we lose our last base in Panama. We lose, they gain. Chinese communists are getting ready to take over what was an American naval station in California. We lose, they win.

So, for those Members who want to give them the $20 billion tax break, I hope they are ready to explain this to the people of their districts.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to remind all colleagues that China is our fastest growing export market. And in addition to that, its growth rate in terms of U.S. exports to China has more than doubled in the last six years. So, there is considerable hope about vast improvement in our economic relations.

Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. SMITH), chairman of the Committee on Agriculture.

Mr. SMITH of Oregon. Mr. Speaker, there is no question about the issue before agriculture in America. We must normalize trade with China. It is $2 billion today for trade with China for agriculture in America. And with the largest population of any country in the world, of course it is a great opportunity for agriculture.

It is no secret that when China is in the business of buying wheat, we have $6 wheat in America. When China is not buying wheat, as they are not today, we have $2.50 per bushel wheat. If we block China from ever buying wheat, we will continue to have $2.50 wheat.

A month ago I joined with the Speaker and the gentleman from Texas (Mr. STENHOLM) in a bipartisan effort to help solve the crisis of agricultural prices in America today. We joined by suggesting that we have a square deal for agriculture, the four corners of which are as follows: Lift sanctions for Pakistan and India; pass the International Monetary Fund funding; normalize trade with China; and pass fast track so that we can be again competitors in the international market.

That is the square deal that we propose for agriculture, and this is one more step to improving the crisis in agriculture in America.

Mr. CHRISTENSEN. Mr. Speaker, I yield 3 minutes to the gentleman Mississippi (Mr. PICKERING).

Mr. PICKERING. Mr. Speaker, I rise today reluctantly in support of H.J. Res. 121. I served in the Bush administration and 5 years on the staff of U.S. Senator TRENT LOTT. During that time, I always supported the extension of Most-Favored Nation status, because I believed it was the right way to achieve our trade objectives. But, sadly, I have come to the conclusion that the current policy is failing. It is flawed, fundamentally flawed, and it needs to be changed and replaced.

At a time where we are taking bold leadership in other areas of our policy with China, taking a stand with the passage of the Religious Persecution Act, trying to find ways to limit technology transfer and to limit the proliferation that we are seeing, we are sticking and staying in the rut of the status quo of the MFN debate.

Mr. Speaker, year after year we have done that for the past 10 years, and no change. The deficit gets worse every year. Our objective of getting them into the World Trade Organization seems to be slowing and lessening. What incentives do they have now to join the international community, to play by the rule of law, to open their markets, to reform their state-owned entities? The truth is the incentives today all work against our trade objectives. This policy, the current policy, works against our objective of opening their markets.

Let me be clear, my opposition is not one of closing our market. It is not one of isolating China, but it is advocating going from appeasement and an outdated policy from the Cold War to a policy of effective engagement, a constructive framework.

I would join the gentleman from California (Mr. DREIER) and the others who care about opening the markets in China, but there is a better way, there is a better alternative.

Mr. Speaker, I have been working with the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Illinois (Mr. EWING) on an approach that has good support from the ag community and is gaining support in the business community as a new way, a new policy for the 21st century. This is the purpose of the legislation.

It would simply say, if China joins the WTO, we will automatically, prospectively grant Most-Favored Nation status. We give them credible, date-certain incentives to join the WTO by the end of the year 2000, and failure to join could create reasonable and realistic cost incentives for them to join.

There would be flexibility built into it that if there are snap-back provisions, that it could be sector by sector, so that waivers could apply. So it is certain, it is credible, it is doable, and it is flexible.

We need a new framework for the 21st century with the right incentives to open their market. I would urge my colleagues to work with us as we go into the next year's debate, and I reluctantly support the present resolution.

□ 1430

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I thank my colleague for yielding me this time.

Mr. Speaker, I rise in support of extending normal trade relation status to China and urge my colleagues to oppose the Solomon resolution for two reasons: Vital American interests are at stake, and engagement is working.

Over the years, Members of this body have raised numerous reasons why trade relations should be cut off between our countries, and rightly so. China has traditionally had many problems of concern to all Americans. And human rights abuses, weapons proliferation, intellectual property protection and other issues continue to worry me and my constituents.

But, Mr. Speaker, things are changing, and President Clinton's recent trip highlights many of those improvements. Perhaps the most important was President Clinton's uncensored broadcast in China of his news conference held with the Chinese leader.

Last year I quoted Secretary of State Albright in noting that engagement does not mean endorsement. I stand by that statement, while recognizing that engagement does mean, and has meant, opportunity; opportunity to export our values of free enterprise, personal liberties and democracy, and the opportunity to promote a better and more secure world for our children and the children of China.

Just in the past year, Chinese leaders have endorsed accelerated privatization of industry, banking reforms, legal due process, and more open political debate. These improvements, while not complete, are largely due to quiet prodding by the United States.

I believe there is no greater opportunity or challenge in American foreign policy today than to secure China's integration into the international system as a fully responsible member. I believe we can better influence China's direction by exposing them to our democratic ideals. We can more effectively move the Chinese to change by increasing their exposure to the United States, because we are the model of democracy and freedom for the world.

Revoking NTR would severely damage American interests and undermine our ability to influence China's directions. I urge my colleagues to vote "no" on this resolution.

Ms. PELOSI. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK), the distinguished ranking member of the Subcommittee on Domestic and International Monetary Policy of the Committee on Banking and Financial Services.

Mr. FRANK of Massachusetts. Mr. Speaker, it is an important day. The Republican leadership, and much of the Republican Party, will take a brief time out from attacking the President over China to vote for what China most wants. So that no one should be confused by these criticisms of the President in China, because today, with I believe the support of the majority of Republicans, China will get that which it most wants, a continuation of one of the most imbalanced trade and political relationships in the word.

No one I know of is suggesting we should have no relations with China. What we are saying is that we have negotiated a lousy deal. We obsess that they might not think so much of us. Frankly, if I were the Chinese, I would be worried about what America thought of them. And I believe we have, with this enormous market of ours, of which they take great advantage, we have an enormous power to put better terms on our relationships with China.

The question is not whether we should have normal or nonnormal trading relations. By the way, I am also glad to see the Republican Party repudiate their attacks on political correctness. By changing this from Most-Favored-Nation to Normal Trading Relations, they obviously show the power of semantics. But we can get a better deal than the one we are prepared to buy today.

Ms. PELOSI. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. MILLER), the very distinguished ranking member of the Resources Committee of the Congress, former chair of the Natural Resources Committee.

Mr. MILLER of California. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, only in Washington, D.C. and inside the so-called beltway would this be considered a normal relationship. Unfortunately, when we talk about this normal relationship, we talk about the engagement of China. Every time this administration engages China, it must diminish and depreciate the American values of religious freedom, of freedom of speech, of human rights and self-determination, of national security, of nonproliferation, and of fair trade.

Each and every time the administration sets out its goals for China, they sound laudable and they sound supportable. The only problem is the Chinese Government does not meet those goals, and yet we call that engagement. We call that engagement because in order for this administration to continue to engage, they must concede these very basic American values, values that have built this Nation and values that this Nation has been a beacon for across the world.

To say that engagement is not endorsement sounds like a child-rearing policy of the 1960s when we wanted not to admit what our dysfunctional children were doing.

Mr. CHRISTENSEN. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, it has been the fourth year I have had an opportunity to work on this issue, and for the last three I have always voted with my colleagues on the right here in favor of renewing MFN. Last year I gave a statement that said that we are going to give it one more year to see if things change. But, my colleagues, things have not changed.

Nothing has changed. Nothing has changed in the trade imbalance. The trade imbalance has grown. We have heard today that it is at $60 billion. Over a billion dollars every week we grow the trade deficit with China.

Has the issue of human rights gotten any better? No. We have had testimony this past week and this past month in the various committees, talking about the various human rights violations, various forced abortion issues, the slave labor camps, the harvesting of organs, the repercussions with dissidents, the taking away of free speech, whatever free speech there is. Nothing has gotten better. But yet each and every year we continue to renew this. But the number is growing.

Has anything gotten better in the area of national security? No. Our good friend the gentleman from California (Mr. DUKE CUNNINGHAM) stated that in Long Beach, California, the port has been given over to the communists. The Straits of Taiwan, the continued persecution of the Taiwanese people. The taking away of liberties, of religious faith, whether of Muslim, whether a Tibetan monk, whether it is a Christian. If an individual does not belong to the patriotic Catholic church, they are not in an officially recognized religion and they are under persecution.

Nothing has gotten better. Whether it is economic, whether it is national security, whether it is weapons proliferation, or whether it is human rights, not one single area has gotten better over the last four years. And no longer could I continue to go along and say, yes, engagement, intervention is the way to go.

I believe we need to call it exactly as many have spoken here today; that the policy is a failed policy; that we must hold them accountable; that we must move from normal trading relations back to what I believe is the right policy, and that is holding them accountable. The Chinese people are crying out. Human rights around the world are not like they are in China. We must do a better job. We must send a message.

This is going to pass. It has the votes. So it is not an issue about renewing the MFN or the normal trade relations. This is about sending a message to Jiang Zemin and the people of China who are looking to us for hope and help.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. FAZIO).

Mr. FAZIO of California. Mr. Speaker, I rise in opposition to the resolution and support of normalized trade relations with China.

Let me be clear, granting NTR to China benefits, I believe, America's security and its economic interests. We need to be at the table with China for constructive dialogue to occur instead of peeking over our neighbor's fence wondering anxiously what they may be up to.

Normal trade relations and increasing economic engagement has continued the process of opening China and exposing the Chinese to our politics, ideas, and personal freedom. And China has made significant strides not only in global affairs but within its own borders. It has contributed significantly to enhancing Asian political stability by condemning India's and Pakistan's nuclear tests and encouraging restraint.

China's role is critical to preventing nuclear proliferation.

Ten years ago religious liberty in China was nonexistent. Today, China has made tremendous strides in the tolerance of religious freedoms by accepting U.S. religious leaders on its shores and allowing the practice of Christianity.

Furthermore, revoking normalized trade relations will not achieve our human rights goals.

Engagement does work. If we build relationships, we can directly influence a country's human rights record. China is changing quickly and our policy must keep abreast with these changes.

I think this is also part of an overall test that this Congress faces, and that is whether or not we will play up to the role of world leader in every sense of that term, whether it is funding the International Monetary Fund or looking to reach further global trade agreements that will strengthen the creation of jobs in this country.

All of these are hard to do, particularly in a period even of economic growth, as we have experienced in the 1990s. It is so much easier to tell the American people things that perhaps are more acceptable about things they believe, whether it be religious persecution, or the loss of jobs through trade imbalance, or where we ought to be spending our tax dollars here at home, not overseas. But we know that we are not only the world's leading military power, but its leading economic power as well, and we have to project that strength, that vision of what the world economy can be, not just for Americans but for people across the globe.

So I urge my colleagues not just to vote against this resolution but to remain focused on the relationship with China and to move further, as this Congress unfolds, to fund the IMF, to take other steps that will help shore up the economies of Asia and the former Soviet Union so that we can, in fact, continue the kind of leadership that we provided since Harry Truman at the end of World War II, where the American people, with tremendous challenges here at home, played the role of economic leader for the world.

In the long run, it is the American people who will suffer the consequences of nonengagement, not the Chinese, if we fail today.

Mr. Speaker, today, many will attempt to muddy the waters by saying that China should not be granted Normal Trade Relations because of its history of human rights abuses, unfair trade relations and nuclear proliferation.

I won't deny the validity of these allegations, however, shutting the United States off from engagement with China severely reduces our leverage for open dialogue.

Shutting ourselves off to the most populated country in the world is more detrimental to monitoring human rights abuses than productive.

Engagement promises long-term rewards because it allows the U.S. a way to influence China's human rights policy at a grass root level. It would be foolish to follow a contrary policy. Renewing NTR is important to our nation, and it is important to California and the district that I represent. Exports to China and Hong Kong from California totaled nearly $5.7 billion in 1997. Exports supported over 108,000 jobs. Agriculture exports alone, from California to China, totaled over $300 million.

Denying NTR would translate into the loss to the agricultural market for the farmers in my district. Shutting these farmers off from trade would allow Canada, Chile and other nations to fill the trade vacuum that would be created. Denying NTR would be reminiscent of our sanctions against the Soviet Union in the early 80's in regard to its invasion of Afghanistan. The Soviet Union didn't get out of Afghanistan and our wheat farmers suffered the consequences of our policy. Our sanctions penalized us—benefitting other nations that capitalized on our policy.

Americans deserve us to act in their best interest—engagement promises not only jobs but security to the United States.

Ms. PELOSI. Mr. Speaker, what is the status of the time?

The SPEAKER pro tempore (Mr. PEASE). The gentleman from Illinois (Mr. CRANE) has 7½ minutes remaining; the gentleman from Nebraska (Mr. CHRISTENSEN) has 4½ minutes remaining; the gentleman from California (Mr. MATSUI) has 6½ minutes remaining; and the gentlewoman from California (Ms. PELOSI) has 7 minutes remaining.

Ms. PELOSI. Mr. Speaker, could the Chair discuss the order of closing for us?

The SPEAKER pro tempore. The order will be the gentlewoman from California (Ms. PELOSI) will be first, then the gentleman from California (Mr. MATSUI), then the gentleman from Nebraska (Mr. CHRISTENSEN), and then the gentleman from Illinois (Mr. CRANE).

Ms. PELOSI. So the gentleman from Illinois (Mr. CRANE) will ultimately close, and we go in this order?

The SPEAKER pro tempore. That is correct.

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Mr. CHRISTENSEN. Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I reserve the balance of my time.

Ms. PELOSI. Mr. Speaker, I reserve the balance of my time.

Mr. CRANE. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. DREIER).

Mr. DREIER. Mr. Speaker, it is an honor to be able to have this opportunity to stand here in the well and say that just a few minutes ago the President signed the IRS Reform Bill, which has now established exactly what it is we are debating.

There is nothing favored about this. We are talking about normal trade relations. Even many of the leading proponents of this resolution admit that it is not a serious legislative proposal; it is just a signal, a primal scream of

frustration, a helpless yelp of resignation.

We must send a clear signal. Furthering reform in China is a moral issue. And I think it is important for us to listen to some moral leaders who have commented on it.

The Reverend Billy Graham said: "I am in favor of doing all we can to strengthen our relationship with China and its people. China is rapidly becoming one of the dominant economic and political powers in the world, and I believe it is far better for us to keep China as a friend than to treat it as an adversary."

The Reverend Pat Robertson: "Leaving a billion people in spiritual darkness punishes not the Chinese Government but the Chinese people. The only way to pursue morality is to engage China fully."

And His Holiness the Dalai Lama: "Confrontation or condemnation: I don't think it works. The only practical way is to be a genuine friend."

Mr. Speaker, we know that the single most positive change in the 5,000-year history of China has been the economic reform, those economic reforms which have empowered hundreds of millions of individuals to be lifted out of poverty. It is the height of absurdity to send a signal attacking the one positive change.

We have found over the years, over the last decade and a half, that maintaining economic engagement has in fact led to the positive political reform that we all seek. We found that out in Chile. We found that out in Argentina. And in the Pacific Rim, we found that out in both Taiwan and South Korea.

We never thought of cutting off economic ties with any of those 4 countries, which had horribly repressive human rights policies. And what has it brought about? That policy has helped us improve political pluralism, human rights, the rule of law in those nations. And it will do the same in China.

If we are going to send a positive signal, we should be doing the very important things that we have discussed repeatedly here in the Congress. For one thing, $22 million for Radio-Free Asia, which is included in the Commerce-State-Justice appropriations bill, is a request that is over that that the President has requested.

I want to compliment the gentleman from Kentucky (Mr. ROGERS), chairman of that very important subcommittee, who has led the charge to help in this effort supporting the increased funding for the National Endowment for Democracy.

I am privileged to work with the International Republican Institute, a very important arm of that. We now have over half a billion Chinese people who have participated in village elections there; and in 40 percent of those elections, we have seen non-communist candidates actually victorious.

I think it is also very important for us to send a signal to the other body. That signal is they should pass the very important China bills that we successfully reported out of the House of Representatives last year.

Maintaining this strategy of engagement is the wave of the future. We have to recognize that if we are going to do everything that we can to help the people in the United States and the people in China, we must maintain normal trade relations.

Mr. CHRISTENSEN. Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I reserve the balance of my time.

Ms. PELOSI. Mr. Speaker, I request—how much time do I have remaining?

The SPEAKER pro tempore (Mr. PEASE). The gentleman from Illinois (Mr. CRANE) has 3½ minutes remaining. The gentleman from Nebraska (Mr. CHRISTENSEN) has 4½ minutes remaining. The gentleman from California (Mr. MATSUI) has 6½ minutes remaining. And the gentlewoman from California (Ms. PELOSI) has 7 minutes remaining.

Ms. PELOSI. Mr. Speaker, is it my understanding that if we have a call of the House that we would each have 4 minutes or less, depending on how much time we have for the closing presentations?

The SPEAKER pro tempore. The Chair is not party to any agreement.

Ms. PELOSI. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, as I said earlier today, the debate on the floor today is not whether China will get Most Favored Nation status or that same status by any other name. The debate on the floor today is whether Members of Congress want to associate themselves with a failed policy, a policy which in the last 10 years has seen our trade deficit with China increase from $3 billion to $63 billion projected for 1998.

It is interesting to hear people talk about normal trade relations, as it will now be called. As I said before, a rose is a rose is a rose. In this case, a thorn is a thorn is a thorn.

Because the fact is that the Chinese regime has already decided that we are not going to have normal trade relations with them. They have done that by having the Great Wall of China around their markets resulting in that big trade deficit, by using slave labor for export, by using transshipments to avoid our quotas, and by pirating our intellectual property in the case of software at a rate of 95 percent.

So they must be having a great big chuckle over there in Beijing to see that we are debating to give them what they have already decided will not be a normal trade relationship.

Let us hear it for a normal trade relationship. I hope we can achieve one. But clearly, we have not gotten from here to there with this failed policy of granting Most Favored Nation status to China.

I just want to talk about a couple things I have heard said here. I heard people say they are making progress in human rights because they freed a few political prisoners. They forcefully exiled those people. That is punishment. That is not progress.

That is why Wei Jingsheng has been speaking out since he came to the United States to say, unless there is a threat of withholding this preferential trade treatment from China, the hands of the reformers in the government are not as effective in trying to persuade the hard-liners to change. To change, to open the doors to the prisons of those who are still in prison from the Tiananmen Square massacre and many from the Democracy Wall era, which is 20 years ago. We cannot put the Tiananmen Square massacre behind us until those people are free, until the exiles are able to return home and speak freely within China.

I have heard others say that China is moving on human rights because they are going to work on the rule of law. How the Beijing rulers must enjoy that one. In Chinese, it is the rule by law. And that can be very, very oppressive.

I have heard people say here that the President made great progress on the proliferation issue because of the targeting. They present that notion and then they belittle it because they know that that is not a summit accomplishment.

And what was really happening while the President was there? While they may have been not targeting us, China was conducting a test. And an official of our own Government said, "President Clinton said proliferation would be high on his agenda during the summit. And by testing this key component of a long-range missile when they did, the Chinese have made it clear their lack of respect both for the President and his message," they said.

Trade, proliferation, human rights. Let us have a normal trade relationship. Yes, let us use the leverage that we have to make the world safer, the trade fairer, and the people freer.

I ask my colleagues, is $1 billion a week deficit normal? Vote "yes" on the resolution and "no" on MFN for China.

Mr. CRANE. Mr. Speaker, I reserve the balance of my time.

Mr. CHRISTENSEN. Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I reserve the balance of my time.

Ms. PELOSI. Mr. Speaker, I reserve the balance of my time.

CALL OF THE HOUSE

Ms. PELOSI. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 316]

ANSWERED "PRESENT"—408

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Filner
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Furse
Gallegly
Ganske
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E.B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
Lazio
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Packard
Pallone
Pappas
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sánchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn

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The SPEAKER pro tempore (Mr. PEASE). On this rollcall, 408 Members have recorded their presence by electronic devise, a quorum.

Under the rule, further proceedings under the call are dispensed with.

DISAPPROVAL OF MOST-FAVORED-NATION TREATMENT FOR CHINA

The SPEAKER pro tempore. In the matter pending before the House, the following time remains: The gentlewoman from California (Ms. PELOSI) has 4 minutes remaining. The gentleman from California (Mr. MATSUI) has 6½ minutes remaining. The gentleman from Nebraska (Mr. CHRISTENSEN) has 4½ minutes remaining. The gentleman from Illinois (Mr. CRANE) has 3½ minutes remaining.

The Chair recognizes the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, as the House is coming to order, as one who has had a long interest in this U.S.-China trade debate, I want to commend you for your distinguished presiding over the House today during this very important issue to the American people.

Mr. Speaker, I now have the privilege of recognizing our distinguished Democratic leader of the House, a champion for promoting democratic values throughout the world, promoting our own economy through promoting exports, and stopping the proliferation of weapons of mass destruction.

Mr. Speaker, I yield 4 minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Speaker, I would begin my statement today with a question that I think all of us have to ask as we decide which way we are going to vote. The question is, if we had kept in place in the mid-1980s a policy of constructive engagement with South Africa that is very much like the policy of constructive engagement we now have with China, would not Nelson Mandela be the President of South Africa today, or would he still be in jail? That is the question.

I know no two countries are alike. I know no two sets of policy can be exactly the same. But I believe with all my heart that the policy we are following, which is basically a policy of saying that more trade, more economic relationships, more communication is sufficient to bring about real change in China, is a failed policy and it has not worked.

If you will, simply look at the facts. Let us first look at trade. In 1987 the trade deficit with China was about $3 billion between the United States and China. Today it is over $60 billion.

Our own Trade Representative has stated, as of this year, as of this year, that there is essentially a closed market in China to American products. Put aside the tariff difference. Our average tariff on their goods coming here, 2 percent. Their average tariff on our goods going there, 17 percent.

But put that aside. The greatest barrier to our products going into China are nontariff barriers. Our own Trade Representative has said that their market is essentially closed now to our products. They had been unwilling to meet up with our demands to put them in the WTO. They are simply unwilling to allow for fair and free trade.

So if my colleagues look at this in terms of trade policy, we are not making progress. We are going in the wrong direction. We are not going in the right direction.

Let us take a look at human rights. Again, no progress. The President was there, and I admire him for going, and I think it was right to go. But let me tell my colleagues something. The Chinese leadership is happy to have our President or anybody else come and make statements about human rights as long as they do not have to do anything about human rights. Talk is cheap. I am from Missouri. Show me. Nothing is happening.

One hundred fifty dissidents who were in Tiananmen Square are still in jail. Even as our President came to China, people were locked up. People were locked up for no causes. People were locked up because they dared to try to express themselves politically freely.

There are no human rights in this country. Every violation that could be

made of human rights has been made, and there is no progress. Look at the record. If the policy were working, the record would be different. It is not. So if a policy is not working, we need a new policy, and I believe that policy has to have actions as well as words.

I respect deeply my colleagues who believe that more trade and more talk will work. I respectfully disagree. I do not think that anything but solid action will make a difference.

I want to remind my colleagues of what was said in the debate about South Africa in 1985. I want to read my colleagues a statement. One of our Members in 1985 said this: "South Africa is making positive and concrete strides under an American policy of constructive engagement. Given the progress already made and the virtual irreversibility of the trends, sanctions and other punitive activities can hardly be expected to produce more salutary results than President Reagan's policy of constructive engagement."

Our respected colleague, the gentleman from Illinois (Mr. HYDE), said those words on this floor in 1985, but this House in a bipartisan way stood for taking a definitive action. Words were not enough. We had to stop having a normal trading relationship with South Africa to get their attention.

Our trade deficit with China is financing the present leadership in China. They have a deficit with other countries put together. We are the only country they have a huge surplus with. In effect, our trade policy is financing the policy that they follow.

Let me end with this: We always are told that the reason we cannot do this is because of money. We are going to lose contracts. We are going to lose business. We are going to lose a billion consumers in the future.

Let me just end by saying this to you as you search your heart in this vote: This country has always stood for much more than simply money and economic success. This country is an idea. It is a universal idea that applies to every citizen of the world.

Abraham Lincoln in 1861 said this: "I have often inquired of myself, what great principle or idea it was that kept this Nation so long together. It was not the mere matter of the separation of the colonies from the Motherland but something in that declaration giving liberty, not only to the great people of this country but hope for the world for all time."

That is what we are. That is what we have to be. That is what we have to represent to the people of China and the people of the world. Wei Jingsheng was in my office a few months ago and I asked him what we should do on this vote, and he said, "Congressman, please understand that the only thing the leaders in China understand is money and trade and whether or not you are willing to really stand for what you believe in."

Your vote today is for what we believe in. Let us change China. Let us have real engagement. Let us bring about liberty finally, as only we can, for the people, the great people of China. Vote against a normal trading relationship with China.

Mr. MATSUI. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to the resolution that would end normal trade relations with China.

Mr. MATSUI. Mr. Speaker, I yield the balance of my time to the distinguished gentleman from Indiana (Mr. HAMILTON), the former chair of the Committee on Foreign Affairs and the ranking member of the Committee on International Relations.

Mr. HAMILTON. Mr. Speaker, I rise in opposition to H.J. Res. 121. I support retaining normal trade relations with China. This is not just a vote today about trade. NTR, or normal trade relations, is the keystone of our policy of engagement. So the question today is the fundamental one: Do you wish to pursue a policy of engagement or of isolation?

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Members have argued on the floor today that you can vote to end normal trade relations with China and still work with Beijing on nonproliferation and human rights and all of the other problems we have with China. That argument cannot be sustained. To withdraw normal trade relations from China is to declare economic warfare against China. We cannot declare economic warfare against China and expect China to play by our rules on nonproliferation and human rights and security. Political engagement and economic cooperation go hand-in-hand. You cannot separate the two.

What we must ask ourselves on the floor of this House today and what we must understand is that China is changing. Go back 20 years, when our policy of engagement began. At that time it was simply unimaginable to have a public discussion on any issue with China.

Today American businesses operate in China, the state share of the economy is falling, the standard of living of the people of China has improved sharply, two presidents debate with one another in Beijing about human rights, the American president is given access to all the people of China on Chinese television. The average Chinese citizen today has more freedom, not enough, but more freedom than that citizen has ever had in the history of China. The rule of law is making progress. Local elections are being held.

How can you describe that policy as a failed policy? That is not a failed policy. This is a policy under six presidents that has been one of engagement, and it has worked.

These trends that I have identified are good for China and they are good for the United States. They show that engagement, including engagement's foundationpiece, normal trade relations, works. And I believe that as the doors to freedom in China begin to open, they will be increasingly hard to shut.

Now, the stakes are very high in this vote today, because China does stand at a crossroads. Whether it emerges as a stable country, integrated into the world community, will be decided by China. But we can influence China, and we have influenced China over a period of years.

We should not, however, delude ourselves into thinking that by withholding normal trade status from China we will have greater influence with China. Not on your life. It would mean less influence with China.

Now is not the time to slap China. No matter how you may have voted on this question in the past, the case for normal trade relations with China today is stronger than it has ever been. Look what happens if you have a financial Asian meltdown. China has played a key role by maintaining the value of its currency.

Withdrawing normal trade relations from China at this juncture would be the worst step we could take. Look at China's economy. It is precarious. Premier Ju is committed to an ambitious program of economic reform. It moves in the direction we want China to move. The United States supports those reforms. But if we come along now and strip most-favored-nation treatment, as we used to call it, or normal trade relations from China, that will help kill those reforms.

Look at what China is doing on all kinds of regional problems, I do not have time to go into that, but with India, Pakistan and Korea. Terminating access to U.S. markets would almost certainly mean that China is less willing to work with us on key security problems.

Take a look at the American economy. Everybody in this Chamber has noted the drop in growth in the second quarter compared to the first quarter, one of the most dramatic drops in the history of our economy. We must not take a step that would exclude one person out of every four on the face of the Earth from trade relations if we deny normal trade relations.

We can all acknowledge a very difficult problem on trade deficits. China is not an open market, but you have to address that problem in such a way that you do not penalize the American producer.

Mr. Speaker, I urge Members to vote no on the resolution.

Mr. CHRISTENSEN. Mr. Speaker, I yield the balance of my time to the

gentleman from New York (Mr. SOLOMON), the chairman of the Committee on Rules and the author of this resolution for the last 9 years, a champion of human rights.

The SPEAKER pro tempore (Mr. PEASE). The gentleman from New York is recognized for 4½ minutes.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from Nebraska for yielding me time.

First of all, let me just thank those who have stood for human rights in this House for many, many years. I talk about the gentlewoman from California (Ms. PELOSI), certainly the gentleman from New Jersey (Mr. SMITH), certainly the gentleman from Virginia (Mr. WOLF), and my good friend from Nebraska. But, Mr. Speaker, as I sat through this 4 hours of debate and it will be my last debate, I will not carry this bill again but you would think there is nothing wrong.

I heard my good friend, the gentleman from Illinois (Mr. CRANE), whom I have served with for 20 years, say, well, we have to worry about 200,000 jobs that would be lost if we do not renew MFN for China today. I look at my district, and I just wonder whether it is different from his.

I represent the old Rust Belt in America. We used to manufacture shirts like I have on here. These were choice shirts. We had most of the market. We used to manufacture gloves, a whole litany of things. Today, in my district, there just are no more jobs. GE has laid off some 24,000 people. IBM has laid off some 14,000 people. There are hardly any entrepreneurial manufacturing companies left that used to create all of these jobs.

I look at people who have served in the military, came home, got married, have three or four children, and they work in Little League and Boy Scouts. Now they are 45 and 50 years old, and they do not have a job, they do not have a decent job. They no longer have that job with GE, where they made $40,000 or $50,000 as a laborer. Now they have three little jobs, and they do not even make $25,000 in total. They cannot make a living for their families. Yet I hear people stand up here and say there is nothing wrong.

Well, when only 2 percent of our exports go to China, but they unload on us, there is something wrong there. What was the note I just had? Ambassador David Aaron, the Undersecretary of International Trade, U.S. Department of Commerce, just testified about an hour ago, and he was posed with the question, Why do we have this $60 billion trade deficit with China, bigger than Japan's now? Ambassador Aaron's comment was the reason for our trade deficit with China is trade barriers.

Now, what is normal trading relations if we cannot export? A major electrical razor manufacturer closed its plant, 250 people out of work, and it went to China. Now, in China, I do not know whether you have been there. I have been there several times and they do not buy electric razors. They do not even use them much. Therefore, all of those razors are going to be exported back to the United States. Yet 250 people are out of work. So something is drastically wrong.

Withholding MFN for China, right now, today, does not mean we are doing it for a year, 10 years or 20 years. We are doing it temporarily. It can be for 30 days, because this Congress can turn it around like that.

Let me tell you, the Chinese people are the smartest people in the world. If we ever withheld this favored treatment and came back to regular relations, so we would have the same trade tariffs between our countries, do you not think China would come to us crawling, because we have 250 million Americans with the greatest buying capacity in the world? They would lick their chops to do business with us. And we do nothing? That is a disgrace.

That is why we ought to pass the Solomon resolution now. Whether MFN is withdrawn for a week, 2 weeks, a month or 3 months, we would find we would pretty soon renegotiate our trade with China to where we would no longer have that $60 billion deficit and Americans would have jobs in this country.

Please support my amendment.

Mr. Speaker, I noted at the very outset that, for the past nine years, the argument has been presented that maintaining MFN status for China is necessary in order to gain access to the Chinese market for U.S. products, to induce the Chinese dictatorship to treat its own people with a decent respect for their human rights, and to modify the rogue behavior of the Chinese communists.

Abundant evidence has been presented during the course of this debate that 19 years of MFN have failed to promote any one of these objectives.

MFN has been an issue before Congress for the past nine years—ever since the Tiananmen Square massacre. But MFN status for China actually goes back ten years before that—to 1979.

I would just ask the advocates of MFN for China: When does America start getting access to the Chinese market? When does the great payoff start?

China is the largest country in the world, with one-fifth of the world's people. But after 19 years of MFN, less than one-fifth of 1 percent of U.S. economic activity is involved in trade with China.

No more than 1.9 percent of our total exports are now making their way into that huge market. When does the payoff start?

And when will the Chinese people start being treated as citizens, instead of as comrades or economic units to be exploited, manipulated, and abused?

And when will China start assuming a responsible and respectable role in the world, instead of being the arms merchant to every outlaw state in business and any other country that wants weapons that are out of scale to its legitimate needs?

Mr. CRANE. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from Illinois is recognized for 3½ minutes.

Mr. CRANE. Mr. Speaker, this is an interesting experience. We had a debate on the floor yesterday and I was semi-joking about the gentleman from Illinois (Mr. YATES) coming to Congress when I graduated from high school, but that was the same year that LEE HAMILTON and I met each other in our freshman year in college. We were college chums together for a couple of years. Of course, we are going to be losing the gentleman from New York (Mr. SOLOMON) too, who retires after this year, and we have had our agreements and disagreements along the way on a lot of issues.

But I am particularly proud of the eloquent presentation today by the gentleman from Indiana (Mr. HAMILTON) on behalf of maintaining our normal trade relations with China. It is probably the most important country that we can have relations with on the face of this Earth, and I say that because of what the future holds for China.

In those years that I described, talking about the election of the gentleman from Illinois (Mr. YATES), his first term here, and the gentleman from Indiana (Mr. HAMILTON) and I going off to college together, the fact of the matter is that was the beginning of the Great Leap Forward, that you remember cost 30 million Chinese lives from starvation. That is when they put the wall up, for all practical purposes, and locked out contact with civilized human beings. Then they did the Great Leap Forward after that for another decade, and hundreds of thousands of Chinese people were executed, put to death, for political reasons.

Then Deng Xiaopeng finally took charge, and Deng Xiaopeng, to his credit, believed in what he referred to as Leninist capitalism, the ultimate oxymoron. What he passionately was embracing was free enterprise, he did it with a vengeance, and he turned China around.

Today more Chinese people enjoy a higher standard of living than ever before in the 5,000 years of recorded history. It is providing hope and opportunity. A middle class has already developed in South China.

Now, these are accomplishments that we can aid and abet with our presence and our influence. The Chinese have respect for us, and our leaders in this country, and this goes back to Gerry Ford, it goes back to Jimmy Carter, Ronald Reagan, George Bush, to the current occupant, Bill Clinton, they have all embraced going forward with this policy. It is not a partisan question. It is not Republican versus Democrat, it is what is in the best interest.

We can have legitimate disagreements, as I have had with the gentleman from New York (Mr. SOLOMON) throughout the years, have disagreements on this.

But I submit, if you look at the reforms taking place in China, and that is local democratic elections, one-third of the Chinese people have already participated in the democratic process, and they are not communists. In addition to that, as I say, the advancement of free enterprise, and the advancement also of religious freedom and what is going on there with a vengeance today, in contrast to not that long ago when this was impermissible, now an estimated 20 million Protestants, possibly as many as 10 million Catholics, 100 million Muslims, these are accomplishments that are far from perfect, but we know that it is movement in the right direction.

I argue that trade relations provide that opportunity for personal contact, which ultimately has the most civilizing impact on mankind.

I urge all Members to think long and hard and vote against this resolution.

Mr. FARR of California. Mr. Speaker, opponents argue that China's record on human rights, trade, proliferation and other issues do not justify extending normal trade relations. Though I agree that much must be done to alleviate these very serious problems, I have to disagree with some of my colleagues on this issue. I feel that we should use every type of engagement—including normal trade relations—to bring China into the international community and to achieve U.S. objectives on human rights, trade and proliferation.

The Chinese economy is one of the fastest growing economies in the world. While many Chinese remain poor peasants, hundreds of millions have seen their lives improved through economic reform. Market reform is the single most powerful force for positive change in China this century, and possibly in the country's long history. Recent economic progress, which has significantly improved living conditions in China, represents real benefits for both the United States and China.

Congress should extend normal trade relations for another year. By supporting normal trade relations, the House is choosing a policy of engagement over a policy of isolation. Engagement has been the policy of every President, Democratic and Republican, for twenty-five years. Engagement is not appeasement. It does not mean ignoring our differences with China or engaging them blindly. It means actively engaging China to resolve our differences. It means hard bargaining in pursuit of American objectives and keeping lines of communications open to breech new markets.

These new markets will have a direct impact on the U.S. economy. U.S.-China trade was valued at $75.3 billion in 1997, supporting an estimated 400,000 American jobs. Last year, California led all other states in total exports to China, amounting to $2.3 billion in sales. California agricultural exports made up over $40 million of these exports.

I have seen a dramatic increase in the amount of agricultural exports to China in the last several years. In my Central Coast district in California, agricultural exports have increased to more than 100,000,000 pounds of produce entering China and Hong Kong. China receives more produce from the 17th District of California than every country except Canada and Japan. American producers are just starting to get a toe-hold in the Chinese market, and additional commodities are entering China at an increasing rate.

With China's reduction in import tariffs last October, on average by about 25%, the future looks very bright for increased exports of U.S. products to China, both direct to mainland ports and via Hong Kong.

It is imperative that the United States continue to work towards improved human rights for both political activists and religious dissenters. However revoking NTR will only slow progress in resolving our difficulties with China. Continued engagement will provide the most fertile ground to improve human rights, copyright law enforcement, and Chinese foreign policy. I feel that it is essential that we support our farmers whenever possible and closing this market would be devastating to my district. For these reasons I can not support House Joint Resolution 121.

Ms. LEE. Mr. Speaker, I rise in support of House Joint Resolution 121, the legislation to disapprove Normal Trade Relations with China (formerly Most Favored Nation Status), for several reasons. During the past several months I have had extensive discussions with individuals both in support and in opposition to Normal Trade Relation status for China including the United Auto Workers of America, the AFL–CIO, the U.S. Business and Industry Council, and the business community in the Bay Area. I do not cast this vote lightly, but with much thought and input from individuals and groups with many points of view.

While in the California Legislature, I served as a member of the California State World Trade Commission and was appointed by the late Secretary of Commerce Ron Brown to serve as a member of the District Export Council. I led the effort to encourage commercial trade between the State of California and the Continent of Africa. I support fair and free trade and recognize the importance of trade in the creation of jobs for Americans, especially in my home state of California, where we are the 10th largest economy in the world.

Essential to the creation of jobs for American workers, however, is the absolute requirement that the Chinese market be open for imports from the United States. The U.S. labor force is harmed by lack of access to China's markets for the majority of U.S. products and services. Trade with China has not been reciprocal. Existing trade barriers create a severe trade imbalance in which the United States imports many more goods from China than it exports. Last year alone, the United States imported $62.6 billion worth of goods from China, while exporting only $12.8 billion. Only 1.9% of all U.S. exports are allowed into China, whereas 34.3% of Chinese exports come to the United States.

Normal Trade Relations Status with China hurts American workers by driving manufacturing industries abroad for cheaper labor, which is particularly damaging to women and minorities. In my state of California, the effect of trade with China is extremely damaging to agriculture, to aerospace, and to the garment industry. The software and high tech industries are also hit particularly hard due to China's theft of copyrighted material. According to the Software Publishers' Association, 96% of the business software in China is pirated from American companies.

Mr. Speaker, U.S. companies and U.S. goods have very limited and restricted access to the Chinese market due to China's high tariffs, as well as its non tariff barriers. As I made my decision to vote for House Joint Resolution 121, I concluded that the current MFN China policy is a "business loser" and "job loser" here at home.

In addition, as a person who supports human rights both in the United States and abroad, I cannot ignore the fact that in China there are at least 250 people still imprisoned since the 1989 Tiananmen Square Massacre, that there are more than 2,000 political and religious prisoners, and that there are at least 230,000 prisoners being held without charge or trial in "reeducation through labor" camps. As a person who has been and will continue to be committed to world peace and to non proliferation of nuclear weapons, I cannot ignore China's assistance in building nuclear and ballistic missile programs in Pakistan and sale of missile test equipment to Iran. I cannot help but be extremely concerned about China's recent test fire of its newest long range missile during President Clinton's visit, illustrating China's lack of respect for nonproliferation.

I support ending the trade embargo with countries such as Cuba, which many supporters of MFN oppose. There seems to be no logic or consistency in the arguments promoted by many of those who support trade relations with China, while simultaneously opposing trade with Cuba. I believe that our foreign policy objectives can be achieved, that democracy and human rights can be encouraged, and the jobs can be created for American workers through fair and free trade with countries, whether Communist or not.

I believe that my colleagues of the California Bay Area Delegation, The Honorable NANCY PELOSI, The Honorable GEORGE MILLER, The Honorable PETE STARK and The Honorable LYNN WOOLSEY are correct in their decision to oppose MFN for China. I unite with them in this effort to support U.S. workers and the U.S. labor.

Mr. PORTMAN. Mr. Speaker, I rise today in strong support of renewing normal trade relations (NTR) with China. As you know, the IRS reform legislation, signed by the President today, changes the designation of "Most Favored Nation" trading status to a name more representative of what we are trying to do—establish normal trade relations. This is a status held by every single one or our trading partners, except those that have been specifically denied by statutory authority.

I strongly believe that renewing NTR is critical to advancing U.S. interests and relationships in Asia. Revoking NTR would significantly raise tariffs on Chinese imports—costing U.S. consumers more of their hard earned money—and would effectively sever our economic relationship with China, making it impossible to influence China in several areas, including human rights.

Failure to extend NTR would also hurt our economic interests. U.S. exports have been steadily growing every year and support thousands of U.S. jobs. In my home State of Ohio, the 8th largest export State, Ohio firms exported $283.5 million worth of products to China in 1997—an 18.4 percent increase for the year, which has led to more jobs, increases in their wages and higher standards of living in Ohio. The Chinese would undoubtedly retaliate, putting our jobs and exports at risk. We would be giving our competitors a competitive advantage in one of the world's fastest growing markets.

A policy of engagement with China, however, does not mean that we approve of its practices. I have grave concerns about China's human rights record. But it is through active engagement with China that we can make the most progress in this and other areas. The Chinese are becoming increasingly familiar with the benefits of an open market system and an open society through our contact with them, Revoking NTR would cut us off from the Chinese, limiting our ability to engage the world's other emerging superpower.

Mr. Speaker, renewal of NTR has been supported by every President who has faced this issue, and is supported throughout Asia, including Japan and Taiwan. I strongly urge my colleagues to oppose the disapproval resolution and support renewing normal trade relations status to China. Continued engagement with China is the best way to help China become a constructive force for stability and prosperity in Asia, and advance important American interests. Thank you.

Mr. LEACH. Mr. Speaker, for the next generation and perhaps century the most important bilateral relationship in the world is likely to be the one between China and the United States.

In this context, the Congress would be well-advised to extend normal trade relations (what used to be known as most-favored-nation or MFN) with China.

Maintaining open trade relations will be the linchpin of a relationship that will have profound importance to the future of peace and prosperity not just in Asia, but for the world. From a historical perspective free trade is a natural extension of the open door policy that hallmarked American involvement in China at the end of the 19th century. Breaching or revoking normal trade relations would effectively drive a stake through the heart of our economic ties with China and place in jeopardy the future possibility of greater Chinese democracy, as well as our relationship with one-fifth of the world's population.

President Clinton correctly emphasized continuity with a bipartisan American tradition of engagement during his recent trip to China, but it appears trade may have taken a back seat to politics. In this regard, it must be stressed that although our economic ties to China have grown rapidly in recent years, so too has the size of our trade deficit. It is up some 20% in the first quarter of this year, and may reach a record $60 billion in 1998. It is time American leaders make the fundamental point that normal trade relations are all about reciprocity. A billion dollar a week trade deficit is politically and economically unacceptable.

The best way for countries to have good sustainable political relations is to have reciprocal open markets, and the best way to achieve reciprocity in trade is to get politics out of economics and economics into the market.

Balanced and mutually beneficial trade could be a cornerstone of good Sino-American relations, just as unbalanced trade contains the smoldering prospect of social rupture. Hence little is more in the U.S. interest than to promote reform and liberalization of China's economic, trade, and investment regimes and to bind China to the rules of international commerce.

With regard to the latter issue, the obvious deserves repetition: common rules of trade are in the vested interest of all countries which want to be part of the modern world. Those nations which want privileged status to protect their own industries, usually on grounds of the old infant industries argumentation, generally hurt themselves. Financial services is a classic example. While China has become dramatically more integrated into the international financial system over the last decade and a half, it has only taken modest steps to open up its banking, insurance, and financial service industries to foreign competition. Yet China and its economy would be far better off to welcome U.S. and other foreign financial institutions and their panoply of low-cost commercial and investment banking products.

With this in mind, no fully satisfactory outcome to our trade difficulties can be achieved until Beijing agrees to a commercially viable package of terms for jointing the World Trade Organization. A commercially viable agreement must address U.S. concerns for opening China's market to U.S. agricultural and industrial goods. Likewise, U.S. service industries—particularly banking and insurance—deserve access to the Chinese market. Once this agreement is achieved, Congress should not hesitate to grant China permanent normal trade relations. Failure to do so would leave the U.S. unable to apply WTO rules and obligations to China, including mechanisms for dispute resolution.

At the heart of the annual Congressional debate over normal trade with China lies the issue of economic sanctions. All Americans support common-sense efforts to advance the cause of human rights in China, and elsewhere around the world. The question is one of means, not ends, whether self-righteous indignation advances or undercuts a just cause.

Although arguments can be marshalled in support of trade revocation, at this time they are clearly uncompelling. Indeed, for this Congress to revoke normal trade relations with China as a means to assert legislative displeasure with Beijing on one or any number of social issues would be so counterproductive as to be tantamount to an irrational act.

Members of Congress and many Americans are frequently vexed by what they perceive to be the slow pace of political change in China. But here it must be stressed that the only political system that fits economic free enterprise is political free expression reflected in governmental institutions of, by, and for the people. Advancing freely associated economic ties with the West has only one political side effect: it builds bridges to democracy. Quixotic attempts to isolate China economically run a far greater risk of assuring oppression than advancing democracy.

Chinese society is changing far more rapidly than most Americans realize. The late Deng Xiaoping underscored the new Chinese pragmatism with his cat and mice metaphor, and by promoting "socialism with Chinese characteristics." That pragmatism has led to unprecedented social and economic change in China. Indeed, despite continued political repression, China may be changing more rapidly than any other country in the world. Not only is it looking outward to trade and establishing a market-oriented internal economy, but in terms of private discussion there is much more freedom of expression than existed two decades ago. Privately, one can now criticize the Government without repercussion; it is public criticism that remains shackled. This latter circumstance is indefensible, but the looseness of controls on the former is not without significance. Nor are recent decisions allowing elections at local levels.

Nonetheless, China's social and economic transformation can't proceed in the long run without effecting significant political change. At some point Beijing's new leaders must recognize the incompatibility of free enterprise and an authoritarian political system, and must recognize as well that instability can be unleashed in society when governments fail to provide safeguards for individual rights and fail to erect political institutions adaptable to change and accountable to the people.

Wheather the 21st century is peaceful and whether it is prosperous will most of all depend on whether the world's most populous country can live with itself and become open to the world in a fair and respectful manner. How the United States, its allies, and the international system responds to the complexities and challenges of modern China is also one of the central foreign policy challenges of our time.

Revocation of MFN would not be responsive to the challenge. It would not effectively address our legitimate concerns on human rights, nonproliferation, Taiwan, or trade. On the contrary, it would constitute a supremely counter-productive act.

The United States would be far better to develop a bipartisan and bi-institutional approach that maintains an open door to China and with it a constructive relationship that will be the key to peace, stability, and prosperity in the 21st century than to annually threaten this political brinksmanship. I urge the defeat of this self-defeating legislation.

Ms. HARMAN. Mr. Speaker, I regret this annual ritual to attempt to deny regular trading status to a country comprising one quarter of the world's population.

The United States has normal trade relations with every country in the world except six: Afghanistan, North Korea, Cuba, Laos, Vietnam, and Yugoslavia. We even grant normal trade relations status to Iran, Iraq, Burma, and Libya. It is not to our advantage to put China in the same category as these rogue states, and impose trade restrictions.

By denying normal trade relations with China we hurt ourselves. China is the world's largest nation and a vast untapped market for U.S. goods and services. We can deny MFN to China, but other countries won't. And in the long run, we will be shut out of this market. This will not serve American workers, American consumers, or American competitiveness.

In my own state of California, trade with China accounts for $2.3 billion in exports, and thousands of high-skill, high-wage jobs. In the district I represent, trade with China has generated new jobs not only through exports, but imports as well. Since 1995, the number of jobs at the Ports of Los Angeles and Long Beach has increased five times over (from 800 to 4,700). And these are good, high paying jobs—many of them union jobs.

And let's be clear: if we deny normal trade relations with China, we leave the door open to quotas and tariffs that raise prices on the goods we buy. If we deny MFN, we hurt our own consumers. Is this what we want for hard-working American families?

Making China a regular trading partner does not mean downgrading our interest in getting China to improve its human rights and its non-proliferation record. As a member of the House National Security and Intelligence Committees, I have worked very hard to address the threat of missile proliferation from China and other countries, and I will continue to do so. The imposition of targeted economic sanctions on firms that proliferate is, in my view, a far better way to deal with this.

Refusing to grant normal trade relations status to China won't move it one iota on the issue of human rights or missile sales. What will? Engagement. Engagement means that we will continue to expose the Chinese people to our way of life and our values. As you will recall from the events that swept Eastern Europe less than a decade ago, opening the door just a little can result in tremendous change.

Wang Dan, the student protester who spent 7 years in a Chinese jail, recently said he hoped to learn about the U.S. political system and "bring the good things" back to China. He wants constructive engagement, and so should we.

Mr. VISCLOSKY. Mr. Speaker, I rise to express my strong opposition to President Clinton's decision to extend Most-Favored-Nation (MFN) trading status to the People's Republic of China for another year. I also express my full support for H.J. Res. 121, legislation introduced in the House of Representatives that would override the President's decision and revoke China's MFN status.

I am opposed to continuing China's MFN status for three reasons: (1) China's continuing disregard for our nation's trade laws, which has led to a skyrocketing trade deficit; (2) China's atrocious record on human rights; and (3) China's efforts to assist countries such as Iran, Libya, and Pakistan in developing weapons of mass destruction.

During my career in the Congress, I have worked hard to level the playing field for America's working families. I believe that if you work hard and play by the rules, you are entitled to a fair wage that allows you to buy a house, raise a family, and receive a good pension upon retirement. Unfortunately, these values are falling prey to foreign countries that aim to undermine U.S. jobs by producing goods with cheap labor and then violating our trade laws by importing those goods into the U.S.

China is a prime example of a country that engages in this type of behavior. There is irrefutable evidence that China produces consumer goods using slave labor, child labor, and even military labor in order to keep production costs as low as possible. In fact, Chinese workers are paid an average of $2 per day. China then violates U.S.-China trade agreements, including intellectual property laws, quota rules, and numerous other U.S. trade laws as it imports its goods into the United States.

It should come as no surprise that our trade deficit with China has risen from $3 billion in 1989 to a projected $63 billion for 1998. Trade figures for May 1998, show a 28 percent increase in the deficit compared with May 1997. These figures indicate that our trade imbalance with China is growing by more than $1 billion per week.

Out trade deficit with China will only get worse because continuing to grant MFN perpetuates a fundamentally unfair tariff system. Under MFN, the average tariff rate on Chinese goods being imported into the U.S. is just 2 percent, while China sets a whopping 35 percent tariff on U.S. goods. Continuing the current system gives China no incentive to lower its tariff rates or respect the trade laws currently in place. Revoking MFN would increase U.S. tariffs on 95 percent of the goods being imported from China, which will put the brakes on the growing trade deficit and help balance the playing field for American workers.

In the area of human rights, China's record speaks for itself. In 1997, the U.S. Department of State's annual report on human rights repeatedly chastised the Chinese for committing a range of human rights violations. According to the report, "The [Chinese] government continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms stemming from the authorities' very limited tolerance of public dissent, fear of unrest, and the limited scope or inadequate implmentation of laws protecting basic freedoms."

The evidence is also clear that China continues to provide rogue nations such as Libya, Iran, and Pakistan with assistance in developing nuclear weapons and advanced ballistic missiles. China has supplied Iran with C–802 cruise missiles, which will allow Iran to deliver deadly payloads throughout the Middle East. China has also provided Pakistan with the technical assistance it needed to develop nuclear weapon capabilities. Recent reports even indicate that the Chinese were testing advanced ballistic missiles while President Clinton was visiting their country last month.

Mr. Speaker, China was originally granted MFN status with the hope that doing so would encourage China to lower its tariffs, improve its record on human rights, and become a responsible member of the international community. Seventeen years later, China's record on these issues shows little improvement. It is time to reject those who say "constructive engagement" is the only way to deal with the Chinese government, and revoke MFN status until China commits itself to making trade fairer, people freer, and the world safer.

Mr. LIPINSKI. Mr. Speaker, a 19th century British politician once said, "Commerce is the greatest of all political interests." The Administration's actions lends credence to the statement. In early June, the Administration threw its support behind the renewal of China's MFN status. The interests of multinational corporations have once again been placed before the interests of American working families.

We gave MFN status to China, and exactly what has that given us? It's given us a surging U.S. trade deficit with China that was $50 billion in 1997 that is expected to reach over $60 billion this year. The Administration's cozy trade relationship with China has come at the cost of tens of thousands of American jobs—in the name of constructive engagement, of course.

What is the bottom line with MFN for China? Multinational corporations take advantage of MFN and cheap Chinese labor by moving U.S. manufacturing jobs to China, produce the goods there, and export the products back to the U.S. Our jobs are being exported to China, so multinational corporations can raise their profits. They're putting profits before people.

Who wins? Communist China and multinational corporations.

Who loses? American workers.

Why? In the name of constructive engagement.

Constructive engagement should not come at the cost of American jobs. We should engage on our terms, so that all Americans can enjoy a rising standard of living—not just multinational corporations.

Mr. Speaker, while I am an idealist, I am also a realist. We just do not have the votes here today to reject MFN for China. What we do have, however, is an opportunity to send a message to the leaders in Beijing, China. The U.S. Congress will not stand idly by as China continues to close her markets to American products. Congress cannot ignore predatory trade practices that cost American jobs and threaten the livelihood of American workers. We must take stronger actions to open up China's market.

But the Administration has been telling us that they've been in negotiations with China. They're working very hard to open up China's market. The Administration has been negotiating to open up China's market since 1992, and in my opinion, nothing seems to have changed for the better. I think it's about time to stop talking and start doing.

Congress has provided the Administration with an extremely powerful tool at its disposal. Sections 301 through 309 of the Trade Act of 1974, commonly known as Section 301, gives the President and the U.S. Trade Representative the authority to respond to foreign trade barriers which restrict U.S. exports. It further authorizes the President and the USTR to retaliate usually in the form of 100% tariffs on targeted imported products from the offending country. Section 301 can do a lot to pry open foreign markets, especially in China. They've just chosen not to use it—in the name of constructive engagement, of course.

It's time for the Administration to pull Section 301 out of the closet, dust it off, and utilize it to pry open China's markets and correct the unfair trade deficit. It's time to initiate a Section 301 investigation of China. It's time to take the Section 301 sledgehammer to China's other Great Wall. Break it down and open it up to good, old Made-in-USA products. And if the Administration is reluctant to use Section 301, then it's up to Congress to make sure the Administration does.

Mr. Speaker, I am in strong of H. J. Res. 121 to revoke MFN status for China, because it hasn't helped America, it's only hurt us. MFN for China is a dead-end street for American workers. I urge all of my colleagues to vote for the resolution and send a message to Communist China that American workers will no longer bear the burden of constructive engagement.

Mr. COSTELLO. Mr. Speaker, I rise today in support of the resolution to disapprove so-called normal trade status to China. In the past I opposed efforts to grant this privilege to China, and following a trip I made to China last year, I continue to have reservations about extending this status.

Since the 1989 Tiananmen Square massacre, concern in Congress about the U.S.-China relationship has focused on three areas: China's violations of our trade agreements, proliferation of weapons of mass destruction, and human rights abuses. While congressional hearings and commissions have met and many reports have been issued, in each of these areas where Chinese violations have occurred, it is clear that our national policies of constructive engagement have failed. In fact, there has been deterioration, not improvement, under recent policies.

Looking from the economic perspective, the U.S. deficit with China has climbed exponentially to $50 billion last year. China's high tariffs and non-tariff barriers limit access to the Chinese market for most U.S. goods and services and violate the GATT agreement. China's communist rulers also refuse to enforce laws to prevent the piracy of intellectual property and patents. We must take action to assure that from an economic standpoint we have a level playing field.

Secondly, I am concerned about Chinese efforts to transfer nuclear, advance missile, chemical and biological weapons technology to nations like Iran and non-safeguarded nations like Pakistan. China is the largest nuclear power in the world and the only nation which produces long-range nuclear missiles. We cannot continue to ignore China's transfer of dangerous technology to that region. Such activity threatens to destabilize not only our nation but other regions of the world.

Most importantly, human rights issues continue to concern me. As recently as last week, the Chinese government arrested a group of Chinese citizens for attempting to form an opposition political party. Chinese officials ruthlessly enforce laws limiting families to having one child. It is well-documented that individuals in China who gave birth to a second child experienced loss of job or government benefits, fines and in some cases forced sterilization. The freedoms we often take for granted in America are what makes our citizens the envy of the world. As a national policy, I do not support offering economic incentives to a nation which discourages and disallows the freedom for individuals to express themselves.

Our nation has a responsibility to use its leverage to act on behalf of fairness and must insist on a reciprocal relationship with China. It is my strong desire that once and for all these three issues can be addressed so that both countries can have a satisfactory trade relationship. However, this will not happen by once again overlooking the serious problems that are occurring in China. Please do not reward China for their abuses of power; vote to deny "normal trade status" to China.

Mr. UPTON. Mr. Speaker, last year I voted against MFN. I did so for a variety of good reasons—primarily because of changes regarding nuclear technology issues and the suspicion that indeed we had seen the transfer of such to other countries.

I had a pretty good feeling that then, and now, MFN would continue. The issue of "engagement" would indeed prevail. But I voted against it in 1997 because I believed that we should send them a signal—if not now, when?

The last number of days, I, and a number of my colleagues have had lengthy discussions with the State Department, Defense Department, USTR, and others regarding the real security of these technologies.

I'm convinced, that we have made real progress in sending the message that any transfer of these technologies to other countries is simply not acceptable. Engagement this past year has indeed been productive on this front and I am glad to see real improvements.

I am hopeful that this progress will continue and I will also continue to watch world events with a careful eye.

My vote today will be cast in favor of normal trade between our two countries.

Mr. SKAGGS. Mr. Speaker, I want to see China improve its human rights record, stop repressing the people of Tibet, allow civil liberties and public dissent, and stop persecuting religious minorities.

So I understand the appeal of voting for this resolution. It would be very satisfying, for a few minutes, to feel that I did something, that the Congress did something, to make China change. But I have to step back and ask whether revoking Most-Favored Nation (MFN) trading status, now called Normal Trade Relations (NTR), for China would have the desired effect, and if not, what will. I don't think passing this resolution will make China change.

This cannot be a one-sided debate. We must consider not only the areas where we have real and heartfelt disagreement with the Chinese government's actions and policies, but also those often complex areas where Chinese cooperation with the United States has had and will have enormous consequences. And there are important areas where China has cooperated with us: working with us to stop North Korea's nuclear weapons development; helping us in the UN Security Council on the war against Iraq and subsequent sanctions; assisting U.S. efforts to implement the nuclear test ban and extend the nuclear nonproliferation treaty. In these areas, cooperation and engagement with China made all the difference in policies that are vital to our national security.

I have long advocated improved human rights in China. After the 1989 massacre in Tiananmen Square, I organized a protest march of more than two dozen Members of Congress who walked across Washington from the U.S. Capitol to the Chinese embassy, where we met with the Chinese ambassador and presented in the strongest possible terms our views that the Chinese government needed to change its ways.

I have also been very concerned about the persecution of Christians, and other religious minorities in China. Yet activists working to stop the persecution of Christians are of two minds on this issue. Many, including the Rev. Billy Graham and a number of Chinese Christians, have said that they feel engagement with China is the better course.

Revoking NTR means in effect that the United States would be imposing a huge unilateral increase in tariffs on Chinese goods. No other country is expected or likely to join us in raising tariffs, and that means revocation of NTR would be a unilateral economic sanction. Given the particular culture of the Chinese, I do not believe that this kind of sanction will be any more successful against China than unilateral trade sanctions have been against any other country. And many of our international competitors are quite ready to take over the U.S. share of the Chinese market.

Most worrisome would be the effect of raising U.S. tariffs, and thus risking contracting the Chinese economy at a time when the aftershocks of the Asian financial crisis are reverberating around the world. It is frankly in our own self-interest to encourage economic stability in Asia right now. Our own country could not be immune to recession if the Asian contagion spreads.

China has held the line on its currency during the Asian financial crisis, doing its part to keep the crisis from spreading further. It's highly unlikely China could continue to resist revaluation in the face of the impact of ending NTR status.

A year ago, Hong Kong reverted to Chinese sovereignty. We in Congress pressed China to live up to its promise of "one country, two systems" for Hong Kong. While we want to see further democratization for Hong Kong, China so far has substantially lived up to its pledges on political and economic autonomy for Hong Kong. Now that Hong Kong is under Chinese rule, trade with Hong Kong would also be subject to stiff tariff increases if NTR trading status in revoked. This could undermine Hong Kong's independence and autonomy by severely damaging its economy at a time when the Asian financial crisis has already wrecked havoc on it. It's estimated that revoking NTR would cut Hong Kong's economic growth in half, reduce trade by $30 billion, and cost 85,000 Hong Kong workers their jobs—making Hong Kong dependent on the Chinese regime.

The debate in the past has suffered from semantics. I hope the name change from "most-favored nation" (implying something special and concessionary) to "normal trade relations" (the tariff schedule that applies to almost every other nation we trade with) will help clarify what we are discussing here. Even countries with human rights records far from our liking get NTR status. There are only five countries to which we deny NTR status: Afghanistan, Cuba, Laos, North Korea, and Vietnam. Even the "rogue states" of Iran, Iraq, and Libya, although subject to other economic sanctions, are technically eligible for NTR status. Countries, like Syria or Indonesia, whose human rights records we often decry in the Congress, have NTR trading status.

Cutting off NTR status would mean that we would lose the opportunity to expose China to free market principles and values. American businessmen and women, interacting with

their Chinese counterparts, are able to demonstrate the merits of many such principles and values. Over time, it will make a difference, not just in economics, but in human dignity and human rights.

The globalizing world economy and the revolution in information exchange and technology offers an unprecedented set of circumstances that will tend to push all but the most isolated of nations toward integration with the international community. To finance expanding trade, China needs foreign capital and investment. With that investment comes exposure to internationally-recognized values and freedoms. With advances in information technology, such as the Internet, electronic mail, and fax machines—most of which are essential for doing business today—repressive governments like China's are fast losing their ability to control what people can read, learn, and think.

There are other, more positive, levers we can use to encourage China to loosen its repressive policies. One of those levers is Chinese accession to the World Trade Organization (WTO). I expect our negotiators to drive a hard bargain for market access and improved business practices before we can agree to China joining the WTO, a body China feels is essential for its trade expansion policies.

Engagement will take time, and it is hard to be patient. It will take time for trade, investment, and foreign enterprise to break the iron grip the Chinese regime has over its people. But American trade, products, and most importantly exposure to American values and people carry the seeds of change. Ultimately, China cannot sustain the economic liberalization supporting its trade with the United States without seeing an inevitable erosion of its political isolation and its authoritarian regime. Those are the ultimate, if eventual, objectives which inform our policy. To reverse that policy now might provide some temporary emotional and even moral satisfaction. But the advocates of such a reversal have not explained how it would lead to anything but a practical—and moral—dead end.

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to the resolution that would end normal trade relations with China. What we are considering today is whether we would continue giving China average treatment. With normal trade relations, our farmers and ranchers can sell their products in China on the same terms as their competitors from Australia, South America, and Europe.

U.S. agricultural exports to China already exceed $3.3 billion a year, and China's economy is growing at a rate of about 7% each year. Our agricultural exports have nearly tripled in the past 5 years making China the fourth largest market in the world for U.S. agricultural products. China accounts for approximately 25 percent of total world cotton consumption.

This year, China has become the leading importer of U.S. soybeans and products, estimated at over $1.4 billion. China is now the ninth largest market in the world for U.S. solid wood exports. U.S. solid wood exports to China totaled $152 million in 1997.

During 1997, China's estimated poultry consumption reached 12.8 million tons, accounting for 25 percent of global demand. Poultry consumption in China grew from only 12 percent of total meat intake in 1990 to about 24 percent in 1997.

China is by far the world's largest wheat consumer, and is second only to the United States in corn use. By 2005, China will be a net importer of 32 million tons of grain annually. WTO accession could expand those numbers dramatically—USDA estimates that China's net agricultural imports would increase by over $8 billion annually. Revocation of normal trade relations would undoubtedly set back progress towards a WTO accession agreement, and provide Europe, Australia, and Canada the opportunity to build long-term market share in China.

Joining the WTO means bringing China into a rules-based trading system. China must make laws public, require judicial review of all trade actions, apply all trade laws equally, and submit to WTO dispute settlement to ensure compliance with WTO rules. All of these measures will enhance the rule of law and the application of international norms in China's trade regime, to the benefit of China and the United States. The rule of law in trade in turn spills over to benefit the rule of law elsewhere.

We cannot afford to lose China as a market, just as we cannot in good conscience ignore our disagreements on social issues. This vote will determine whether United States values will continue to be of influence in China.

Shutting down trade with China or making the terms of trade impossibly restrictive would put in place a policy of unilateral confrontation that would not change China's behavior. If we remove MFN from China, we disengage our government from a leadership role in the region and would remove the positive influence that our business community has in China.

We must engage China if we are to persuade its leadership to deal with important social issues, and if we are to persuade China to open its markets to more U.S. agricultural products. Engagement of China has also helped maintain our agricultural markets in a very visible way in recent months—China has played an extremely helpful role in the Asia crisis. China has maintained the value of its currency despite pressure to devaluate. A Chinese devaluation would almost certainly set off a new round of competitive devaluation in the region the U.S. agriculture cannot afford. China has also participated actively in the Manila Framework and Willard Group processes, which are working to address problems identified by the crisis, and China has contributed directly to the international support package for Thailand.

Until we can reach a commercially viable agreement with China on Accession to the WTO, we must maintain normal trading relations with China—and that means renewing MFN.

I urge my colleagues to vote "no" on this disapproval resolution.

Mr. CONDIT. Mr. Speaker, I rise today to cast my vote against renewing normal trade relations with the People's Republic of China. In doing so, it is time to send a strong signal to Beijing along a number of fronts.

First, it is time to send a strong message that the hoped-for policy of trade engagement with China leading to greater democracy and responsibility from the Chinese government hasn't produced the results which merit renewal.

Our trading practices with China are reason enough not to renew normal trade relations. Because China continues to engage in predatory trade practices, we now have a $50 billion trade deficit. China continues to refuse to enforce laws against piracy of intellectual property and patents, continues to ship products made with prison labor, evades U.S. restrictions on Chinese textile exports by trans-shipping pieces through Hong Kong and effectively prohibits thousands of foreign products which run counter to the General Agreement on Tariffs and Trade.

Clearly, countless extensions of this trading privilege, formerly known as Most Favored Nation trading status, have not produced favorable conditions for the U.S. Also very clearly, this is a privilege the Chinese need more than we do.

Secondly, there are serious questions about the Chinese and their military spending which has been fueled and financed by billions of dollars the Chinese make through managed trade with us. Instead of entering the international community and trying to stem the flow and proliferation of nuclear arms, there is strong evidence the Chinese have continued to transfer advanced ballistic missile technology to Syria and Pakistan as well as nuclear and chemical weapons technology to Iran.

In the area of human rights, China has not made the kind of progress which deserves our support for Normal Trade Relations. Just a few weeks ago, President Clinton visited China and emphasized the need for greater freedom and the rule of law. Since President Clinton left China, there have been almost daily reports in the news media regarding China's increasing intolerance—including numerous arrests of people associated with China's democracy movement. There is a crystal clear record of religious persecution, restrictions on the press, use of slave and prison labor, and the persecution of the people of Tibet.

Mr. ACKERMAN. Mr. Speaker, I rise in opposition to House Joint Resolution 121 and in support of normal trade relations with China.

Every year we debate the extension of NTR to China, but the debate is not really about trade, it's about how we relate to China. There are many reasons for members to object to aspects of the U.S.-PRC relationship. There are issues involving missile proliferation, nuclear technology transfers, religious freedom, human rights, and Taiwan. Opponents of NTR will claim any or all of these issues as justification for discontinuing normal trade relations.

For me, the issue has always been how best to convey our concerns to China and how to persuade them to be constructive actors on the international stage. The best way is through engagement because if we don't deal with China, none of the issues that we believe are important will be addressed.

This is equally true where we share a common agenda with China. For example, it is in both our interests that North Korea not develop nuclear weapons. Likewise, it is in both our interests that China not devalue the yuan. Such a step could worsen the already severe economic crisis in Asia and undermine American interests there. Would China be more

willing to be constructive on these issues if we cut off normal trade relations? I doubt it.

This is not a call for business as usual or an indication that we should abandon our security, proliferation or human rights concerns. On the contrary, we must forcefully articulate our views to China where we disagree. The President did just that when he was in China a few weeks ago. He had the unprecedented opportunity to speak directly to the Chinese people about American concerns and American values. This opportunity would not have occurred had we cut off NTR last year and I believe U.S. interests would be seriously damaged if we approve this resolution today.

Mr. Speaker, when the United States Government deals directly with China, when U.S. companies do business in China, and when U.S. citizens travel to China, China is exposed to American values. That's the best way for us to engage China.

I urge my colleagues to oppose the resolution and support normal trade relations with China.

Mr. RANGEL. Mr. Speaker, I rise in support of the President's decision to extend most-favored-nation, or normal trade relations status, to the products of China for another year. I urge my colleagues to vote no on H.J. Res. 121, which would disapprove the President's decision.

The Committee on Ways and Means decided by a bipartisan voice vote to report this resolution adversely, and to continue our present trading relationship with China.

We all share similar goals with respect to China. We all want China to observe international norms with respect to human rights, religious freedom, and democratic principles. We all want China to provide greater market access for our goods and services. We all want China to be a responsible trading partner.

Continued engagement with China through increased trade is not an endorsement of China's policies with respect to human rights and political and religious freedoms. The point is that withdrawing normal trading status from China (after the 18 years we have treated the Chinese in the same manner as we do all but a handful of other countries in the world) will not advance our goals with China. Rather, it will be a major step backward and hinder achieving those goals.

Using trade as a weapon can work only if we have a consensus with our trading partners that we will work collectively to achieve common goals. As our unilateral embargo against Cuba demonstrates, seeking to change the behavior of Chinese leaders by withdrawing from our normal trading relationship is unworkable. It will result only in foreign countries filling the vacuum we leave. We lose the jobs increased trade would have provided, and the situation we target does not improve.

It is our policy of working to expand areas of cooperation with China while dealing directly with our differences—not a policy of isolation—that has the support of our foreign allies, as well as religious leaders, including the Reverend Billy Graham and the Dalai Lama.

We should increase communication through business and trade contacts in order to continue the progress being made toward resolving our differences with Chinese leaders. That dialog will create further understanding among the people of the most populous nation on Earth about our democratic values.

The televised discussions about human rights which took place during the President's recent visit to China demonstrated that our policy of continued engagement is making a difference with the new Chinese leadership and the Chinese people.

Mr. Speaker, I also support the President's decision to continue our engagement with China because this is a foreign policy and a national security issue, not just a trade issue. China is cooperating with us in a number of areas of strategic importance to promote stability in Asia, including on nuclear nonproliferation and the financial crisis. For the Congress now to disapprove normal trading status and, instead, impose prohibitive tariffs on Chinese products clearly would have negative consequences for our overall strategic as well as economic relations.

The United States-China relationship is a key to global peace, prosperity, and stability for many years ahead. Management of this relationship in a constructive, positive way is of critical importance to our national interests. The wisdom of this course was demonstrated by the President's trip and I believe it must be maintained.

We should defeat H.J. Res. 121.

□ 1545

The SPEAKER pro tempore (Mr. PEASE). Pursuant to the order of the House of Friday, July 17, 1998, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that proceedings will resume on the motion to suspend the rules and pass the bill, H.R. 1689, immediately following this vote, and without objection, the Chair will reduce the time for that vote by the yeas and nays to not less than 5 minutes.

There was no objection.

The SPEAKER pro tempore. The question is on the joint resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 166, noes 264, not voting 5, as follows:

[Roll No. 317]

AYES—166

Abercrombie
Aderholt
Barcia
Barr
Bartlett
Barton
Bishop
Blunt
Bonior
Borski
Brady (PA)
Brown (OH)
Bunning
Burr
Burton
Cardin
Carson
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clyburn
Coburn
Collins
Condit
Cook
Costello
Cox
Coyne
Cummings
Danner
Deal
DeFazio
Delahunt
DeLauro
Diaz-Balart
Dickey
Doolittle
Duncan
Ehrlich
Engel
Ensign
Evans
Everett
Forbes
Fowler
Frank (MA)
Gallegly
Ganske
Gejdenson
Gephardt
Gibbons
Gilman
Goode
Goodling
Graham
Gutierrez
Hall (OH)
Hastings (FL)
Hefley
Hefner
Hilleary
Hinchey
Hobson
Horn
Hostettler
Hoyer
Hunter
Hyde
Inglis
Jackson (IL)
Jenkins
Jones
Kaptur
Kasich
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
King (NY)
Kingston
Klink
Klug
Kucinich
Lantos
Lee
Lewis (GA)
Lipinski
LoBiondo
Maloney (CT)
Markey
Mascara
McCarthy (NY)
McDade
McIntyre
McKinney
Menendez
Miller (CA)
Mink
Mollohan
Myrick
Nadler
Neumann
Ney
Norwood
Obey
Olver
Owens
Pallone
Pappas
Pascrell
Payne
Pelosi
Pickering
Pombo
Riley
Rivers
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Royce
Sabo
Sánchez
Sanders
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sisisky
Smith (NJ)
Smith, Linda
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stokes
Strickland
Stupak
Sununu
Taylor (MS)
Taylor (NC)
Thompson
Tiahrt
Tierney
Torres
Traficant
Velázquez
Vento
Visclosky
Wamp
Waters
Waxman
Weldon (FL)
Wexler
Weygand
Wolf
Woolsey
Wynn
Yates
Young (AK)

NOES—264

Ackerman
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barrett (NE)
Barrett (WI)
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Blagojevich
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (CA)
Brown (FL)
Bryant
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Castle
Chabot
Clement
Coble
Combest
Conyers
Cooksey
Cramer
Crane
Crapo
Cubin
Cunningham
Davis (FL)
Davis (IL)
Davis (VA)
DeGette
DeLay
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Emerson
English
Eshoo
Etheridge
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Fossella
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Gordon
Goss
Granger
Green
Greenwood
Gutknecht
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Herger
Hill
Hilliard
Hinojosa
Hoekstra
Holden
Hooley
Houghton
Hulshof
Hutchinson
Istook
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Kanjorski
Kelly
Kennelly
Kim
Kind (WI)
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood

Lampson
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lofgren
Lowey
Lucas
Luther
Maloney (NY)
Manton
Manzullo
Martinez
Matsui
McCarthy (MO)
McCollum
McCrery
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McKeon
Meehan
Meek (FL)
Meeks (NY)
Metcalf
Mica
Millender-McDonald
Miller (FL)
Minge
Moakley
Moran (KS)
Moran (VA)
Morella
Murtha
Neal
Nethercutt
Northup
Nussle
Oberstar
Ortiz
Oxley
Packard
Parker
Pastor
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickett
Pitts
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Rodriguez
Roemer
Rogan
Roukema
Roybal-Allard
Rush
Ryun
Salmon
Sandlin
Sawyer
Schumer
Scott
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (OR)
Smith (TX)
Smith, Adam
Snowbarger
Snyder
Stabenow
Stenholm
Stump
Talent
Tanner
Tauscher
Tauzin
Thomas
Thornberry
Thune
Thurman
Towns
Turner
Upton
Walsh
Watkins
Watt (NC)
Watts (OK)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise

NOT VOTING—5

Ford
Gonzalez
McNulty
Serrano
Young (FL)

□ 1604

Mr. RUSH and Mr. McCRERY changed their vote from "aye" to "no."

Mr. VISCLOSKY and Mrs. MYRICK changed their vote from "no" to "aye."

So the joint resolution was not passed.

The result of the vote was announced as above recorded.

SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1997

The SPEAKER pro tempore (Mr. PEASE). The unfinished business is the question of suspending the rules and passing the bill, H.R. 1689, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and pass the bill, H.R. 1689, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 340, nays 83, answered "present" 1, not voting 11, as follows:

[Roll No. 318]

YEAS—340

Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Etheridge
Everett
Ewing
Farr
Fazio
Foley
Forbes
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutknecht
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Hill
Hilleary
Hinojosa
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lofgren
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
Meehan
Meeks (NY)
Metcalf
Mica
Miller (CA)
Miller (FL)
Minge
Moakley
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Paxon
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Rush
Ryun
Sabo
Salmon
Sánchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wilson
Wolf
Wynn
Young (AK)

NAYS—83

Abercrombie
Baldacci
Becerra
Berman
Blagojevich
Blunt
Bonior
Borski
Brady (PA)
Brown (CA)
Brown (FL)
Carson
Clay
Clayton
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (IL)
DeFazio
DeGette
Delahunt
Dicks
Dingell
Dixon
Doggett
Engel
Evans
Fattah
Filner
Frost
Gephardt
Gutierrez
Hall (OH)
Hilliard
Hinchey
Jackson (IL)
Johnson, E. B.
Kanjorski
Kaptur
Klink
Kucinich
Lee
Levin
Lewis (GA)
Lipinski
Markey
McDermott
McKinney
Meek (FL)
Menendez
Millender-McDonald
Mink
Mollohan
Nadler
Oberstar
Obey
Olver
Owens
Pastor
Paul
Payne
Rahall
Rivers
Roybal-Allard
Sanders
Schumer
Scott
Skaggs
Stark
Stokes
Stupak
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Watt (NC)
Waxman
Wise
Woolsey
Yates

ANSWERED "PRESENT"—1

Lowey

NOT VOTING—11

Cubin
Fawell
Ford
Gonzalez
Goodlatte
Hall (TX)
Herger
Hooley
McNulty
Serrano
Young (FL)

□ 1615

Mr. JACKSON of Illinois changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GOODLATTE. Mr. Speaker, on rollcall No. 318, I was unavoidably detained. Had I been present, I would have voted "yes."

PERSONAL EXPLANATION

Ms. HOOLEY of Oregon. Mr. Speaker, during rollcall vote No. 318, H.R. 1689—Securities Litigation, I was unavoidably detained. Had I been present, I would have voted "aye."

Mr. BLILEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1260) to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1260

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 "Securities Litigation Uniform Standards Act of 1998".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Private Securities Litigation Reform Act of 1995 sought to prevent abuses in private securities fraud lawsuits;

(2) since enactment of that legislation, considerable evidence has been presented to Congress that a number of securities class action lawsuits have shifted from Federal to State courts;

(3) this shift has prevented that Act from fully achieving its objectives;

(4) State securities regulation is of continuing importance, together with Federal regulation of securities, to protect investors and promote strong financial markets; and

(5) in order to prevent certain State private securities class action lawsuits alleging fraud from being used to frustrate the objectives of the Private Securities Litigation Reform Act of 1995, it is appropriate to enact national standards for securities class action lawsuits involving nationally traded securities, while preserving the appropriate enforcement powers of State securities regulators and not changing the current treatment of individual lawsuits.

SEC. 3. LIMITATION ON REMEDIES.

(a) AMENDMENTS TO THE SECURITIES ACT OF 1933.—

(1) AMENDMENT.—Section 16 of the Securities Act of 1933 (15 U.S.C. 77p) is amended to read as follows:

"SEC. 16. ADDITIONAL REMEDIES; LIMITATION ON REMEDIES.

"(a) REMEDIES ADDITIONAL.—Except as provided in subsection (b), the rights and remedies provided by this title shall be in addition to any and all other rights and remedies that may exist at law or in equity.

"(b) CLASS ACTION LIMITATIONS.—No class action based upon the statutory or common law of any State or subdivision thereof may be maintained in any State or Federal court by any private party alleging—

"(1) an untrue statement or omission of a material fact in connection with the purchase or sale of a covered security; or

"(2) that the defendant used or employed any manipulative or deceptive device or contrivance in connection with the purchase or sale of a covered security.

"(c) REMOVAL OF CLASS ACTIONS.—Any class action brought in any State court involving a covered security, as set forth in subsection (b), shall be removable to the Federal district court for the district in which the action is pending, and shall be subject to subsection (b).

"(d) PRESERVATION OF CERTAIN ACTIONS.—

"(1) IN GENERAL.—Notwithstanding subsection (b), a class action described in paragraph (2) of this subsection that is based upon the statutory or common law of the State in which the issuer is incorporated (in the case of a corporation) or organized (in the case of any other entity) may be maintained in a State or Federal court by a private party.

"(2) PERMISSIBLE ACTIONS.—A class action is described in this paragraph if it involves—

"(A) the purchase or sale of securities by the issuer or an affiliate of the issuer exclusively from or to holders of equity securities of the issuer; or

"(B) any recommendation, position, or other communication with respect to the sale of securities of the issuer that—

"(i) is made by or on behalf of the issuer or an affiliate of the issuer to holders of equity securities of the issuer; and

"(ii) concerns decisions of those equity holders with respect to voting their securities, acting in response to a tender or exchange offer, or exercising dissenters' or appraisal rights.

"(e) PRESERVATION OF STATE JURISDICTION.—The securities commission (or any agency or office performing like functions) of any State shall retain jurisdiction under the laws of such State to investigate and bring enforcement actions.

"(f) STATE ACTIONS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section, nothing in this section may be construed to preclude a State or political subdivision thereof or a State pension plan from bringing an action involving a covered security on its own behalf, or as a member of a class comprised solely of other States, political subdivisions, or State pension plans similarly situated.

"(2) STATE PENSION PLAN DEFINED.—For purposes of this paragraph, the term 'State pension plan' means a pension plan established and maintained for its employees by the government of the State or political subdivision thereof, or by any agency or instrumentality thereof.

"(g) DEFINITIONS.—For purposes of this section the following definitions shall apply:

"(1) AFFILIATE OF THE ISSUER.—The term 'affiliate of the issuer' means a person that directly or indirectly, through 1 or more intermediaries, controls or is controlled by or is under common control with, the issuer.

"(2) CLASS ACTION.—

"(A) IN GENERAL.—The term 'class action' means—

"(i) any single lawsuit (other than a derivative action brought by 1 or more shareholders on behalf of a corporation) in which—

"(I) damages are sought on behalf of more than 50 persons or prospective class members, and questions of law or fact common to those persons or members of the prospective class, without reference to issues of individualized reliance on an alleged misstatement or omission, predominate over any questions affecting only individual persons or members; or

"(II) 1 or more named parties seek to recover damages on a representative basis on behalf of themselves and other unnamed parties similarly situated, and questions of law or fact common to those persons or members of the prospective class predominate over any questions affecting only individual persons or members; or

"(ii) any group of lawsuits (other than derivative suits brought by 1 or more shareholders on behalf of a corporation) filed in or pending in the same court and involving common questions of law or fact, in which—

"(I) damages are sought on behalf of more than 50 persons; and

"(II) the lawsuits are joined, consolidated, or otherwise proceed as a single action for any purpose.

"(B) COUNTING OF CERTAIN CLASS MEMBERS.—For purposes of this paragraph, a corporation, investment company, pension plan, partnership, or other entity, shall be treated as 1 person or prospective class member, but only if the entity is not established for the purpose of participating in the action.

"(3) COVERED SECURITY.—The term 'covered security' means a security that satisfies the standards for a covered security specified in paragraph (1) or (2) of section 18(b) at the time during which it is alleged that the misrepresentation, omission, or manipulative or deceptive conduct occurred.".

(2) CONFORMING AMENDMENTS.—Section 22(a) of the Securities Act of 1933 (15 U.S.C. 77v(a)) is amended—

(A) by inserting "except as provided in section 16 with respect to class actions," after "Territorial courts,"; and

(B) by striking "No case" and inserting "Except as provided in section 16(c), no case".

(b) AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.—Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is amended—

(1) in subsection (a), by striking "The rights and remedies" and inserting "Except as provided in subsection (f), the rights and remedies"; and

(2) by adding at the end the following new subsection:

"(f) LIMITATIONS ON REMEDIES.—

"(1) CLASS ACTION LIMITATIONS.—No class action based upon the statutory or common law of any State or subdivision thereof may be maintained in any State or Federal court by any private party alleging—

"(A) a misrepresentation or omission of a material fact in connection with the purchase or sale of a covered security; or

"(B) that the defendant used or employed any manipulative or deceptive device or contrivance in connection with the purchase or sale of a covered security.

"(2) REMOVAL OF CLASS ACTIONS.—Any class action brought in any State court involving a covered security, as set forth in paragraph (1), shall be removable to the Federal district court for the district in which the action is pending, and shall be subject to paragraph (1).

"(3) PRESERVATION OF CERTAIN ACTIONS.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), a class action described in subparagraph (B) of this paragraph that is based upon the statutory or common law of the State in which the issuer is incorporated (in the case of a corporation) or organized (in the case of any other entity) may be maintained in a State or Federal court by a private party.

"(B) PERMISSIBLE ACTIONS.—A class action is described in this subparagraph if it involves—

"(i) the purchase or sale of securities by the issuer or an affiliate of the issuer exclusively from or to holders of equity securities of the issuer; or

"(ii) any recommendation, position, or other communication with respect to the sale of securities of an issuer that—

"(I) is made by or on behalf of the issuer or an affiliate of the issuer to holders of equity securities of the issuer; and

"(II) concerns decisions of such equity holders with respect to voting their securities, acting in response to a tender or exchange offer, or exercising dissenters' or appraisal rights.

"(4) PRESERVATION OF STATE JURISDICTION.—The securities commission (or any agency or office performing like functions) of any State shall retain jurisdiction under the laws of such State to investigate and bring enforcement actions.

"(5) STATE ACTIONS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subsection, nothing in this subsection may be construed to preclude

a State or political subdivision thereof or a State pension plan from bringing an action involving a covered security on its own behalf, or as a member of a class comprised solely of other States, political subdivisions, or State pension plans similarly situated.

"(B) STATE PENSION PLAN DEFINED.—For purposes of this paragraph, the term 'State pension plan' means a pension plan established and maintained for its employees by the government of a State or political subdivision thereof, or by any agency or instrumentality thereof.

"(6) DEFINITIONS.—For purposes of this subsection the following definitions shall apply:

"(A) AFFILIATE OF THE ISSUER.—The term 'affiliate of the issuer' means a person that directly or indirectly, through 1 or more intermediaries, controls or is controlled by or is under common control with, the issuer.

"(B) CLASS ACTION.—The term 'class action' means—

"(i) any single lawsuit (other than a derivative action brought by 1 or more shareholders on behalf of a corporation) in which—

"(I) damages are sought on behalf of more than 50 persons or prospective class members, and questions of law or fact common to those persons or members of the prospective class, without reference to issues of individualized reliance on an alleged misstatement or omission, predominate over any questions affecting only individual persons or members; or

"(II) 1 or more named parties seek to recover damages on a representative basis on behalf of themselves and other unnamed parties similarly situated, and questions of law or fact common to those persons or members of the prospective class predominate over any questions affecting only individual persons or members; or

"(ii) any group of lawsuits (other than derivative suits brought by 1 or more shareholders on behalf of a corporation) filed in or pending in the same court and involving common questions of law or fact, in which—

"(I) damages are sought on behalf of more than 50 persons; and

"(II) the lawsuits are joined, consolidated, or otherwise proceed as a single action for any purpose.

"(C) COUNTING OF CERTAIN CLASS MEMBERS.—For purposes of this paragraph, a corporation, investment company, pension plan, partnership, or other entity, shall be treated as 1 person or prospective class member, but only if the entity is not established for the purpose of participating in the action.

"(D) COVERED SECURITY.—The term 'covered security' means a security that satisfies the standards for a covered security specified in paragraph (1) or (2) of section 18(b) of the Securities Act of 1933, at the time during which it is alleged that the misrepresentation, omission, or manipulative or deceptive conduct occurred.".

SEC. 4. APPLICABILITY.

The amendments made by this Act shall not affect or apply to any action commenced before and pending on the date of enactment of this Act.

MOTION OFFERED BY MR. BLILEY

Mr. BLILEY. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. BLILEY moves to strike all after the enacting clause of the Senate bill, S. 1260, and insert in lieu thereof the text of H.R. 1689, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 1689) was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 6, HIGHER EDUCATION AMENDMENTS OF 1998

Mr. GOODLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none and, without objection, appoints the following conferees:

For consideration of the House bill (except section 464), and the Senate amendment (except sections 484 and 799C), and modifications committed to conference: Messrs. GOODLING, MCKEON, PETRI, GRAHAM, SOUDER, PETERSON of PENNSYLVANIA, CLAY, KILDEE, MARTINEZ, and ANDREWS.

For consideration of section 464 of the House bill, and sections 484 and 799C of the Senate amendment, and modifications committed to conference: Messrs. GOODLING, TALENT, SHAW, CAMP, CLAY and LEVIN.

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 3616, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. SPENCE. Mr. Speaker, pursuant to clause 1 of rule XX, and by direction of the Committee on National Security, I move to take from the Speaker's table the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from South Carolina (Mr. SPENCE).

The motion was agreed to.

MOTION TO INSTRUCT OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Mr. SKELTON moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 3616 be instructed to insist upon the authorization levels provided in title II of the House bill for Theater Missile Defense programs and for space-based lasers.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. SKELTON) and the gentleman from South Carolina (Mr. SPENCE) each will control 30 minutes.

The Chair recognizes the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this motion is about the priority we accord our troops rather than the special interests. The House passed bill gives priority to protecting the troops from theater ballistic missile attacks while the Senate version, on the other hand, would gut theater missile defense to pay for resumption of futuristic Star Wars experiments. The House bill, Mr. Speaker, got it right. Our bill got it right.

Mr. Speaker, the Senate bill would increase the administration's request for space-based lasers by $94 million, a 100 percent increase. The Senate bill would also reduce the administration's request for theater missile defense by a net of $203.9 million, resulting in a 40 percent reduction of the highest priority theater missile defense program.

Correctly, the House bill would do neither. For that we owe a debt of gratitude to the gentleman from South Carolina (Mr. SPENCE), chairman of the full Committee on National Security, and to the gentleman from Pennsylvania (Mr. WELDON), chairman of the Subcommittee on Military Research and Development, for their leadership in this important area. I thank them, and I know the rest of the committee joins me in doing so.

The proposed Senate increase would begin to put weapons in space by starting a multibillion dollar 8-year program to demonstrate a space-based chemical laser capability for the national missile defense system. It is premature because, as a Nation, we have not made the policy decision to put weapons in space, nor have we decided that a chemical laser is preferred over solid state or other lasers.

And, perhaps most important, we have already rejected the near $30 billion price tag such a space-based laser national missile defense system would entail. Worse, the chemical laser to be demonstrated is not slated to be part of any actual space-based laser national missile defense system we might one day choose to develop.

Moreover, the theater missile defense decreases proposed by the Senate would unnecessarily slow development of our lead theater missile defense program, the Army's Theater High Altitude Air Defense System. THAAD, what it is known as, is our highest priority missile defense effort and is being

developed to counter the theater missile threat currently facing our troops overseas and our friends and our allies.

Let me point out, Mr. Speaker, that during the Gulf War the highest fatalities we had were as a result of a theater missile, and we must do something to protect the troops in that regard.

The program has suffered some setbacks, but we must recover from those setbacks as quickly as possible. There are no reasonable alternatives. The proposed $323.9 million cut to the THAAD system would gut our ability to restructure the program and put it on a more sound technical footing and it would add further delay. Frankly, Mr. Speaker, this is just unacceptable.

The House position is correct. Taken together, the recommendations in the Senate bill would have us walk away from our first missile defense responsibility, countering the theater ballistic missile threat already facing our troops and friends and allies today, in favor of a futuristic space-based laser experimentation to benefit special interests. It makes no sense.

For several years now we have had consensus on the priority to be accorded theater missile defenses between the legislative and executive branches, Republicans and Democrats and liberals and conservatives. Mr. Speaker, nothing has changed.

The House-passed bill got it right, got it correct, and correctly prioritizes protecting the troops from theater ballistic missile attack over futuristic space-based laser experiments.

I sincerely urge my colleagues to keep our troops in mind. We know what the past has held for them on the front lines in combat, and it is up to us to do our very best to protect them, to protect the troops. Stick by the House position.

Mr. SPENCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, while I do not agree with all of my colleague's statements, I am in complete agreement with him that this Nation needs to do everything in its power to protect American troops deployed around the world. In fact, when it comes to theater missile defenses, I was one of a number of Members who felt compelled to take the highly unusual step back in 1996 of suing the Clinton Administration for consciously ignoring the law that established timetables and provided increased funding in order to ensure the fielding of theater missile defense systems to protect our troops.

Likewise, many Members who serve on the Committee on National Security have helped to lead the fight over the past several years to prevent the administration from implementing arms control agreements with the Russians that would slow down or "dumb down" and otherwise limit the capabilities of this country's theater missile defense capabilities.

The single largest loss of life during the Gulf War was the result of a ballistic missile attack, and here we are, 7 years later, without a deployed theater missile defense. I would hope we could move past finger pointing, lawsuits and unsound arms control agreements and get on with the business of fielding systems to defend our troops against ballistic missiles. In this regard, I look forward to continuing to work with my colleague from Missouri to compel this and future administrations to deploy theater missile defenses.

While the Cold War has been officially over for almost a decade, serious threats to this Nation have not disappeared. As the recent report of the bipartisan Rumsfeld Commission indicated, the long-range ballistic missile threat to this country is not 15 years down the road. In fact, the threat is here today, it will only get worse, and we may not have any warning of the threat until it is too late. The time, effort and resources many nations and rogue actors are investing to develop or acquire weapons of mass destruction is truly frightening.

I believe the Rumsfeld Commission report is one more nail in the coffin of the argument made by some that our Nation does not, should not or will not need to build a system to defend the American people against ballistic missile attack. The threat is real and it is imminent. So the question is not whether to build such a system, only when and how.

In that regard, I agree with the concerns of the gentleman from Missouri (Mr. SKELTON). I do not claim to know what the proper technological answer or combination of answers to the question of how best to defend the American people against ballistic missiles. If part of the answer is to deploy space-based weapons, whether kinetic or directed energy, then the Nation should not hesitate. Space-based weapons may well prove to be an essential component of a long-term answer to defending Americans against ballistic missile attack.

Frankly, in the near term I am more concerned with getting the administration to commit to move forward with the deployment of some missile defense system, any missile defense system, for the American public. American technological skills and ingenuity will ultimately show us how, but it will not happen until our Nation's political leadership demonstrates the will and commitment to address the threat with more than words.

In conclusion, let me once again commend the gentleman from Missouri for his leadership. When it comes to standing up for our men and women in uniform, he stands second to none. His motion to instruct is consistent with the House-passed bill, and as such, I fully support it.

Mr. Speaker, I reserve the balance of my time.

Mr. SKELTON. Mr. Speaker, I yield myself such time as I may consume to thank the gentleman from South Carolina not just for his kind comments but also for his reasoned thinking regarding this issue, and thank him for his support.

Mr. Speaker, I yield 5 minutes to the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the motion to instruct is about as straightforward as it can get. We are saying, simply, let us not cut funding for missile defense systems that could soon be able to provide protection for our troops and our deployments in tactical theater situations. Let us not take it out of these systems that show near-term promise and put it in something that is totally futuristic, space-based lasers, a technology that is literally decades away from being realized and tens of billions of dollars away from fruition.

□ 1630

Ever since we lost 28 servicemen and women to one of Saddam's SCUDs 7 years ago, we have been pushing the development of theater missile defense, so-called TMD, theater missile defense systems, to protect our troops and our deployments from short- and medium-range ballistic missiles.

Support for the TMD programs in the House has been consistent and has been bipartisan. The primary systems that we are developing cover the whole spectrum. There is a Navy Lower Tier, primarily to protect ships, and a Navy Upper Tier to protect the literal and 3 Army programs: the THAAD, the Theater High Altitude Air Defense System; the PAC–3; and the so-called MEAD–4 division level Army defense.

The House provided this year a very modest increase, $120 million, to the President's request of $1.7 billion for TMD, theater missile defense, research. The President's request for Space Based Lasers was $94 million. On a bipartisan basis, after studying it carefully, the House took $20 million out of the so-called Space Based Laser and shifted it to the theater missile defense. We added it on to TMD.

The other body takes these priorities and stands them on their head. It cuts THAAD, or cuts theater missile defense, by $237 million, 14 percent below President Clinton's request; and then it doubles the funding for the so-called Space Based Laser. This is not only unwise, it is reckless.

We need to focus our efforts on fielding TMD systems. We spent tens of billions of dollars during the Reagan and Bush years in pursuit of Space Based Lasers, lasers of different kinds, ground based as well as space based. At one time we had 5 different laser systems which we were funding; two or

three chemical laser systems, an excimer laser system, a free-electron laser system. They have all gone by the board.

What we need is focus, as well as funding, and our troops need theater missile defense. The technology is very nearly within our grasp. It is near term, and we should not be cutting funding now when we have just about got this technology in grasp in order to put it into futuristic technologies that may not ever work. And even if they are deployable in space, they may be so enormous in outerspace that they are highly vulnerable to counterattack.

Now, the primary reason that the other body came in below the President's, $237 million below the President's request, is to cut THAAD, the so-called Theater High Altitude Defense system, sharply.

As most folks know, the THAAD has not made a good showing for itself. In testing, it is zero for five so far. So I am not here to defend the THAAD in its present status. I am here to say we need a system that fits that specification, we need a ground based system, we need something that has its reach and its range. And this approach to take this much out of that system is short-sighted and it misses an obvious point.

Ballistic missile defense is rocket science. In fact, it is harder than rocket science, and the Pentagon and the Congress must be patient and we have got to expect setbacks.

The Patriot, for example, started the concept development in 1968. It did not really come to final fruition and complete testing until the late 1980s. That is how long it took to bring the Patriot, and we far outstrip the need for a system like that. We have got to go further.

THAAD proves that we cannot rush technology. We cannot legislate initial operational capability dates. We have got to be patient. We should not take development shortcuts, and we should test these programs rigorously, which we are doing with the THAAD. If we abandon every missile defense system, theater missile defense system in particular, that runs into technical problems and then take up another system instead, we will never field anything.

Our committee worked in a very bipartisan way to fix the THAAD program. We did not simply give the money to the President as he requested, thanks in good part to my colleague the gentleman from Pennsylvania (Mr. WELDON). He helped fashion this language that will put the feet of the contractor to the fire, install a new co-prime contractor, as it were, to look over the contractor's shoulder.

We kept the top line for THAAD, but we placed the bulk of the funding in the so-called demonstration and validation account to help identify the flaws in the THAAD, to help make fixes to the THAAD and to provide additional tests to evaluate those fixes.

We injected competition into the program, too, to make sure that the contractors got the best people working on the program; and if a contractor cannot do it, another contractor may have to be selected.

We should insist on the House position on TMD because we have to stay the course on this system if we are going to protect our troops and our interests and our installations and our deployments abroad. It is my understanding that the Ballistic Missile Defense Office agrees with the position that we are taking here.

Let me say something about the Space Based Laser. We are not zeroing it out. We will leave $74 million. In any other budget, that is big money, a reasonable level of money certainly to do exploratory research.

Some in the other body say the Rumsfeld Commission shows the need to put more money into Space Based Lasers. Listen, the best it can really promise us with respect to the Space Based Laser is a demonstration test in the year 2008, and to fund it we have got to put up $3 billion to get from here to the year 2008. And that is not a system. That is just a demonstration test in space. We need something in place before the year 2008.

If we want to believe that, if we want a prudent course, vote for this resolution in order to instruct our conferees to do what we are proposing to do, restore the THAAD and take the money out of the Space Based Laser.

Mr. SKELTON. Mr. Speaker, I thank the gentleman from South Carolina (Mr. SPRATT) for speaking for the protection of the troops.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Virginia (Mr. SISISKY).

Mr. SISISKY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the motion to instruct conferees. I agree with our ranking member the gentleman from Missouri (Mr. SKELTON); the House bill got it right on ballistic missile defense.

Last week, the committee received the report of the commission to assess the ballistic missile threat to the United States. This was a bipartisan commission, with unimpeachable credentials. It was appointed by both the legislative and executive branch to assess the nature and magnitude of the existing and emerging ballistic missile threat to the United States.

In addition, commission members testified before the committee. The report and testimony of the commission members made two things clear. First, the ballistic missile threat to the United States may be coming faster than previously estimated. And second and more importantly, the threat to our friends and allies and our troops overseas already exists and in some parts of the world is already deployed. Frankly, the commission report frightens me and makes me question to some degree what our intelligence community has been saying all this time.

That said, it makes no sense to me to cut theater missile defense, TMD, which is intended to protect our friend, allies, and troops from today's threat in favor of futuristic science fair projects in space that are neither conceived or designed to respond to the near-term threats identified by the commission.

I urge my colleagues to put protecting the troops ahead of the science fair projects that may not even be finished for 10 or 20 years. I urge my colleagues to support the motion to instruct conferees and support the House position.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of this motion to instruct conferees. The Balanced Budget Agreement demands that we live within our means and that we make choices. In the defense authorization bill, we must prioritize among competing programs.

As the gentleman from Missouri (Mr. SKELTON), the ranking member, mentioned, our troops in uniform must receive our highest priority. This motion offers a clear choice: Do we support the House position and help protect American troops from today's ballistic missile threats, or do we go with the Senate and revive the fanciful, futuristic, and fruitless Star Wars program?

The Senate defense bill provides over $200 million less for theater missile defense than the House bill, yet gives $94 million more for the Space Based Laser. Theater missile defense entails systems like the Patriot that seek to shoot down short- to medium-range missiles.

While the technological challenges are great, these defenses are realistic. They protect our troops and they have bipartisan support. The Space Based Laser, on the other hand, exists only on paper and in the minds of those nostalgic for Star Wars ideology.

As envisioned, this weapon would fire a chemically-powered laser from space at ascending missiles. But a chemical laser may be too heavy to launch on any rocket and we would only get a few shots from the laser before it is depleted and we cannot reload it. The Space Based laser is a very risky and costly venture and it does not deserve high priority.

Earlier this year, a panel of missile defense experts commissioned by the Ballistic Missile Defense Organization reported, and I quote, a "rush to failure in current missile defense programs." They concluded that one problem was a "perceived urgency of the

need" for these systems, especially the dubious National Missile Defense Program.

The report cited steep technological challenges, recommended realistic program schedules with adequate tests and evaluation periods, and warned against rushing development under political pressures.

The Senate bill ignores these warnings by dictating the launch of a Space Based Laser Readiness Demonstrator as early as 2006. In a time of limited resources, we cannot afford that. It is a dangerous policy, and it will not help our troops.

I urge Members to support this motion to instruct, affirm the House position, and vote to protect our servicemen and women in the field.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. SKAGGS).

Mr. SKAGGS. Mr. Speaker, I thank the gentleman very much for yielding time, and while I support this motion to instruct, I wanted to speak briefly about another provision that will be going to conference.

As the gentleman knows, the House bill concludes a provision that would provide for the termination of a Department of Energy worker and community transition program that was set up to ease the downsizing of the nuclear weapons complex in the wake of the Cold War.

That program has been very successful in enabling these communities and cities to get through the transition to smaller workforces at places like Rocky Flats in my district and elsewhere around the country. But that work is not done, and I am convinced that terminating this program prematurely would be a mistake.

Last year's defense bill did direct DOE to study this problem and report back to us this fall; and I would hope that when that report is received we will be in a better position to make a judgment about continuing the program.

So I hope both my friend the gentleman from Missouri (Mr. SKELTON) and the distinguished chairman of the committee will consider taking another look at this and recede to the Senate provision in this respect.

I would be pleased to yield to the gentleman for any comment he might make on that point.

Mr. SKELTON. Mr. Speaker, I would tell the gentleman from Colorado (Mr. SKAGGS) I appreciate his bringing this to our attention. We know this is a very important subject to him that he has worked hard and well on, and I can assure him that I will consider the points that he made in favor of dropping this provision from the bill.

Mr. Speaker, I yield myself such time as I may consume.

First, let me thank the gentleman from South Carolina (Mr. SPENCE), the chairman, for his support of this motion to instruct. I think it is very important that this carry in conference, for the simple reason that we have to take care of the troops. It is a high priority should there be another battlefield. We hope and pray that does not come to pass. But those things happen.

No one predicted Desert Storm, but it did come to pass, and the largest number of casualties did come as a result of a missile that came down amidst American soldiers. So, looking out for the soldiers and looking out for the troops, looking out for the men and women in uniform, I think this is the proper procedure to instruct the conferees to stand by the House provision that is well thought out and well worked on.

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

Mr. SKELTON. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I want to compliment the gentleman from Missouri (Mr. SKELTON), the chairman, for this motion to instruct.

Having served on the Subcommittee on National Security for 20 years, one of the things that I remember most vividly was being in the Gulf with General Schwarzkopf and having him tell me how worried he was about the fact that if the enemy had had accurate SCUDs, we had 500,000 troops out there deployed that would have been vulnerable.

□ 1645

We had a terribly difficult time finding those launchers. In fact, the Iraqis used very sophisticated denial and deception. I believe as far as defense priorities go, there is no higher priority than getting to theater missile defense.

I am very much aware of what the Senate did, taking money out of these crucial programs and then using it for something that is highly speculative, a paper program at best. I urge the House to adopt this, and I urge our conferees to go in there and do the very best they can. As an appropriator we will stay with them on this because this would be a terrible mistake. I appreciate the gentleman's leadership on the issue.

Mr. SKELTON. Mr. Speaker, that is a well-stated comment from the gentleman from Washington. It is right. We did right. I thank the gentleman for his influence and his supportive words.

Mr. Speaker, I reserve the balance of my time.

Mr. SPENCE. Mr. Speaker, I yield back the balance of my time.

Mr. SKELTON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the motion to instruct.

The previous question was ordered.

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion to instruct offered by the gentleman from Missouri (Mr. SKELTON).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SKELTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Without objection, further proceedings on this motion will be postponed until later today.

There was no objection.

GENERAL LEAVE

Mr. REGULA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the further consideration of H.R. 4193, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The SPEAKER pro tempore. Pursuant to House Resolution 504 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4193.

□ 1647

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4193) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1999, and for other purposes, with Mr. PETRI (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Tuesday, July 21, 1998, title II was open to amendment at any point.

Are there further amendments to this portion of the bill?

AMENDMENTS OFFERED BY MR. REGULA

Mr. REGULA. Mr. Chairman, I ask unanimous consent that I be permitted to offer amendments en bloc, which are at the desk, notwithstanding that they address portions of the bill not yet read, and without prejudice to further amendments to that portion of the bill that is pending.

The CHAIRMAN pro tempore. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. REGULA:

Page 69, line 15, strike "$320,558,000" and insert "$365,550,000".

Page 70, line 17, strike "$630,250,000" and insert "$675,250,000".

Page 70, line 19, strike "the excess" and all that follows through "4502)" on line 21 and

insert "$64,000,000, which shall be transferred to this account from amounts held in escrow under section 3002(d) of Public Law 95–509 (15 U.S.C. 4501(d))".

Page 70, line 22, strike "$150,000,000" and insert "$161,000,000".

Page 70, line 24, strike "and shall not" and all that follows through "4502)" on page 71, line 1.

Page 71, line 4, strike "$120,000,000" and insert "$129,000,000".

Page 71, line 5, strike "$30,000,000" and insert "$32,000,000".

Page 123, after line 14, insert the following new section:

SEC. 339. Section 3003 of the Petroleum Overcharge Distribution and Restitution Act of 1986 (15 U.S.C. 4502) is amended by adding after subsection (d) the following new subsection:

"(e) Subsections (b), (c), and (d) of this section are repealed, and any rights that may have arisen are extinguished, on the date of the enactment of the Department of the Interior and Related Agencies Appropriations Act, 1999. After that date, the amount available for direct restitution to current and future refined petroleum product claimants under this Act is reduced by the amounts specified in title II of that Act as being derived from amounts held in escrow under section 3002(d). The Secretary shall assure that the amount remaining in escrow to satisfy refined petroleum product claims for direct restitution is allocated equitably among the claimants.".

Mr. REGULA (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN pro tempore. Is there objection to the consideration en bloc of the gentleman's amendments?

There was no objection.

Mr. REGULA. Mr. Chairman, I offer these amendments on behalf of the gentleman from Colorado (Mr. SKAGGS), a valued member of the Interior Appropriations Subcommittee; the gentleman from Pennsylvania (Mr. FOX); the gentlewoman from Texas (Ms. JACKSON-LEE) and myself.

The gentleman from Colorado, the gentleman from Pennsylvania and the gentlewoman from Texas have worked tirelessly to find an acceptable offset for increases in energy conservation and have in coordination with the Congressional Budget Office and the Office of Management and Budget identified excess receipts that can be used for that purpose. The amendment also partially restores cuts to the fossil energy research and development program. I appreciate the efforts of the gentleman from Colorado, the gentleman from Pennsylvania and the gentlewoman from Texas.

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

Mr. Chairman, I rise in very strong support of this amendment. It has been carefully crafted by the gentleman from Ohio, by the gentleman from Colorado, by the gentleman from Pennsylvania and by the gentlewoman from Texas. I would like to say that she has been a real leader and concerned about the fossil energy program. This will benefit that program.

I yield to the gentlewoman from Texas for whatever comments she would like to make.

Ms. JACKSON-LEE of Texas. I thank the gentleman for yielding.

Mr. Chairman, let me just simply say that the fossil energy research and development program provides invaluable service by protecting the environment and by increasing the efficiency of power generation.

As my colleagues well know, we now face a crisis in Texas, overwhelmed by extreme and enormous heat, impacting my constituents and at the same time in the shadow of those terrible tragedies are major energy companies, oil and gas, who have the capacity to engage with the utilization of this particular resource these dollars and make energy more efficient and help those elderly, help those people suffering from the burdensome heat, help local government to establish a better energy source, more efficient source, and as well to help our domestic energy security problem and also our consumption.

Mr. Chairman, I would greatly like to thank the gentleman from Ohio for the work he has done. My constituents in Texas will be most appreciative.

I truly hope that my joint amendment with my colleagues to H.R. 4193, the Department of Interior and Related Agencies Appropriations Bill of 1999, will be adopted today.

Our amendment raises the appropriations level for the Fossil Energy Research and Development program of the Department of Energy by $45 million. We must continue to fully fund the Fossil Energy Research and Development program because it provides the invaluable service of protecting the environment by increasing the efficiency of power generation. More importantly, the program ensures that fossil energy technologies continue to progress in a manner that promotes emissions reduction and control and energy efficiency. The program also safeguards our domestic energy security, and given the fact that our Nation will continue to use fossil fuels well into the future, we must strive to fund this program in a manner that sustains its financial viability.

The Fossil Energy Research and Development program is an invaluable government component due to the necessity of fossil fuels to our economy and economies of virtually every country around the globe. Today 85 percent of our domestic energy consumption is supplied by fossil fuels; by 2015, the contribution of fossil fuels will grow to 88 percent.

Every credible energy expert believes that the foreseeable national and global energy future, like the present, will be shaped predominantly by fossil energy.

The benefits of fossil energy use—affordable prices, a stronger economy, greater employment, and a contribution toward improved global prosperity—can be realized as we dramatically improve our environment.

In the 2000–2010 timeframe, advanced technologies emerging from the Fossil Energy Research and Development program will permit U.S. industry to reduce emissions of nitrogen oxides and air toxics from existing power plants by 70–90 percent and reduce the cost of meeting existing and future regulations by over $7 billion per year.

Advanced power systems, dominated initially by natural gas technologies and later including new generations of coal systems, will not only be cleaner and more efficient than current systems, they will produce lower-cost electricity. This combination of improved environmental performance and greater affordability will be critical if U.S. companies are to compete and win in the domestic market and a burgeoning global market. Opportunities for increased sales of U.S.-technology could amount to $6–10 billion a year from 2001 to 2030. If we do not capture these market opportunities, foreign competitors and foreign technologies will.

By assisting the domestic industry develop more effective and lower cost technologies to find and recover U.S. oil and natural gas, we can reduce the decline in domestic oil production by 1 million barrels per day and increase U.S. natural gas production by 2 trillion cubic feet per year beginning in the 2010–2015 timeframe. This increased U.S. production will directly benefit our economy by generating more than $11 billion a year in domestic oil and gas sales dollars that will stay in this country rather than flowing to foreign suppliers.

Technologies emerging from this Federal R&D program provide U.S. policy makers with a more affordable alternative to future "command-and-control" environmental regulations. Particularly in regard to emissions of greenhouse gases and air toxics, our programs could potentially save the U.S. economy billions of dollars in costly new regulations.

While we work toward a more efficient, affordable energy future, the U.S. taxpayer expects Government to ensure the greatest possible domestic security today. Our 20-year investment in the Strategic Petroleum Reserve has created the world's largest emergency oil stockpile.

Moreover, I believe that the Federal Government has a major role—indeed a responsibility—in making that vision a reality.

Finally, the heat crisis in Texas and the city of Houston, which I represent, stands to partly be addressed in future years by the development of cheaper, more efficient environmentally safe energy resources. My constituents are being overwhelmed by huge energy costs because of the heat. My senior citizens are most victimized and are caught up with choosing life-saving coolness over other needs.

The additional monies in this amendment will also help in improving the weatherization needs of properties that require it.

I urge my colleagues to support this amendment—it is for our future!

Mr. DICKS. I thank the gentlewoman for her leadership.

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

Mr. DICKS. I yield to the gentleman from Colorado.

Mr. SKAGGS. Mr. Chairman, I want to express my thanks to the gentleman from Ohio (Mr. REGULA). As he was expressing yesterday quite aptly, we are seeking the right kind of balance in this bill on these two important and very constructive areas of public investment, in both fossil energy research and in increased efforts in energy efficiency and conservation. I am very, very happy that we have been able to find a way to solve this problem and thank the gentleman very much for his continued interest, flexibility and willingness to work this out.

Mr. Chairman, I greatly appreciate your cooperation regarding these en bloc amendments, which were worked out with the invaluable assistance of Congressional Budget Office as well as the Department of Energy and other representatives of the Clinton administration.

With these amendments, we will remedy one of the major imbalances in this bill, produce savings in energy and money, and benefit the environment as well. The amendments shift funds from an escrow account held by DOE so as to add $45 million to the energy conservation and efficiency accounts. That total includes a $9 million increase for the weatherization program; $2 million more for State energy grants; and an increase of $34 million for other energy-conservation purposes, including the building technology, industry, and transportation programs.

As the Chairman mentioned, the amendments also restore somefunds cut yesterday from the fossil energy programs.

As I've said before, we need to continue making investments in energy conservation and efficiency, because the track record of these programs shows they will pay off many times over.

That's not just my opinion. It's also the view of the President's Committee of Advisers on Science and Technology. They've estimated that past R&D investments in energy efficiency are already saving consumers about $170 billion every year—and they've urged continued investments in this area.

And the payoff isn't just in money, but also in energy savings, in less dependence on imports, and in reductions in air and water pollution.

We need to maintain our momentum in all these areas. That's why I regretted that this part of the bill not only didn't include all the funding requested, but actually was below the 1998 level. These amendments help redress that imbalance.

Mr. REGULA. If the gentleman will yield, it will also help us substantially in weatherization.

Mr. DICKS. Absolutely.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio (Mr. REGULA).

The amendments were agreed to.

AMENDMENT NO. 18 OFFERED BY MR. PARKER

Mr. PARKER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 18 offered by Mr. PARKER: Page 81, line 8, strike "*Provided further*" and all that follows through "funding agreements:" on line 21.

Mr. PARKER. Mr. Chairman, my amendment strikes onerous language in the bill which dramatically alters current law as it relates to Indian health services.

The Indian Health Service was established to provide direct health care to Indian tribes by providing hospitals, clinics and health professionals on reservations. Initially these health services were provided and operated directly by the Indian Health Service, which continues to do so on many reservations. However, in the early 1970s during the 93rd Congress, Congress passed legislation allowing tribes direct operation of their health services under contract with IHS if they wanted to do so and were able to comply with the terms of the statute.

Public Law 93-638 provided further that those tribes exercising this contracting option would be entitled to the same compensation for contract support costs that IHS would receive were the agency providing direct service, costs which the agency would no longer incur. This all worked relatively well for a while with a number of tribes taking over direct operation of their health services and receiving funding to offset their contract support costs although most tribes never received the full funding to which they were entitled.

In recent years with the growth of tribal self-governance and self-determination, more and more tribes began to contract for direct operation of their health services. Unfortunately, the IHS found itself unable to meet its statutory obligation to provide funds for contract support costs and established a queue system where tribes could take over their health services and receive a promise of funds at such time as funds became available. The agency failed to meet its contract obligations or legal requirements under the statute, and today there is a funding shortfall of some $65 million.

To address this shortfall, the committee has included language that would pro rate available funds to all contracting tribes. In other words, we cannot get a bigger pie, so we will just cut the pie into smaller pieces. While the committee has increased total funding by $26 million, considering the level of the shortfall, which is $65 million, this will be far from adequate to prevent some tribes from receiving a smaller piece of the pie.

While this appears like an equitable solution on the surface, such an approach fails to recognize that some tribes, specifically those that have been providing their own health services for the longest time and as such have been receiving full compensation for their contract costs, will under this bill incur significant reductions in their funding for contract support costs and which will negatively impact their provision of direct health services. The Mississippi Choctaw Indian nation could lose as much as $1 million a year. That is a lot of money to a tribe with only 8,000 persons. They operate a hospital, numerous community health clinics, and the only renal care facility in the area. They have played by the rules and the language in this bill is hurting them.

Notwithstanding the fact that the IHS has for years been in violation of current law, albeit with the acquiescence of the impacted tribes, passage of this bill with this pro rated provision intact will drastically alter current law, renege on contractual obligations to all contracting tribes, and let a Federal agency off the hook at the expense of the people it is supposed to serve, thereby rewarding it for failing to change and properly manage its mission.

I do not believe that an appropriation bill is the appropriate vehicle for such a change in the law, nor do I believe that Congress should be a party to fixing a Federal agency's mistake and problem at the expense of Indian tribes. I recognize the problem of the funding shortfall for contract services and I empathize with those tribes that are receiving little or no reimbursement of their contract support costs. However, this is a significant problem that deserves a thorough hearing and action by the authorizing committees.

Furthermore, to my knowledge, not one tribe was consulted or even informed that the committee was taking this action. We are punishing tribal incentive and leadership without so much as a consultation. This provision does not fix the problem, it exacerbates it and it delays a solution. I urge my colleagues to support this amendment and reject this exercise in bureaucratic and congressional arrogance.

Mr. REGULA. Mr. Chairman, I move to strike the last word. I reluctantly have to oppose the amendment simply because, as the gentleman from Mississippi points out, there is a serious problem here. The difficulty is that if we strike the language, it will result in one tribe maintaining their level of funding while perhaps 100 other tribes will get a shortfall, or nothing.

What we have tried to do is have equity in the distribution of the money that is available to the tribes to administer their programs and their self-determination contracts. In fact, in order to try to address the problem, we added $26 million to the Indian Health Services for this specific purpose.

□ 1700

We are not sure. It may be that the tribe of the gentleman from Mississippi (Mr. PARKER) would end up getting as much under the new system as the old,

or possibly a little less. But the difficulty is that you have at least 100 other tribes that get a shortfall. I think in fairness to all the tribes there has to be an across-the-board distribution, rather than to give just those who happen to be up at the starting gate early.

I recognize that they did take a responsibility for their own self-determination and that they were out front on that, and I certainly commend them. It is a challenge to try to be fair to everybody involved here. The administration, frankly, ducked the issue. If you look at the request they submitted to us, they took a pass on it because they did not want to recommend the money that was necessary to solve it.

So we took it on ourselves in the committee, in fairness to the tribe of the gentleman from Mississippi (Mr. PARKER) and all the rest of the tribes, to try to reach some kind of an equitable solution. I will say that BIA is doing this now. They try to spread it across the board to give everybody a little help.

The bottom line is, if we adopt the Parker amendment we are going to shortfall probably 99 or 100 other tribes. I can understand the gentleman's desire to help his tribe.

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

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

Mr. PARKER. Mr. Chairman, I say, with all due respect to the gentleman from Ohio, we keep referring this as the tribe in my State. This will affect all of the tribes that have worked extremely hard trying to abide by the rules that we put into place. Understand, it is not just one tribe.

The National Congress of American Indians has sent a letter to us, to the chairman of the committee, explaining that this would be detrimental. We are talking about all of the Indian nations understanding that we have once again broken our word to them as far as what we want them to do. And because we have not fulfilled our responsibility, we are putting them in a terrible position.

Mr. REGULA. Mr. Chairman, reclaiming my time, I understand. We did have the letter from the American Congress, and they asked us to fix it, and we tried. We added $26 million, but that is not quite enough to accomplish I think what the gentleman would find desirable. What we would find desirable would probably take $60 million. The only difficulty is we did not have $60 million.

Mr. PARKER. Mr. Chairman, will the gentleman yield again?

Mr. REGULA. I yield to the gentleman from Ohio.

Mr. PARKER. Mr. Chairman, on page 3 of their letter, let me just read just a couple of sentences. It says "We are also deeply concerned with the language beginning on line 8, page 81 of the bill, which instructs IHS to alter its current contract support cost system to a 'pro rata proportion' system. We ask you to support Representative Mike Parker's amendment to strike this language from the bill."

So if we want to do what they want, they explain to us exactly what needs to be done.

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

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

Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman for yielding. This is exactly what the Republican Congress is trying to do, is privatize a lot of these issues.

Mr. REGULA. Absolutely.

Mr. CUNNINGHAM. Where we ask someone to privatize and to save money and they go through the extraordinary function to do that, then I think that we ought to honor that and not renege on our promise.

I do not have any Indian tribes in my district, but I think it is terrible what this country has done to Native Americans, and this is one area in which I think we can stand out, take a step and be counted, and help our Native Americans. I rise in support of the amendment.

Mr. REGULA. Reclaiming my time, I understand what the gentleman is saying, but we are trying to encourage all the tribes to privatize. But, unfortunately, to accomplish this goal we need a lot more money. As I said, the administration in their budget submission just ducked the whole issue.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. REGULA) has expired.

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

Mr. REGULA. Mr. Chairman, they ducked the issue. So it is not a question of privatizing, it is a question of trying to help all these tribes, to encourage them to do self-determination contracts.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield on that point?

Mr. REGULA. Certainly, I yield to the gentleman from California.

Mr. CUNNINGHAM. Mr. Chairman, I do not disagree with the gentleman on that issue, but I do disagree that it is on privatization because these tribes have done that. They have been successful. They saved money. We are trying to get the rest of the tribes to do the same. But let us not penalize those tribes that have gone and done this problem that we have asked them to do. That is what the gentleman from Mississippi (Mr. PARKER) in his amendment is asking us to do, Mr. Chairman.

Mr. REGULA. Reclaiming my time, we are trying to achieve what the gentleman is talking about. That is why we put in the $26 million extra that we had to find somewhere else.

Mr. CUNNINGHAM. We will support the gentleman in doing that. Let us just not penalize the tribes that have gone through it.

Mr. REGULA. Mr. Chairman, we are not sure whether we will or not, depending on how the distribution turns out. The Indian Health Service says that adding $26 million will have minimal negative impact on a tribe such as what the gentleman from Mississippi (Mr. PARKER) described, and be the fairest way to do it. That is a matter of fairness.

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

Mr. REGULA. Certainly, I yield to the gentleman from Mississippi.

Mr. PARKER. Mr. Chairman, minimal impact, that is like a foot of water.

Mr. REGULA. Mr. Chairman, these are IHS's words, not mine.

Mr. PARKER. I have to tell the gentleman, it will mean a difference of $949,000 a year. That is a massive amount of impact.

Mr. REGULA. Reclaiming my time. To one tribe?

Mr. PARKER. To one tribe.

Mr. REGULA. I cannot say one way or the other, because I can only take the information from Indian Health Service. I, like the gentleman from California, have no tribes whatsoever in the State of Ohio, certainly not in my district.

What we are trying to do is get a fair distribution. We are just trying to solve a problem that everybody is ducking, that is the bottom line, and do it in the fairest way we know how.

I think if the amendment prevails, it means that many of these tribes will get nothing or very little to help them develop the self-determination contracts. I think the bottom line is the body has to decide whether they want to be fair and across-the-board, help maybe 100 tribes or help whatever number is.

Some of the tribes have taken an initiative and have gone ahead on this self-determination. I can understand what they are saying. But I hate to close the door on all the rest of them by giving those that are already getting this money and letting them keep it, and we have the $26 million to improve the base.

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

Mr. REGULA. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the problem really, is lack of funds, is it not, rather than anything else? There should be enough money to take care of the tribe of the gentleman from Mississippi (Mr. PARKER).

The CHAIRMAN. The time of the gentleman from Ohio (Mr. REGULA) has again expired.

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

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, if we do this, some of the tribes will be left without any money.

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

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

Mr. CUNNINGHAM. Mr. Chairman, I understand what the gentleman is saying, and I know the budget constraints and the caps. But at the same time, I think the gentleman from Mississippi (Mr. PARKER) is trying to say that these tribes have earned what they have done through privatization in managing their own health care system and that the others have not. We want the others to do the same thing. There is not enough money to do that. But let us not penalize those Native American tribes that have gone to the effort and created a system that is beneficial for all tribes.

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

Mr. REGULA. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the gentleman is exactly right, except that we do not have enough money to do it. What the gentleman did was to put in as much money as we could. The administration did not request it. He added $26 million. So he agrees with the gentleman. This is what we ought to be doing, but we do not have the money to do it.

Mr. PARKER. Mr. Chairman, would the gentleman yield?

Mr. REGULA. Yes, I yield to the gentleman from Mississippi.

Mr. PARKER. Mr. Chairman, let us put this in perspective. Let us take a tribe that has taken the initiative, and they are paying for their administrative cost, and they have done what we have asked them to do. What I have told the tribes, if the Federal Government wants to do this to you, all you need to do is sit back and say, "We are not going to participate anymore, and now it is up to you to pay all of it. You have a statutory responsibility to come and pay for it."

They have saved us money. They have permitted us to have the additional funds that are there. I must tell my colleagues it is being totally unfair to these tribes that have taken the initiative and they have played by the rules. They have done what they wanted.

That $26 million, by the way, does not all go to these tribes. We have salary increase in that. I think the net coming out is around $15 million that is going toward the actual contract cost. So I appreciate the fact that what my colleagues have done is increase it by $26 million, but I think that my colleagues are penalizing these tribes, and there is no reason to do that.

Mr. REGULA. Reclaiming my time, I yield to the gentleman from Illinois.

Mr. YATES. There is a reason. We do not have the money. It is just that simple.

Mr. PARKER. Mr. Chairman, if the gentleman will yield, we have not had the money for a long, long time. That does not mean we need to go and penalize these tribes for doing what we asked them to do.

Mr. REGULA. Mr. Chairman, reclaiming my time, what we are trying to do is get more tribes to go on the self-determination contracts, and that is the reason for the $26 million, and in the process not penalizing your tribes or those that are already on self-determination contracts.

I wish we had enough money that we could make everybody whole. We do not know. The IHS says with $26 million it will be minimal. They do not give us a number. I am not sure where your $900,000 came from.

But, I will yield. I do not want to prolong the debate.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. REGULA) has expired.

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

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Mississippi (Mr. PARKER).

Mr. PARKER. Mr. Chairman, what we have to understand is that these tribes are providing services that we would normally pay for. I realize that the committee, in its wisdom, has tried to be fair and be able to include more people.

Mr. REGULA. That is right.

Mr. PARKER. We do not achieve the purpose that we are looking for if we penalize individual tribes out there that have been trying to do what we ask them to do. We have changed the rules on them again. It is not the first time the Federal Government has done that to Indian nations.

I think sometimes we all forget, it is a little basic thing in American history, but these are sovereign nations and we should treat them as such. We would never do this type of a thing to another nation without understanding that there would be retaliation of some type.

These nations can very easily, that have paid for their own contracting costs, they could very easily sit back and say, "Then it is up to you. You have a statutory obligation to provide health service to our people. You pay for it. You handle the whole thing."

That, in effect, would put IHS in a situation that they do not want to be put in. They know that they could not provide those services. They know that these Indian nations have saved them tremendous amounts of money, tremendous amounts of work, and that there would be no way that they could do that.

So I think that in all fairness, this needs to move to the authorizing committee. We need to work something out so that we can eventually move toward full funding.

These Indian nations that are in the queue are receiving health services. They are not being paid for contract services, as are the nations that have taken the incentive and are in the program, but they are still receiving health care services now.

So I think that this amendment makes total and complete sense.

Mr. REGULA. Mr. Chairman, reclaiming my time. I cannot agree with the gentleman on that. What we have tried to do is to get more of the tribes, encourage more of the tribes to go to self-determination contracts, which as the gentleman points out is the right way to do it. It is not necessarily saving us a lot of money because we still have to pay for their health care costs, and what this money does is to help pay the administrative costs.

It will not reduce that. We used the $26 million number as a way to take care of those that were already on self-determination contracts, while at the same time encouraging other tribes to take the same steps. We have historically tried to make the Native Americans more self-dependent.

We have to resist the amendment because what we have tried to do is accomplish what we thought was fairness in the way we have constructed the bill.

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

Mr. Chairman, I would ask the gentleman from Mississippi (Mr. PARKER), is the point the gentleman is trying to make here that a number of tribes have entered into self-determination contracts with the Indian Health Service, and the Indian Health Service has failed to live up to its obligations to fund these tribes that have taken on self-determination, and the unfortunate consequence of what the chairman is trying to do, and I think he was trying to do something to benefit all the tribes, is that we then do not live up to the commitments that we made to those people who decided that they wanted to go the route of self-determination? So are we penalizing them and rewarding people who are not willing to go the route of self-determination? Is that basically the argument?

□ 1715

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

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

Mr. PARKER. That is it. There is not much else to say. I do not question the motives of the chairman of the subcommittee, nor the ranking member. They are two of the finest people we have had in this House or ever served in the House. They care about the Indian Nations. But I must tell the gentleman that the language in the bill

which attempts to try to help everyone, you are penalizing people who have given their word.

I must tell the gentleman, there is a working group now between the Indian Nations and the IHS, and they are discussing what should be done and how it needs to be handled. What we are doing is precluding what they are going to look at and what they are going to decide. They may come up with some ideas that none of us have thought about. We are including that in this language.

Mr. DICKS. Mr. Chairman, reclaiming my time, the other problem with this is the tribes were not consulted before we made this decision. I am very upset that the administration in its budget, I completely concur with the chairman, completely punted on this issue. They did not have any money to address this or not very much.

We tried to correct this, but, I think, unfortunately, what we are going to do here if we do not accept the gentleman's amendment is to penalize those people who have not entered into self-determination agreements, and then punish those that have. I think that will be unfortunate. Maybe we can work this out between now and the conference.

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

Mr. DICKS. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, in the interim, we have received statistics from IHS. I think the problem here really is that the other body put zero in their mark. We have $26 million. The $26 million will address the problem, because there are 250 tribes now receiving contract support and 23 not receiving it. So the $26 million will not only take care of the 23 we want to get in under contract support, but will probably result in tribes such as yours getting a cost of living increase above what they are receiving now.

I think what they are doing in the letter is addressing a problem created by this bill in the other body, which is zero, and not addressing it with the $26 million we have in our bill. This is something we have to resolve in conference.

Mr. PARKER. Mr. Chairman, if the gentleman will yield further, those numbers, I have a lot of respect for the IHS and for their wisdom through the decades. They have been so right so many times. But let me just look at this. The numbers do not quite come together.

When you are talking about that $26 million that is going to have an increase to cover those other tribes, I know they sent you that note, but let me just point out, we have a $65 million shortfall. We have gotten that from IHS.

Now, the $26 million, to my calculation, you are around $40 million short. But you are worse than that, because all the $26 million does not go directly to support services. So you are in a situation where, let us just be conservative and say okay, it is $40 million short. You are still lacking some money. You are not going to be able to provide those services as we have promised.

Mr. REGULA. Mr. Chairman, if the gentleman will yield further, eliminating the $26 million is not going to solve the problem.

Mr. PARKER. Mr. Chairman, my amendment does not eliminate the $26 million. We only address the matter of contract authority and removing the language of removing the queue. We do not say anything about removing the $26 million, because it is in another part of the bill. So I want to make sure, whatever we do, I do not want to remove the $26 million.

The CHAIRMAN. The time of the gentleman from Washington (Mr. DICKS) has expired.

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

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

Mr. DICKS. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, what the gentleman is asking to do is take care of his tribe and take money away from the other tribes, because the committee, has not put enough money into this bill. What the gentleman ought to be doing, I think, is asking for more money in his amendment, rather than a rearrangement of whatever money there is in the bill.

Mr. PARKER. Mr. Chairman, if the gentleman will yield further, to my good friend, that is the solution, and I appreciate that. But I must tell the gentleman, I have some of the same problems that the ranking member does as far as finding that money.

What I want to do is create a situation that the authorizing committees look at this thing, that the study group that is in place between IHS and the Indian tribes be able to come up with some recommendations to us on what needs to be done and the way it needs to be handled, and, if we do move in this direction, that we move into it in a much more logical fashion with more thought. What I do not want to do is hurt these tribes that have been doing what we asked them to do. We asked them to do it, they did it, and they did it in good faith.

Mr. YATES. Mr. Chairman, if the gentleman will yield further, I think what ought to be done is for the chairman and for me to take this problem into the conference and see if we can get more money, rather than to rearrange the way it is distributed; let us try to get more money so we can provide the money for the tribes that have followed the new rules. But we do need more money in order to take care of all the tribes, I do not think there is any question about that. But to rearrange it so some money goes to your tribe and none for the others, I think is unfair.

Mr. DICKS. Mr. Chairman, reclaiming my time, I would ask a question of the chairman. Is the gentleman saying we cannot take care of all the self-determination tribes? In other words, the problem is we have got so many people who signed up to do self-determination, that we cannot take care of all of them? Is that the problem?

Mr. REGULA. Mr. Chairman, if the gentleman will yield further, the gentleman is absolutely right. The problem with this amendment is it will take care of those who got to the head of the line, and those that were slow getting up to the line will get cut out.

What we are trying to do is to make it fair for everybody, and we feel that the $26 million will allow those that were at the head of the line to continue to get what they were receiving, or very close to it, and will help the others to go to self-determination.

Mr. DICKS. Mr. Chairman, reclaiming my time, the problem I have is the letter here from the Indian Health Service says one tribe will only get 39 percent of what it got last year. That is a 61 percent reduction.

Mr. REGULA. If the gentleman will yield, that letter speaks to the Senate bill, which is a zero. It is not referring to the $26 million that we put in our bill. I think one of the problems here is that you are trying to address problems, situations, created by the Senate bill at zero, and not recognizing that we have taken, I think, a very progressive step.

The CHAIRMAN. The time of the gentleman from Washington (Mr. DICKS) has expired.

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

Mr. DICKS. Mr. Chairman, let me read this. It says this in a letter to Mr. YATES on July 20. "For example, one tribe would see its contract support payment reduced by $949,000, or 39 percent, between FY 98 and FY 99. Such unanticipated reduction would adversely affect health care delivery among these tribes by requiring them to decrease important administrative support staff and functions or to divert funding for health care services to support activities that were formally funded by the contract support costs."

This is a letter from Donna Shalala.

Mr. REGULA. If the gentleman will yield, when we received the letter we checked with IHS, and they advised us that that letter was drafted by OMB based on the Senate number. That is the advice we got.

Mr. DICKS. Is the gentleman telling me OMB has not figured out which is the House and which is the Senate?

Mr. REGULA. Well, the gentleman said it.

Mr. PARKER. Mr. Chairman, if the gentleman will yield further, please understand, we are making decisions here without going through an authorizing committee. We are legislating on an appropriations bill, where the National Congress of American Indians, and I know there are a lot of people who have never heard of it, but let me tell you, these people represent all the Indian tribes, they have said, do not do this to us. Keep your word.

I might say to the gentleman that those people that are in the queue, that all of a sudden everybody wants to help, what are they going to feel when we break our word to those that have done what we asked them to do? How are they going to feel? How much confidence are they going to have in us?

I feel that we need to keep our word, do what we said we were going to do, and resolve this problem in the authorizing committee, and move forward when we go to that point and have the Committee on Appropriations try to get the money necessary.

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

Mr. Chairman, I guess I do not have, as I mentioned, a Native American tribe in my district. California has a lot of Native Americans, and I think it is more on principle than it is anything else. I could be hurting, maybe, some of the tribes in the San Diego area by supporting this amendment, but, on principle, if we ask somebody to do something and they do it, and they save us money, then we ought to reward that. And if there is a penalty, the penalty should come on the tribes that do not. I think that is what the gentleman from Mississippi (Mr. PARKER) is saying.

I also acknowledge the fact that we do not have enough money to do what we said we were going to do. But if there is a penalty, then it ought to penalize the ones that have not. That is the reason that I rise in support of the gentleman's amendment. We need to keep our word.

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

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

Mr. PICKERING. Mr. Chairman, I rise in support of the Parker amendment. The tribe that the gentleman from Mississippi (Mr. PARKER) has mentioned today happens to be my in home district, the Mississippi Band of Choctaws, which I believe is probably one of the best models, if not the best model, in the Nation of tribal leadership and self-determination.

They have taken the steps where, 20 or 30 years ago, a generation ago, you had the highest rates of unemployment, of illiteracy, of poor health care; now they have the best in health care, they have world class facilities, they have the best in education. They have invested in manufacturing facilities and we now have the lowest unemployment in this area of my State that we have had in 30 years, and it is because they have done what we asked them to do. They have taken the steps consistent with the Indian Self-determination Act of 1975.

What I am concerned about is here we are breaking that commitment, breaking our word, in essence abrogating a contract. We are penalizing and punishing those who have taken the right steps.

Mr. Chairman, I commend and thank the ranking member and chairman for their efforts of addressing this problem and adding $26 million where the Senate did nothing. The problem we have and the problem that the gentleman from Mississippi (Mr. PARKER) has is we are trying to fix it on a pro rata basis. We do not distinguish or differentiate between the good tribes and good leaders that have taken the action under self-determination and those who have not.

Now, we think there are several violations of principle. One, breaking the word, breaking a contract, and penalizing those who have done the right thing. What we are trying to do is find a way to support the $26 million, but to see if there is a better way to apportion and allocate whatever funding is made available, so we do distinguish between those who have taken the steps consistent with the Self-determination Act.

So I would urge the chairman and ranking member to work with us, to see if there is a better way. There is a working group right now that is trying to take steps, in consultation with all parties, to find a better solution to this. All we are asking is for the time to find a better way, a better approach, consistent with our principles.

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

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

Mr. PARKER. Mr. Chairman, let me point out. I want to make sure that everyone knows that the appropriating subcommittee has gone farther than anyone has ever gone in the past in trying to rectify this problem. I also want people to know that the administration has done nothing. They have sent up letters saying "you have created a problem," but they did not try to resolve that problem before coming up here. They dumped it in our laps. I realize that.

But I also know that we are in a situation where we have got to do something, and I think that it is very important that we send the right message to these Indian tribes, and that we let them know that privatization is the correct way to go and that they are able to depend on us, that we will follow through.

One thing that I do not want, and this bothers me a great deal, this subcommittee has been good enough to put an additional $26 million in. Whatever happens on my amendment, if it should pass, I would hate to see this committee move back from their position and remove $26 million or decrease that amount. That would be something that I think would be not only hurtful to the Indian tribes, it would send the wrong message to them as far as what we are trying to do. So, from a very personal standpoint, I want to make sure that this $26 million stays in the IHS funding.

Mr. PICKERING. Mr. Chairman, if the gentleman will yield further, we have talked about IHS and their input into this process, but let me read from a letter from Secretary Shalala.

The CHAIRMAN. The time of the gentleman from California (Mr. CUNNINGHAM) has expired.

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

Mr. CUNNINGHAM. Mr. Chairman, I yield to the gentleman from Mississippi (Mr. PICKERING).

Mr. PICKERING. Mr. Chairman, the letter from Secretary Shalala reads, "The implementation of a pro rata proportionate distribution of payments for contract support costs will result in the reduction of funding to a significant number of tribes," we are not talking about just one tribe, "a significant number of tribes and tribal organizations that have assumed," have taken the responsibility and the steps required of them, "that have assumed the operation of IHS health programs."

□ 1730

And then later in the letter it says, "We therefore must object to the proposed proviso in S. 2237, since the tribes have not been consulted and since the abrupt and unforeseen funding reductions to many of the tribes currently receiving these payments would have a severely disruptive effect on health care delivery by these tribes."

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

Mr. CUNNINGHAM. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I would just point out to the gentleman that he read a letter from the Secretary of HHS expressing great concern, but in the submission of the budget she underfunded them $147 million.

Mr. PICKERING. Mr. Chairman, I understand and agree with the Chairman.

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

According to the letter from the Congress of American Indians, we are going to need approximately $300 million to take care of all of the needs of all of the tribes under this program. Mr. Chairman, $26 million, of course, as

the gentleman from Mississippi pointed out, is a pittance. But the problem, as I see it, is lack of money. We just do not have enough money in this bill to take care of all of the tribes.

I am told by staff there are 30 tribes that have not received any money under this arrangement. I do not think that is fair, either, just as the gentleman points out that the new distribution would severely penalize the tribe in his district. But the Congress is trying to find out, it does not agree with the $300 million figure. What it is trying to do is find out how much money is actually needed.

That is why I suggested earlier, as we go into the conference, I for one, and I am sure the chairman too, will try to find out how much money is realistically available. $26 million is all we could realistically put up at this time, that is all the money we can get in order to take care of the need not only for your tribe, I say to the gentleman from Mississippi, but for the California tribes as well and for the other tribes that now are not getting any money.

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

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

Mr. PARKER. Mr. Chairman, the tribe that I referred to in my State is not in my district, but I feel strongly that it is up to us to keep our word.

This problem is so great that we have to look at it from a variety of different ways, and I must say that preempting the study group between the HHS and the Indian tribes, I think we need more information before we have a basic change in the law, which the bill, as it is right now, without my amendment, the bill changes current law drastically, going all the way back to 1975. And I think in 1975 when the gentleman was here, I think that the gentleman made the right decision at the time, and I am just trying to reaffirm that decision, and I ask people to support this amendment.

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

Mr. YATES. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, if we do not accept the amendment, it will allow more tribes to participate, and I do not think it will penalize the tribes represented by the gentleman from Mississippi. If we accept the amendment, or if the amendment is passed and the $26 million is left in, it will be a great windfall for the tribes who are already getting money, because those that would be getting it now will get the $26 million divided among them and the other tribes will still be out in the cold.

It is not a matter of changing the law. This has been going on a long time in the BIA. It is a matter of distributing the money equitably. Unfortunately the administration, as I said earlier, ducked the issue. In fact, they funded Indian health $147 million less than last year, which is a mystery to me, given the testimony that the ranking member heard, as did I, that there are a lot of health problems in the Indian Community. But I do not think in fairness we want to give a big windfall to the tribes that are now getting funds with the $26 million we put in. We want everybody to get in on the mix.

Mr. YATES. Mr. Chairman, may I say that I do not consider it a big windfall. I think that the tribe, on the basis of the explanation given by the gentleman from Mississippi, deserves that money, but to do so at the present time without having all of the figures will penalize some of the other tribes. I therefore will stand with the chairman in keeping things as they are in the hopes that we can get the information we need before we go into the conference where we can make some adjustments.

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

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

Mr. PARKER. Mr. Chairman, let me just say there is a $65 million shortfall. We have added $26 million. That leaves us $39 million, I mean around $40 million. There is still a shortfall there. So this windfall, supposed windfall is not a windfall, it is still a shortfall.

Mr. YATES. Mr. Chairman, we just do not know what the figures actually are, according to what the staff tells me. The gentleman has certain figures. We are trying to get the figures from the proper authorities so that we are in a position to do justice to the tribes that the gentleman has as well as the other tribes.

Mr. PICKERING. Mr. Chairman, if the gentleman will continue to yield, if I could suggest to the chairman and ranking member possibly one solution. The controversy here is over the allocation of whatever funds are available. The $26 million is greatly appreciated, but if it is done on a pro-rata basis, there is no distinction or difference between those who have taken steps consistent with the Self-Determination Act.

We would like to work going into conference, work with the administration, work with the working groups to see if there is a better way of allocation that would still try to address the needs.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. YATES) has expired.

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

Mr. YATES. Mr. Chairman, I would hope the gentleman might want to withdraw his amendment at this time and let the chairman and I try to correct the situation as we go into the conference.

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

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

Mr. PARKER. Mr. Chairman, I appreciate the ranking member's suggestion but I do not think that it would be wise to do that, because I think that this issue is so important, I think that it is necessary that we all focus on what we are trying to do, and I think that my amendment moves in the direction of at least putting the gentleman in the conference so that he is able to deal with the Senate.

We already have the $26 million in there, and I know this discussion is going to occur on into the future, and I also know that the gentleman will not remove the $26 million.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. PARKER).

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

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

The CHAIRMAN. Pursuant to House Resolution 504, further proceedings on the amendment offered by the gentleman from Mississippi will be postponed.

AMENDMENT NO. 15 OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. MILLER of California:

Page 68, beginning at line 13, strike "for indirect" and all that follows through line 16 and insert the following: "may not be used for indirect support activities (as defined in the Forest Service Handbook).".

Mr. MILLER of California. Mr. Chairman, earlier this year three committees came together, the Committee on Appropriations, the Committee on the Budget, and the Committee on Resources, to hear about the problems, the financial problems of the U.S. Forest Service. The Committee on Resources and the Committee on the Budget and the Committee on Appropriations gathered to hear the GAO's report on a decade's worth of reports that they have done over the past years which conclude that the lack of financial performance accountability has resulted in inefficiency and waste by the Forest Service.

To make the Forest Service accountable, I think the way to do this is to take their off-budget funds and subject them to appropriations. The Forest Service has 23 special accounts amounting to more than one-third of their total budget, according to the Congressional Research Service. These funds, which now receive little congressional oversight, ought to be subject to

appropriation, and I have introduced legislation to do that.

But this bill, this current bill does nothing to improve the Forest Service's accountability. In fact, it moves in the opposite direction by sanctioning the agency's use of forest restoration funds for administrative overhead costs. It permits the same abuses to occur with salvage funds, and it rewrites the roads and trails fund to allow those funds to be diverted to vaguely defined forest health projects.

My amendment does not address all of these issues but, in effect, it requires that the funds that are intended for forest restoration be used as Congress intended, not as a slush fund by the Forest Service for administrative costs.

By contrast, the committee's bill would allow up to 25 percent of these restoration funds to be used for so-called indirect expenses. This, in effect, ratifies the current practices, the current practices that so many Members of these three committees were shocked at when they were told about them by the GAO. The GAO told us that in reporting its fiscal year 1995 financial results, the Forest Service could not identify how it spent $215 million, $215 million out of $3.5 billion in its operating fund programs with respect to these forest restoration programs.

Mr. Chairman, these are funds that when the Forest Service has a forest sale and the loggers go in and they log that tract of land, whether it is a few acres or a couple hundred acres, whatever extent that the logging practice is in, these are funds that the Congress of the United States made a determination would go in after the logging is done, replant that area, restore that area so that we would get a new generation of trees; we would put the forest back into a position so that it might be logged in the future, or it might be used for other forest values such as recreation or what have you. That is supposed to be done on a sale-by-sale basis.

However, because of accounting practices within the Forest Service, what we now see them doing is not doing it on a sale-by-sale basis, but collecting the revenues on a sale-by-sale basis, putting them into a slush fund and now subsidizing the administration of the Forest Service, as opposed to going back and replanting and reforesting those sales and those areas that belong to the public.

What has the result been? The result has been that reforestation has not kept up with the cutting in the forests; that a number of areas where reforestation has taken place, it has been a complete failure, and we now have these huge scars on the public lands. If one visits some areas in northern California and southern Oregon and some of the Western States, we will see massive scars upon the land where reforestation has been a failure. But rather than go back in and fix those and reforest them to get those trees to grow again, what we see is they are diverting this to the overhead of the Forest Service.

Again, the GAO told the three committees when they were assembled earlier this year that the Forest Service does not have the financial management information and controls needed to ensure compliance with these Reforestation Fund Act monies and the prohibition limiting these funds for expenditure in individual sale areas to the collection from those same sale areas. What they told us was that the Forest Service, because it lacks accountability, because it lacks financial controls, has created a slush fund that is not being used for the purposes for which the public intended.

The diversion of these funds now in this last year was some 31 percent of the $166 million that were supposed to be used for reforestation of the timber sale areas. Instead of planting trees, instead of improving watersheds, instead of improving wildlife habitat, we were buying furniture, we were turning on the lights, and we are engaged in funding the overhead of the Forest Service.

The CHAIRMAN. The time of the gentleman from California (Mr. MILLER) has expired.

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

Mr. MILLER of California. Mr. Chairman, I think what has become very clear is that we have to start curbing these financial abuses by the Forest Service.

This amendment does that. That is why this amendment has the support of not only the environmental groups but almost all of the taxpayer organizations that look at these practices and ask the question, is the American public getting a fair bang for its dollar? Is the American public getting a return on its dollar invested, and is the law being followed in terms of what the public has an expectation of with respect to, in this case, reforestation programs?

As we look at these programs from an environmental point of view, or as we look at these programs from a taxpayer point of view, they fall far short in their accountability to the public, and they fall short because of that lack of accountability in their obligations to the environmental charge of these funds under this law. That is why this amendment should be accepted by the committee and by the House. I plan to ask for a vote on this. This is a very high priority of both the taxpayer organizations and the Forest Service organizations.

Again, many of us sat through these hearings and we were quite stunned at the extent to which the Forest Service accountability and financial controls have lapsed. We were also heartened, I think, by the fact that the Forest Service brought in professional financial managers to start to bring this back into control. But we have to begin with this legislation in this fiscal year and stop the diversion of these off-budget funds.

I would hope eventually that the authorizing committees, and if not, then the appropriating committees, will bring these funds back onto budget and make them subject to appropriation so that the American taxpayer understands where the money is being spent and what the benefit is, and we can make a determination each year as to whether or not the public interest is being served and if, in fact, the mission of the Forest Service as determined by the Congress is being served.

Mr. Chairman, I urge an "aye" vote on this amendment.

□ 1745

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

Mr. Chairman, the gentleman from California (Mr. MILLER) is absolutely correct. I am sure it will shock him for me to say that. But, in general, he is absolutely correct with respect to what is happening in the Forest Service today and its mismanagement of funds and lack of knowledge of what is actually happening within this very huge agency.

Unfortunately, his amendment is misdirected, while his thesis is correct.

We have all seen the General Accounting Office report and are shocked, indeed, with respect to their criticism of the Forest Service and to how lacking the Forest Service is in accountability.

However, the Committee on Agriculture has held three hearings on this very issue, and we have come to the conclusion that certainly there must be something done. For that reason, there is a bill introduced, which will be marked up on Tuesday, July 28, and scheduled for the floor on August 6, which addresses not just the K–V Fund issue, as the gentleman's amendment does, but addresses a whole array of management techniques and problems that the Forest Service continually has, plus overhead.

Now, it is shocking that many of the funds that the gentleman mentioned, there are five of them, he addresses only one, these funds have something like 30 percent overhead attached to them. That is unacceptable. And as we have gone into the question of the management of the forests, which we recognize that there some direction must be taken by the Congress to straighten up what is obviously a total mess.

Now, if we follow the gentleman's amendment only on the K–V Fund, we

may well interrupt a personnel problem within the K–V Fund, which could impact habitat restoration and reforestation efforts and the issues that we are all interested in and that we all want to see completed.

So, here I think is the choice: the language that I think is a beginning in the Interior bill, but allow the authorizing committee, in this case the Committee on Agriculture, to carefully walk through this whole issue, bring it to the floor for the study of the Committee, and take the whole issue, rather than just a part of it.

Mr. Chairman, I would be delighted to include the gentleman from California in on any language that he would propose in an overall attempt to take care of a very difficult issue, rather than take in an amendment today with little opportunity to discuss. Let us go through the authorizing process. We will bring a bill that I think will address many of the gentleman's problems and we would be happy to include him in that discussion.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I thank the gentleman from Oregon (Mr. SMITH) for yielding me this time, and I thank him for his remarks.

Mr. Chairman, I think as the gentleman said, he shares our dismay at what we heard in the reports from GAO and from the Forest Service. Hopefully, their acknowledgment of that is the beginning of a change. But let me say in this case, and I did not as I said in my statement, I believe that all of these should be brought on budget and the appropriators should have some say in how this is being done.

But this last time, it was 35 percent. The committee says 25 percent. That level of overhead is just unacceptable when we are struggling to do the reforestation programs that we all know are necessary as part of watershed management and going back and trying to correct some mistakes and all the rest of it.

I would urge the gentleman from Oregon to have his hearings and to have the authorizing committees make these things, but also I guess we are at the end of the session here. This is the beginning of the fiscal year. I still think that this amendment is very important if we are going to stop this.

Mr. SMITH of Oregon. Mr. Chairman, reclaiming my time, I understand this is a rifle shot at the issue. Let us take the whole issue under consideration and bring it back to the floor when we have the whole thing addressed.

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

Mr. Chairman, I would like to say to the gentleman from California (Mr. MILLER) is that we would propose to reduce this 25 percent to 20, which will be 10 percent less than we are using now. The problem is that if we adopt this amendment, we leave the K–V Fund out there without any direction.

That fund is used for habitat improvement, reforestation, and a lot of very good environmental issues. I am most reluctant to, but I would have to characterize this amendment as being antienvironment, and I do not think that the gentleman from California wants to do that.

Mr. Chairman, I would agree that we should get this on budget and put us in charge as a Congress, in administering these funds on a line item basis. But I do not think it is good management, as proposed in this amendment, to take away the ability to manage the program and leave the program out there like a ship without a rudder. These programs are very important environmentally for reforestation, for habitat improvement, for other legitimate forest health issues.

Mr. Chairman, I would like to work with the gentleman from California in getting this on budget, reducing the amount that is going to administration, and ensure that the funding actually achieves the environmental objectives that are very much a part of it.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

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

Mr. MILLER of California. Mr. Chairman, I thank the gentleman from Ohio (Mr. REGULA) for his comments. We are quickly trying to assess his offer. I think a couple of our colleagues have something they want to say on this and maybe we can chat about this.

But there is a problem with respect to ongoing litigation, so this has to be done sort of right, I guess, not to prejudice some parties. So, we can talk.

Mr. REGULA. Mr. Chairman, reclaiming my time, I want to use the money for environmental objectives, and to do that there has to be some mechanism to manage the fund. I think the amendment just takes away the mechanism without addressing the issue of how we expend the funds. I think we really need to get it on budget and manage it more correctly.

Mr. MILLER of California. Mr. Chairman, if the gentleman would continue to yield, let us not pretend like this is the only administrative money available to the Forest Service. The Subcommittee on Interior Appropriations unfortunately makes a huge amount of money available for administrative overhead to run these programs, and for them to siphon off this huge amount of overhead to get these programs on the ground and get them working is just unconscionable. But it is not like it would leave them without administrative overhead. It would leave them without a place that they could go without accountability, but they still have administrative money for these functions.

Mr. REGULA. Mr. Chairman, again reclaiming my time, I would like to say to the gentleman that if there is any way in the conference process that we can make some changes to make this fund totally accountable, I am very much for that, because I think accountability is an essential element of any program that we manage. And since we have to appropriate the funds, it should be accountable to those of us that serve on these respective committees.

I would say to the gentleman from California (Mr. MILLER), I would like to work with him to achieve that objective. But I would be reluctant to support the amendment under these circumstances without having some additional changes.

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

Mr. Chairman, here is the problem before us. The administration and this Congress have been starving the Forest Service, while giving them ever more and more expensive obligations, many of which have tremendous merit. If we look at the backlogs to meet the environmental guidelines of the President's forest plan in my region, it would sop up virtually the entire budget of the United States Forest Service.

We are simply not funding many meritorious activities. The gentlewoman from Oregon (Ms. FURSE) was going to offer an amendment yesterday, with which I disagreed, but I agreed with the program she wanted to augment. If we look at her augmenting those programs, it would take them up to 30 and 40 percent of the annual objective; again, programs that benefit the environment, that reinvest in our forests.

We have been treating our forests like cash cows for much too long, and now people are unwilling to reinvest in the resource. That is pointed out by this issue of the K–V Funds. The K–V Funds are spent for meritorious purposes, reforestation and related environmentally beneficial activities consequent to timber sales. Everybody agrees that those are activities that should be carried out.

But the problem here is that since we are starving the Forest Service in many other budgets, they are attributing an, I think, unusually high overhead to this program so that they can move their funds around. And they are very, very messy and unaccountable accounting practices which we have held hearings on.

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

Mr. DEFAZIO. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, the gentleman from Oregon (Mr. DEFAZIO), whom I consider one of the experts on

these issues in the House, let me give some of the information that we have received from the Forest Service for the benefit of our colleagues who are trying to learn about this.

It says:

Eliminating the K–V overhead indirect costs will have substantial repercussions for the agency. The indirect nonproject costs of the agency cannot be eliminated and support accomplishment of program work. Costs such as rent, utilities unemployment comp, and program supervision are necessary costs to support K–V accomplishments.

According to the May 6, 1998, report on indirect charges in five funds, the K–V Fund paid for $51,169,000 in fiscal year 1997. As mentioned above, if K–V could not pay for these costs, the Forest Service's appropriated funds would have to be responsible for them. This would result in less program accomplishment in reforestation, timber stand improvement, wildlife, watershed improvements, and other appropriated resource areas.

In addition, the plain language of the National Forest System Appropriation excludes general administrative support to funds such as K–V. Therefore, to charge appropriated funds would place the Forest Service in violation of its National Forest System Appropriations language on GA, and in violation of congressional intent, if not appropriation language on all other direct costs.

So, I understand why we would like to preserve the funds, but we have to pay it somewhere. If we do not pay the indirect costs of the K–V out of the K–V Fund, then we will take money away from all of those other programs and things like timber stand reforestation improvement and wildlife, which the gentleman and I are both strong supporters of. How do we answer this?

Mr. DEFAZIO. Mr. Chairman, reclaiming my time, and I said as I spoke, the objectives of the K–V Fund are meritorious. The question is how much goes to overhead? And I would say that 25 percent where they are attributing rent for a Forest Service employee who works in a ranger's station, attributing all of those, if we add up all the overheads and the indirects we find that in part it is going to the chief's salary. It is going here because the chief spends 4 percent of his time on K–V Fund, so 4 percent of his salary.

I mean, when we add them up, they do not add up to 100 percent. So my concern is that we are not getting as much money on the ground as we should. I certainly would not want to get an unintended effect here which would be to deprive them of any capability of managing and investing these funds. But I think the gentleman from California (Mr. MILLER) is trying to make the point that the 25 percent number is arbitrary and too high.

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

Mr. DEFAZIO. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I have a letter from the gentleman from California (Mr. HORN), chairman of the authorizing subcommittee. He points out that a recent report by the General Accounting Office revealed the Forest Service diverted over $220 million from the K–V Fund into bureaucratic overhead between 1993 and 1997.

The CHAIRMAN pro tempore (Mr. PEASE). The time of the gentleman from Oregon (Mr. DEFAZIO) has expired.

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

Mr. YATES. Mr. Chairman, the law does not permit the K–V Fund to be used for any other purpose, certainly not for the administrative expenses. And what the gentleman from Washington (Mr. DICKS) has said is true, that if we do not use this money from the K–V Fund, we will have to get it from somewhere else. We will have to use appropriated funds for this purpose if we object to their present day practice, because the money is essential for carrying out the needs of the Forest Service.

Mr. DEFAZIO. Mr. Chairman, reclaiming my time, I have tremendous respect for the gentleman from Illinois (Mr. YATES). I think the problem that we are having here, to address his concerns, is between some of us on the authorizing committee who have held hearings on the Forest Service budgeting and accounting practices and feel that money is being moved around in ways that are not accountable and being spent in ways that are not provided for under law; that we are not getting the full bang for the buck of the K–V Fund's investment on the ground in environmental restoration because it is being diverted on overhead that is not just legitimately overhead for the K–V program.

Certainly, there is legitimate overhead for the program. But other more general overhead purposes of the Forest Service, which I would agree, since the Forest Service, as I said earlier, is not getting enough funds in many other programs.

□ 1800

The CHAIRMAN pro tempore (Mr. PEASE). The time of the gentleman from Oregon (Mr. DEFAZIO) has expired.

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

Mr. DEFAZIO. So I would say to the gentleman from Illinois (Mr. YATES) that I think we have some essential grounds for agreement, but the problem is I see the Forest Service doing things like the argument over purchaser road credits last year. I could come to the floor and list project after project they were doing purchaser roads credits, which truthfully had little to do with the timber sales that they were conducting, but they were meritorious recreation, road, and environmental projects and restoration flood damage repair that they could not otherwise pay for.

So I think the bottom line we keep coming back to is there is not enough money to fulfill their missions, particularly their mission as it relates to the environment.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

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

Mr. MILLER of California. Mr. Chairman, I appreciate and thank the gentleman for yielding to me. I appreciate the point he has made.

What we have here is a situation that over time has developed to now an extravagance, that any time the Forest Service has something they want that the Congress does not go along with or somebody does not go along with in Washington, they reach into the restoration funds.

The purpose of these funds was, and the gentleman represents areas that are much more affected than mine, the purpose of these funds was to try to do restoration on the theory that forests were on a, cycle and that we would make an agreement to cut them and make an agreement to reforest them and to start the new cycle of trees, and future generations could make determinations. But what we now see is over a third of the funds, or about a third of the funds, have now been subject to a diversion, to a simple wish list of local forest people, of managers, about what they want in terms of administrative overhead, with no bars.

And what came to a head in March of this year was the total unaccountability of the system with respect to a basic fundamental forest law, the Vince Vanderberg funds for reforestation.

The CHAIRMAN pro tempore. The time of the gentleman from Oregon (Mr. DEFAZIO) has expired.

(On request of Mr. MILLER of California, and by unanimous consent, Mr. DEFAZIO was allowed to proceed for 3 additional minutes.)

Mr. MILLER of California. Mr. Chairman, will the gentleman continue to yield?

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

Mr. MILLER of California. So, Mr. Chairman, this is an effort to try to repair.

Let us understand something. The Senate is at zero. The Senate has made a determination that this practice is an outrage; that this is contrary to everything that the authorizers in these committees and the appropriators want to do. But this is something that has just grown up and kind of gone off.

And now the question is are we going to enable them to continue to do this practice which is working to the detriment of taxpayers and working to the detriment of the environment?

I just think that this is just fundamental. This is one of those things where, once again, we have kind of bad fiscal policy here mixed with the environment, and it ends up with bad policy for everyone. And that is why the taxpayers' organizations are supporting this amendment, that is why the environmental organizations are supporting this amendment.

Because, in fact, if we can bring this back under the control of the Committee on Appropriations, if we can make these people go into the regular fund for administrative overhead, which is millions and millions and millions of dollars for the Forest Service, then we can have some accountability in this program, and we can go back to many of the areas in the gentleman's State, in my State and other Members' States that have never been properly reforested.

And the cry always is, there is not money to do this. Well, apparently the money has been diverted for a whole host of reasons, most of which most Members of Congress never knew about until the joint oversight hearing, where it was exposed in the GAO reports and the Inspectors General reports.

And I am just dealing with one of these funds. This is true of a whole series of these funds where they have now determined this is somehow their God-given right, to go in there and dip into costs that they want to cover that the Congress has not approved.

Mr. DEFAZIO. Reclaiming my time, Mr. Chairman. In a memo which the Forest Service produced yesterday in opposition to the Furse amendment, they said the Forest Service is working to reduce overhead and increase expenditure clarity and accountability through better financial management. Well, I think they need a little pushing, because the results of that hearing were absolutely disastrous.

Basically, they are not auditable at this point in time. There is no accountability. How can we say we are going to take 25 percent of these needed K–V funds for reforestation and environmental investment and divert it arbitrarily for whatever purpose?

Twenty-five percent is high in anybody's book. But for an ongoing, existing agency which does not have to go out and rent new space, does not have to go out and buy new vehicles, does not even have to hire new employees, because for many of them it is only part of their time, 25 percent seems very high to me and an arbitrary number.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

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

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for yielding once again.

The gentleman was at the hearing, and I think the gentleman from Washington (Mr. DICKS) was there when they said that they could not identify how they spent $215 million. $215 million. They also went on to say that $7.8 billion in value reported with respect to assets and properties and plants and equipment was erroneous.

The CHAIRMAN pro tempore. The time of the gentleman from Oregon (Mr. DEFAZIO) has expired.

(On request of Mr. MILLER of California, and by unanimous consent, Mr. DEFAZIO was allowed to proceed for 3 additional minutes.)

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

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

Mr. MILLER of California. The value they placed on their property, their plant and their equipment was erroneous; they do not know if that is really what it is worth. $7.8 billion, and $215 million in expenditures, and we do not know if it is accurate or not. We have no way of knowing that. Why? Because over a period of time these funds were created, they were off budget, and they started using them as a slush fund for all of these purposes for which they no longer then had to account.

And due to the work of the three committees, and they should be commended for this effort, this has now been exposed and this now has to be changed around. And because of those hearings, the Senate has made a determination that this is going to stop. This is going to stop. They are not going to use 30 percent of the money that people expect to be put on the ground to reforest our lands, to be committed to a wish list from people beyond their allotted administrative overhead.

I thank gentleman for his comments.

Mr. DEFAZIO. Mr. Chairman, reclaiming my time once again, I thank the gentleman. And just in summary, I do not think anyone can defend what has been going on and we need some resolution. And we feel that we need to move that issue forward, at least into the conference.

So we are hopeful Members will support this amendment supported by environmental groups, taxpayer groups and others to bring some accountability, and to better accomplish the environmental reforestation and other goals of the Forest Service which are being, in fact, woefully underfunded by this body. And that is something we will also have to deal with in future appropriations.

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

Mr. SMITH of Oregon. Mr. Chairman, will the gentleman yield?

Mr. THUNE. I yield to the gentleman from Oregon.

Mr. SMITH of Oregon. Mr. Chairman, I thank the gentleman for yielding, and I just to want emphasize the point that this effort is an effort in unintended results. And I want to read into the record the impact that would occur should this amendment be adopted, and I think that all will agree that these kinds of results are unacceptable.

For instance, the Forest Vegetation Management and Reforestation account would be impacted by $20.5 million, which is 45,000 acres, 75 percent of all that is totally planned. Timber Stand Improvement, $10.7 million, 42,000 acres, 58 percent of all total planned. Wildlife Habitat Management, $4.9 million, 30,000 acres. Inland Fisheries Habitat, $1.2 million. Anadromous Fish Hatcheries Habitat Management, $1.6 million. Threatened, Endangered and Sensitive Species, $.4 million. Watershed Improvements, $2.8 million, et cetera.

Mr. Chairman, I just point out again that I think we have not thought through this amendment. It is a perilous journey we are on here. Let us back away, let us go through the process of hearings, let me bring a bill to the floor which will address this whole thing, and we will address as well the gentleman from California's program.

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

Mr. MILLER of California. Mr. Chairman, will the gentlewoman yield?

Mrs. CAPPS. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I thank the gentlewoman for yielding.

Let me just say that in the Senate, not exactly a radical body in American politics, and very protective of Western resource policy, in their bill they are silent on this matter, and they said, "The committee is very concerned about rapidly increasing indirect expenses, including overhead, and the related effect on the availability of funds for accomplishment of on-the-ground objectives." The point raised by the chairman, the gentleman from Ohio (Mr. REGULA). "As noted by the General Accounting Office."

They go on in their language to say, "For example, the committee is aware of a proposal to cap the ratio of indirect to total expenditures from the five trust funds of the administrative Forest Service at a level of 25 percent. Although the committee is concerned with the rapid increase from 15 to 27 percent the rates of indirect or total expenditures over the last 5 years, the committee does not propose to cap for the following reasons."

Okay? The point is this: We are not going to get into ratifying, and they anticipate this language, we are not going to get into ratifying a practice that is just there because of sloppiness; that is just there because people do not want to live within the budget constraints that this Congress makes a determination, and they are using these funds for any old purpose they want.

They are not related to K–V, and that is the point.

And I thank the gentlewoman, Mr. Chairman, for getting the time so that I could put the Senate report on record.

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

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

Mr. NETHERCUTT. I yield to the gentleman from Ohio.

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

To the debate focus, I would point out to the gentleman from California that it is not any old purpose. It is whatever the Secretary of Agriculture, who is one of our former colleagues, determines it be used for. And what the gentleman is saying is that he has no confidence in the Secretary of Agriculture.

But aside from all that, this amendment takes out the ability to manage these funds. So suddenly we have a sizable chunk of money, probably $150 million or more, with no ability to manage it. It is just there. The Treasury will be happy. They will have the money. And instead of spending it on timber stand improvement, wildlife habitat management, inland fisheries habitat management, anadromous fisheries habitat, threatened, or endangered species, watershed improvements, instead of that, the money goes to the Treasury.

Now, we recognize what the gentleman is saying, that this is a problem. We are trying to get it under control. We have reduced the amount that can be expended on indirect charges from 35 percent to 25 percent. The authorizing committee is addressing this problem and is trying to get it on budget where it belongs and eliminate the problems that have happened. We have to phase it out over a period of 3 years simply because there are a number of projects that are underway that need to be completed.

We have tried very strenuously, and the gentleman from Washington is part of the subcommittee, to make accountability a part of our goal. I do not disagree with the gentleman from California. We want accountability; he wants accountability. But I do not think just striking out the management money, without having a mechanism to allow these programs to be finished, to allow the transfer, is good legislating.

We are sympathetic to the gentleman's goals and would try to address those as much as possible in conference, but I would have to resist the amendment at this point. It is not a good way to approach it.

Mr. NETHERCUTT. Mr. Chairman, reclaiming my time, I thank the chairman for his comments, and I must agree with him. I think that the goal here is laudable, but I think the Miller amendment goes too far. It is an extreme approach to the reasoned approach that the subcommittee has taken deliberately, not without consideration.

I have just been in hearings regarding the Forest Service and regarding the need to control and limit their expenses. Our subcommittee has been deliberate about this. And I think the representations of the chairman of the Committee on Agriculture are very well taken. He makes a good point. We will have hearings, we will have an analysis of the problem, but to, in sort of an extremist way, say we are just going to cut this off now, without good knowledge, I think makes no sense.

So it does go too far too fast. With all due respect to the gentleman from California, I just think we need to be very careful about how fast and how deliberate we are on this whole issue.

The Interior bill, the one that we are going to vote on here today, takes an important, responsible, incremental step to management improvement. And that should be our goal, not this whacking away at this account and really harming the environment.

□ 1815

Frankly, I think that is what the consequences will be. Chairman SMITH, Chairman REGULA and the gentleman from Washington (Mr. DICKS) all mentioned the environmental protections that I think would be lost by adopting this amendment.

So I urge very clearly that we vote no on this amendment and continue our deliberation of this whole issue and try to resolve it in a reasoned manner, not slashing and cutting.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from California (Mr. MILLER), I hope to end this debate.

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for yielding.

Let me just say, it is suggested that somehow this is a radical amendment and somehow we are moving too far too fast in the name of trying to protect both the resources and the public treasury.

Again, I refer my colleagues to the Senate report. "Although concerned about the agency's history of poor commitment and accomplishment, the Committee is reluctant to establish caps on overhead expenses which may inhibit efforts to improve accountability. To improve accountability, it is needed."

Later they finally say, "The committee is concerned that a cap of 25 percent would lead to an automatic and in some cases unwarranted draw on these trust funds that would divert these needed funds from on-the-ground projects."

That is the United States Senate. That is the Committee on Appropriations dealing with forest policy. They are concerned that the answer that has been selected by this committee is exactly contrary to what needs to be done, that once they put a cap on they are ratifying the process and the process is nowhere in law, the process is growing up because of dysfunctional behavior by the Forest Service in not being able to live within a budget.

They have not been able to live within a budget because they have a honey pot over here called K–V funds and they just reach in there and grab out whatever they need when they have a little bit of a shortfall. That is why the Senate has this language in the report. That is why they have it here.

Because, with all due respect, we have not broken the habit of these people. This is this next fiscal year. This is this next fiscal year. This is the money that is going to go into effect in October. And if we do not change this, these people are going to be right back in there reaching in there right up to the old armpit with the taxpayers' money because they cannot get Congress to approve of something.

The Senate recognizes this. The gentleman from California (Mr. MILLER) did not discover this. The Senate Committee on Appropriations discovered this, and they recognize that a cap is to ratify bad behavior.

This is like giving a drunk a beer instead of a straight shot. These people are incapable of keeping their hands off of this money that is supposed to go into improving our forest and reforesting the forest after we have these timber sales. They have violated this law across the board, and all of a sudden we are supposed to believe that they repent.

Well, the Senate did not believe it, and that is a pretty fairly conservative body, Republican dominated; and it is dominated by people from the Western states who have an interest in the forest practices, and they have determined that this is against the public interest and bad for the environment.

Mr. DICKS. Mr. Chairman, reclaiming my time, I want to say that I join the chairman and say I want to work with him on this as well. We have got to get an answer on this. I have been a strong supporter of the K–V funds, which use of money for reforestation.

The gentleman from California (Mr. MILLER) has made his point. We will see what happens on the amendment. But even if it does not succeed, I still think we have got to work on this. And I certainly am going to want to work with the gentleman from Oregon (Mr. SMITH) and those who pledged to the gentleman in the well that we will come back with a substantive answer on this. I think the point is that we have got to fix this, it is broken.

Mr. MILLER of California. Mr. Chairman, if the gentleman would yield further, I thank the gentleman; and I would say I appreciate and I listened. The gentleman from Ohio (Mr. REGULA) is a man of his word and he is a man of honor, and he was at the hearing and he was as disturbed by this as I am now, and that is serious, and I want to just say also the gentleman from Oregon (Mr. SMITH) because he obviously has great pride in the Forest Service and has spent his entire public career dealing with this agency.

I do not doubt their word for a moment. All I am saying is we cannot start out this year by ratifying this practice that is nowhere allowed on the books of the Congress.

Mr. DICKS. Mr. Chairman, I yield to the gentleman from Ohio (Mr. REGULA), the chairman.

Mr. REGULA. Mr. Chairman, I would ask the gentleman from California (Mr. MILLER), does the Senate address what happens to the "honey pot" or do they just send it back to the Treasury? Because, apparently, they take out the money to administer the fund but do not address the problem.

Mr. DICKS. Mr. Chairman, reclaiming my time, I do not think they did anything. They just did not deal with the issue.

Mr. REGULA. If the gentleman would further yield, that is what I mean, they walked away from it.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

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

Mr. MILLER of California. Because, apparently, as they point out in the report, they anticipate this language, so they have taken a position. Rather than ratifying the practice, they will deal with it when they get to conference.

Mr. DICKS. Mr. Chairman, I think it is time to vote. We have had a very good and spirited debate.

The CHAIRMAN pro tempore (Mr. PEASE). The question is on the amendment offered by the gentleman from California (Mr. MILLER).

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

Mr. MILLER of California. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to House Resolution 504, further proceedings on the amendment offered by the gentleman from California (Mr. MILLER) will be postponed.

The point of no quorum is considered withdrawn.

The Committee will rise informally.

The SPEAKER pro tempore (Mr. NETHERCUTT) assumed the Chair.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The Committee resumed its sitting.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the last word.

As evidenced by the prior vigorous debate, all of us come to the floor of the House with our own passions and concerns.

Let me first thank the chairman and the ranking member for being sensitive to some needs and concerns that I have that were debated at the time of the Johnson amendment on the National Endowment for the Arts but raised in a different context from the arguments that I will make today.

I am prepared and was prepared to offer two amendments, because I do believe that the National Endowment for the Arts should have been funded at its fullest level of $136 million, and today I was prepared to offer that amendment.

In fact, both the ranking member and the chairman realize that, in earlier years, the National Endowment for the Arts was funded up to at least $170 million and that was not enough. I also recognize and we recognize that the arts that are funded by the National Endowment for the Arts, despite the opponents, really do fund most of the nonprofit arts in this Nation.

The reason why I have come to the floor to express my concern that the debate around the Johnson amendment was more to keep or to bring back $98.5 million, of which I believe is not enough, is because it strikes home.

In Houston, Texas, the Alley Theater is an excellent representation of the value of the NEA and the arts in Texas. The Alley Theater is not a fabulously rich theater, and it represents a lot of our small theaters around the Nation. In fact, Houston represents the arts funding center, if you will, beyond the Mississippi, because that is the argument. Everything is East Coast or West Coast, and we stand up to represent middle America as someone who believes in the NEA.

The Alley Theater is a family-oriented theater with over 200,000 persons attending productions annually. To quote its director Paul Tetreault, the managing direction of the Alley Theater in Houston, "the NEA has given meaningful support to the Alley and its audiences for many years."

However, this year, Mr. Chairman, the Alley was denied funding for a production as a result of reduced budgets, and the director states that, "It was a great surprise and disappointment to see that support interrupted at a time when the Alley is realizing great artistic achievements."

The director goes on to say that, "Many other deserving theaters, museums, dance and opera companies have been even more deeply affected by having their grant requests denied. Their losses, like that of the Alley's, will have a collateral effect on the quality of life in the communities they serve, to the detriment of arts, education, commerce, and tourism."

Mr. Chairman, it is not only the Alley, but it is the Ensemble, it is the Mecca, it is many arts communities in our Nation and in our community.

Mr. Chairman, I was prepared to offer at this time an amendment that would have supported the NEA at $136 million.

Before I conclude, let me address the other amendment that I was prepared to offer. I would like to yield for a moment to the ranking member when I mention my other amendment that was to offer additional support up to $122 million for the National Endowment for the Humanities.

We can discuss a lot of things, and we have many interests, from the interests of our forests and our trees, to the protection of our fish and wildlife, and certainly to the protection of our native Americans and the responsible treatment of them. But the NEA deals with our educational systems.

Have my colleagues ever been to a library? Do they appreciate the culture of our Nation, the many different cultures? Have they ever visited the exhibition of The Many Realms of King Arthur at the local library? Have they ever read the diary of a 17th century New England midwife? That is the humanities. Do they watch an episode of the Civil War? Have they appreciated the history of slavery in America, philosophy, history, religion, art? That is about the humanities.

What we have done by funding it or underfunding it and not giving it the amount that the administration had is to deny our country with the ability to teach its children of its great history.

I do respect the chairman and I respect the ranking member, and let me just mention the fact very briefly that the chairman worked with me on the issue dealing with the Sojourner Truth Monument, and I am still working on that. But I do believe these are good amendments. It is my intent to withdraw these amendments, not without the frustration and concern that we are cheating our Nation's children, we are cheating our Nation's cultural arts, we are cheating our Nation's libraries.

The CHAIRMAN pro tempore. The time of the gentlewoman from Texas (Ms. JACKSON-LEE) has expired.

(By unanimous consent, Ms. JACKSON-LEE of Texas was allowed to proceed for 2 additional minutes.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I would like to yield to the

gentleman from Washington (Mr. DICKS) to ask the question, recognizing the hard work, recognizing what we did with both the Democratic effort but as well the Johnson amendment, can we work together, recognizing the responsibilities that we have on this issue of funding for NEH and NEA?

Mr. DICKS. I appreciate the strong commitment of the gentlewoman from Texas (Ms. JACKSON-LEE) to the National Endowment for the Arts and Humanities.

And I do remember, I served on this committee now for 22 years under the leadership of the gentleman from Illinois (Mr. YATES) a time when we did have better funding for the National Endowment for the Humanities and the Arts, and frankly, I think the need is out in the country, in Texas, in Washington State, in Ohio, in Illinois, in Oregon. Everywhere in the country there are needs for these resources.

I hope, as we get back to a balanced Federal budget, which I think we will achieve at the end of this fiscal year, and as we go to the next Congress, hopefully those of us who return can continue to work to see if we cannot get a more reasonable level of funding. That is certainly my objective.

We have had to deal with the realities of balanced budgets, and caps makes it difficult. But certainly, with the better future, with a balanced budget, I hope we can revisit this item, and I appreciate the leadership of the gentlewoman on these important issues.

Ms. JACKSON-LEE of Texas. Mr. Chairman, reclaiming my time, might I just make a special note of the ranking member of this committee as well, the gentleman from Illinois (Mr. YATES), who has done a yeoman's task on this issue dealing with humanities and arts.

The gentleman from Ohio (Mr. REGULA) did not hear me. I thanked him for our discussion on the Sojourner Truth, and I want to continue that. Remember, we had that discussion just a year ago.

Mr. REGULA. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I thank the gentlewoman for yielding. I understand she will withdraw the amendment. We are faced with many needs and limited resources. We have done the best we can with what we have available.

Ms. JACKSON-LEE of Texas. Mr. Chairman, reclaiming my time, I hope, however, recognizing that we can all gather maybe a commitment that those are valuable entities and look to further funding of those entities as we move forward.

Mr. Chairman, I include the following for the RECORD:

Mr. Chairman, I speak with great expectation that my amendment to H.R. 4193—the Department of the Interior and Related Agencies Appropriations Bill of 1999 will be adopted.

The committee's proposed budget for the National Endowment for the Arts (NEA) does seem generous at first ($98 million), especially when you consider that the level was originally pegged at $0. Although the committee's recommendation keeps the NEA at its 1998 levels, I firmly believe that we should provide the level of funding proposed by the Administration. Therefore, my amendment restores the funding for the NEA to $136 million.

This restoration is offset by a reduction in the United States Fish and Wildlife's construction fund and a reduction in the national park Service's operation fund.

Although some seek to keep funding for the NEA at its 1998 levels, we should strive for progress, not stagnation. The opponents of funding for the NEA are quick to trot out the occasional bad choices made by the NEA. However, it is important to highlight and inform the American public of the vast majority of activities funded by the NEA.

Mr. Chairman, that is what this debate is about. The quality of life for Americans and their families and children throughout this country. This is not about the few bad choices made by the NEA in the past. This is about the ability of children and families to view productions of plays and musicals; the ability of children and families to experience art and art education; the ability of a child to travel across town to an outdoor play with his father and mother and share in a meaningful family outing where the love of a family can be shared; where a community can come together in peace; where the quality of life for residents in a city can be improved by an arts event that both educated and entertains.

What is the need to summarily eliminate an area of the Federal Government that is working. Funding for the NEA represents less than six-ten-thousandths (0.0006%) of the entire Federal budget. With that six-ten-thousandths percent (0.0006%), the NEA is still the largest single source of funding for the nonprofit arts in the United States. This investment of the United States Government is an investment in the quality of life for families and children. It spawns investment and giving to the arts by the American people, private and corporate donors. However, increased demands on all sectors of private giving have recently presented corporate and individual donors with tough choices. How can we expect private donations to the arts to increase, when we do not keep our commitment to the NEA. This is the time that the Federal Government should be making an investment in the NEA; not closing it.

Who are we really hurting if we do not fund and support the arts? We are hurting middle class and poor America. Seven point five (7.5%) of funding for the NEA goes directly to projects in under-served communities. Through access and outreach related grants, the NEA has helped to make the arts accessible to millions of Americans who could not otherwise afford them. What does that mean? It means that children in poor communities will not have access to plays, musicals, stage productions, and arts education that serve to increase the quality of life and overall educational value of American children. We are hurting the very people that we are sent here to help. We are hurting families who are trying to raise their children to respect the community. Mr. Chairman, we are hurting America.

Keeping funding for the NEA at the 1998 level will not only negatively affect cities, but it will also negatively affect rural, small town communities. NEA grants serve communities in both urban and rural areas. In most small towns across the country, traveling tours, exhibits, and concerts are the major exposure to the live performing arts that children receive. The small town and rural communities can not afford to support a full symphony, orchestra, or museum.

Funding for the NEA is not a Republicans versus Democrats issue. There are even Republicans that support level funding for the NEA. It is not a conservative versus liberal issue. Funding for the NEA is a cultural issue. Important cultural, educational, and artistic programs are funded by the NEA. Business leaders, educators, cities, States, and even law enforcement officials support funding for the NEA. After schools arts programs keep kids off the streets. We have all heard the phrase an idle mind is the devil's workshop. If we are able to reach kids and take them off of the streets via an after school arts program, then why don't we. Funding for the NEA exposes inner city minority children to Hamlet and to Othello.

The NEA makes the arts accessible to all Americans. There is no doubt that a people and culture without a preservation of the arts in history are doomed. I urge support of this amendment.

Mr. Chairman, I speak with great expectation that my amendment to H.R. 4193—The Department of Interior and Related Agencies Appropriations Bill of 1999—will be adopted.

My amendment raises the appropriations level for the National Endowment for the Humanities (NEH) from the $96,800,000 recommendation by the Appropriations Committee to the $122,000,000 level requested by the Administration. The offsets will come from the U.S. Fish and Wildlife fund and the National Park Service Operation fund.

I work with my local librarian.

The NEH is vital to our educational systems and provides numerous services in the area of the humanities. The NEH provides grants to individuals and institutions. These grants support valuable aspects of the humanities such as research in the humanities; educational opportunities for teachers; preservation of texts and materials; translations of important works; museum exhibitions, television and radio programs; and public discussion and study.

The humanities encompass a wide variety of subject matter. They are all around us and evident in our daily lives. When you visit an exhibition on "The Many Realms of King Arthur" at your local library, that is the humanities. When you read the diary of a seventeenth-century New England midwife, that is the humanities. When you watch an episode of The Civil War, that is the humanities, too. The humanities include the study of literature, history, philosophy, religion, art, history, and archaeology.

NEH also provides many educational tools for children. Most recently, the NEH has provided students with the educational foundations necessary for the use of the internet. NEH maintains EDSITEment, a gateway Web site that provides links to 49 sites carefully selected for their quality of educational content and design. Instead of having to sift through more than 65,000 humanities-related sites on the Web, anyone seeking the best humanities education materials on the Internet can easily find and access them through EDSITEment. Each site comes with lesson plans offering suggestions on how to use the materials effectively in the classroom.

NEH works closely with schools and is currently awarding grants to schools around the nation through an initiative called "Schools for a New Millennium," which will enable those schools to become models of how teachers, principals, librarians and the community can fully incorporate CD–ROMs and the Internet into their everyday teaching.

NEH also continues to fund the development of excellent new humanities Web sites and CD–ROMs in areas such as the American wars in Asia, ancient cultures of North America, Spanish colonial history, U.S. women's history, and Chinese history and culture.

The Internet places a vast, sometimes disorienting wilderness of information at everyone's fingertips. NEH seeks to provide teachers, students and other curious people with a map to the educational treasures that can be found out there.

To increase its efficiency, the NEH is organized into three divisions—Education and Research, Preservation and Access, and Public Program—and three offices—Challenge Grants, Federal/State Partnership, and Enterprise.

Mr. FOX of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I include the following statement for the RECORD in support of the Regula-Skaggs-Fox amendment, and I thank the chairman for his leadership in this bill and in the House:

Mr. Chairman, I wish to thank the gentleman from Ohio, the Chairman of the Committee, for working with Mr. SKAGGS and myself to develop this alternative that addresses the concerns we had raised in our previous amendment. I believe that the amendment as offered will go a long way to help in addressing our concerns about energy conservation and, in particular Weatherization assistance. I appreciate the willingness of the Chairman to work with us on this alternative and commend him again for his hard work on this very difficult appropriations bill. I also wish to thank Mr. SKAGGS for his help in working with me on this issue of mutual importance and commend him for his commitment to this cause.

Mr. REGULA. Mr. Chairman, I ask unanimous consent that the bill through page 123, line 14, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The text of the bill from page 92, line 12 through page 123, line 14, is as follows:

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 302. No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided*, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. 303. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 304. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 305. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency except as otherwise provided by law.

SEC. 306. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless advance notice of such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such Committees.

SEC. 307. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c; popularly known as the "Buy American Act").

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 308. None of the funds in this Act may be used to plan, prepare, or offer for sale timber from trees classified as giant sequoia (Sequoiadendron giganteum) which are located on National Forest System or Bureau of Land Management lands in a manner different than such sales were conducted in fiscal year 1995.

SEC. 309. None of the funds made available by this Act may be obligated or expended by the National Park Service to enter into or implement a concession contract which permits or requires the removal of the underground lunchroom at the Carlsbad Caverns National Park.

SEC. 310. None of the funds appropriated or otherwise made available by this Act may be used for the AmeriCorps program, unless the relevant agencies of the Department of the Interior and/or Agriculture follow appropriate reprogramming guidelines: *Provided*, That if no funds are provided for the AmeriCorps program by the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, then none of the funds appropriated or otherwise made available by this Act may be used for the AmeriCorps programs.

SEC. 311. None of the funds made available in this Act may be used: (1) to demolish the bridge between Jersey City, New Jersey, and Ellis Island; or (2) to prevent pedestrian use of such bridge, when it is made known to the Federal official having authority to obligate or expend such funds that such pedestrian use is consistent with generally accepted safety standards.

SEC. 312. (a) LIMITATION OF FUNDS.—None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to accept or process applications for a patent for any mining or mill site claim located under the general mining laws.

(b) EXCEPTIONS.—The provisions of subsection (a) shall not apply if the Secretary of the Interior determines that, for the claim concerned: (1) a patent application was filed with the Secretary on or before September 30, 1994; and (2) all requirements established under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims and sections 2329, 2330, 2331, and 2333 of the Revised Statutes (30 U.S.C. 35, 36, and 37) for placer claims, and section 2337 of the Revised Statutes (30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by the applicant by that date.

(c) REPORT.—On September 30, 1999, the Secretary of the Interior shall file with the House and Senate Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on actions taken by the Department under the plan submitted pursuant to section 314(c) of the Department of the Interior and Related Agencies Appropriations Act, 1997 (Public Law 104–208).

(d) MINERAL EXAMINATIONS.—In order to process patent applications in a timely and responsible manner, upon the request of a patent applicant, the Secretary of the Interior shall allow the applicant to fund a qualified third-party contractor to be selected by the Bureau of Land Management to conduct a mineral examination of the mining claims or mill sites contained in a patent application as set forth in subsection (b). The Bureau of Land Management shall have the sole

responsibility to choose and pay the third-party contractor in accordance with the standard procedures employed by the Bureau of Land Management in the retention of third-party contractors.

SEC. 313. None of the funds appropriated or otherwise made available by this Act may be used for the purposes of acquiring lands in the counties of Gallia, Lawrence, Monroe, or Washington, Ohio, for the Wayne National Forest.

SEC. 314. Notwithstanding any other provision of law, amounts appropriated to or earmarked in committee reports for the Bureau of Indian Affairs and the Indian Health Service by Public Laws 103-138, 103-332, 104-134, 104-208 and 105-83 for payments to tribes and tribal organizations for contract support costs associated with self-determination or self-governance contracts, grants, compacts or annual funding agreements with the Bureau of Indian Affairs or the Indian Health Service as funded by such Acts, are the total amounts available for fiscal years 1994 through 1998 for such purposes, except that, for the Bureau of Indian Affairs, tribes and tribal organizations may use their tribal priority allocations for unmet indirect costs of ongoing contracts, grants, self-governance compacts or annual funding agreements.

SEC. 315. Notwithstanding any other provision of law, for fiscal year 1999 the Secretaries of Agriculture and the Interior are authorized to limit competition for watershed restoration project contracts as part of the "Jobs in the Woods" component of the President's Forest Plan for the Pacific Northwest to individuals and entities in historically timber-dependent areas in the States of Washington, Oregon, and northern California that have been affected by reduced timber harvesting on Federal lands.

SEC. 316. None of the funds collected under the Recreational Fee Demonstration program may be used to plan, design, or construct a visitor center or any other permanent structure without prior approval of the House and the Senate Committees on Appropriations if the estimated total cost of the facility exceeds $500,000.

SEC. 317. None of the funds made available by this Act may be used to require any person to vacate real property where a term is expiring under a use and occupancy reservation in Sleeping Bear Dunes National Lakeshore until such time as the National Park Service (NPS) indicates to the appropriate congressional committees and the holders of these reservations that it has sufficient funds to remove the residence on that property within 90 days of that residence being vacated. The NPS will provide at least 90 days notice to the holders of expired reservations to allow them time to leave the residence. The NPS will charge fair market value rental rates while any occupancy continues beyond an expired reservation. Reservation holders who stay beyond the expiration date will also be required to pay for appraisals to determine current fair market value rental rates, any rehabilitation needed to ensure suitability for occupancy, appropriate insurance, and all continuing utility costs.

SEC. 318. (a) None of the funds made available in this Act or any other Act providing appropriations for the Department of the Interior, the Forest Service or the Smithsonian Institution may be used to submit nominations for the designation of Biosphere Reserves pursuant to the Man and Biosphere program administered by the United Nations Educational, Scientific, and Cultural Organization.

(b) The provisions of this section shall be repealed upon enactment of subsequent legislation specifically authorizing United States participation in the Man and Biosphere program.

SEC. 319. None of the funds made available in this or any other Act for any fiscal year may be used to designate, or to post any sign designating, any portion of Canaveral National Seashore in Brevard County, Florida, as a clothing-optional area or as an area in which public nudity is permitted, if such designation would be contrary to county ordinance.

SEC. 320. Of the funds available to the National Endowment for the Arts:

(1) The Chairperson shall only award a grant to an individual if such grant is awarded to such individual for a literature fellowship, National Heritage Fellowship, or American Jazz Masters Fellowship.

(2) The Chairperson shall establish procedures to ensure that no funding provided through a grant, except a grant made to a State or local arts agency, or regional group, may be used to make a grant to any other organization or individual to conduct activity independent of the direct grant recipient. Nothing in this subsection shall prohibit payments made in exchange for goods and services.

(3) No grant shall be used for seasonal support to a group, unless the application is specific to the contents of the season, including identified programs and/or projects.

SEC. 321. The National Endowment for the Arts and the National Endowment for the Humanities are authorized to solicit, accept, receive, and invest in the name of the United States, gifts, bequests, or devises of money and other property or services and to use such in furtherance of the functions of the National Endowment for the Arts and the National Endowment for the Humanities. Any proceeds from such gifts, bequests, or devises, after acceptance by the National Endowment for the Arts or the National Endowment for the Humanities, shall be paid by the donor or the representative of the donor to the Chairman. The Chairman shall enter the proceeds in a special interest-bearing account to the credit of the appropriate Endowment for the purposes specified in each case.

SEC. 322. (a) WATERSHED RESTORATION AND ENHANCEMENT AGREEMENTS.—For fiscal years 1999 and 2000, appropriations for the Forest Service may be used by the Secretary of Agriculture for the purpose of entering into cooperative agreements with willing State and local governments, private and nonprofit entities and landowners for protection, restoration and enhancement of fish and wildlife habitat, and other resources on public or private land or both that benefit these resources within the watershed.

(b) DIRECT AND INDIRECT WATERSHED AGREEMENTS.—The Secretary of Agriculture may enter into a watershed restoration and enhancement agreement—

(1) directly with a willing private landowner; or

(2) indirectly through an agreement with a State, local or tribal government or other public entity, educational institution, or private nonprofit organization.

(c) TERMS AND CONDITIONS.—In order for the Secretary to enter into a watershed restoration and enhancement agreement—

(1) the agreement shall—

(A) include such terms and conditions mutually agreed to by the Secretary and the landowner;

(B) improve the viability of and otherwise benefit the fish, wildlife, and other resources on national forests lands within the watershed;

(C) authorize the provision of technical assistance by the Secretary in the planning of management activities that will further the purposes of the agreement;

(D) provide for the sharing of costs of implementing the agreement among the Federal Government, the landowner(s), and other entities, as mutually agreed on by the affected interests; and

(E) ensure that any expenditure by the Secretary pursuant to the agreement is determined by the Secretary to be in the public interest; and

(2) the Secretary may require such other terms and conditions as are necessary to protect the public investment on non-Federal lands, provided such terms and conditions are mutually agreed to by the Secretary and other landowners, State and local governments or both.

SEC. 323. (a) In providing services or awarding financial assistance under the National Foundation on the Arts and the Humanities Act of 1965 from funds appropriated under this Act, the Chairperson of the National Endowment for the Arts shall ensure that priority is given to providing services or awarding financial assistance for projects, productions, workshops, or programs that serve underserved populations.

(b) In this section:

(1) The term "underserved population" means a population of individuals who have historically been outside the purview of arts and humanities programs due to factors such as a high incidence of income below the poverty line or to geographic isolation.

(2) The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

(c) In providing services and awarding financial assistance under the National Foundation on the Arts and Humanities Act of 1965 with funds appropriated by this Act, the Chairperson of the National Endowment for the Arts shall ensure that priority is given to providing services or awarding financial assistance for projects, productions, workshops, or programs that will encourage public knowledge, education, understanding, and appreciation of the arts.

(d) With funds appropriated by this Act to carry out section 5 of the National Foundation on the Arts and Humanities Act of 1965—

(1) the Chairperson shall establish a grant category for projects, productions, workshops, or programs that are of national impact or availability or are able to tour several States;

(2) the Chairperson shall not make grants exceeding 15 percent, in the aggregate, of such funds to any single State, excluding grants made under the authority of paragraph (1);

(3) the Chairperson shall report to the Congress annually and by State, on grants awarded by the Chairperson in each grant category under section 5 of such Act; and

(4) the Chairperson shall encourage the use of grants to improve and support community-based music performance and education.

SEC. 324. None of the funds in this Act may be used for planning, design or construction of improvements to Pennsylvania Avenue in front of the White House without the advance approval of the House and Senate Committees on Appropriations.

SEC. 325. None of the funds in this or any other Act may be used to relocate the Woodrow Wilson International Center for Scholars from the Smithsonian Institution to the Ronald Reagan Building in Washington, D.C.

SEC. 326. The Auditors West Building (Annex 3) located at Raoul Wallenberg Place and Independence Avenue Southwest, Washington, District of Columbia is hereby named the Sidney R. Yates Building and shall be referred to in any law, regulation, document or record of the United States as the Sidney R. Yates Building.

SEC. 327. (a) IN GENERAL.—Notwithstanding any other provision of law, not later than December 11, 1998, the Secretary of Agriculture shall grant Chugach Alaska Corporation an irrevocable and perpetual 250-foot-wide easement for the construction, use, and maintenance of public roads and related facilities necessary for access to and economic development of the land interests in the Carbon Mountain and Katalla vicinity that were conveyed to Chugach Alaska Corporation pursuant to the Alaska Native Claims Settlement Act. The centerline of the easement is depicted on the map entitled "Carbon Mountain Access Easement" and dated November 4, 1997. Nothing in this section waives any legal environmental requirement with respect to the actual road construction.

(b) SUBMISSION OF SURVEY; RELINQUISHMENT OF UNNEEDED PORTION OF EASEMENT.—Not later than 90 days after completion of construction of roads and related facilities on the easement granted pursuant to subsection (a), Chugach Alaska Corporation shall submit to the Secretary of Agriculture an as-built survey of such roads and related facilities and relinquish to the United States those portions of the easement Chugach Alaska Corporation deems not necessary for future use.

(c) CONSTRUCTION AND MAINTENANCE.—Construction and maintenance of any roads pursuant to subsection (a) shall be in accordance with the best management practices of the Forest Service as promulgated in the Forest Service Handbook.

SEC. 328. Section 101(c) of Public Law 104–134, as amended, is further amended as follows: Under the heading "Title III—General Provisions" amend section 315(f) (16 U.S.C. 4601–6a note) by striking "September 30, 1999" after the words "and end on" and inserting in lieu thereof "September 30, 2001" and striking "September 30, 2002" after the words "remain available through" and inserting in lieu thereof "September 30, 2004".

SEC. 329. Notwithstanding any other provision of law, none of the funds in this Act may be used to enter into any new or expanded self-determination contract or grant or self-governance compact pursuant to the Indian Self-Determination Act of 1975, as amended, for any activities not previously covered by such contracts, compacts or grants. Nothing in this section precludes the continuation of those specific activities for which self-determination and self-governance contracts, compacts and grants currently exist or the renewal of contracts, compacts and grants for those activities.

SEC. 330. (a) PROHIBITION ON TIMBER PURCHASER ROAD CREDITS.—In financing any forest development road pursuant to section 4 of Public Law 88–657 (16 U.S.C. 535, commonly known as the National Forest Roads and Trails Act), the Secretary of Agriculture may not provide for amortization of road costs in any contract with, or otherwise provide effective credit for road construction to, any purchaser of national forest timber or other forest products.

(b) CONSTRUCTION OF ROADS BY TIMBER PURCHASERS.—Whenever the Secretary of Agriculture makes a determination that a forest development road referred to in subsection (a) shall be constructed or paid for, in whole or in part, by a purchaser of national forest timber or other forest products, the Secretary shall include notice of the determination in the notice of sale of the timber or other forest products. The notice of sale shall contain, or announce the availability of, sufficient information related to the road described in the notice to permit a prospective bidder on the sale to calculate the likely cost that would be incurred by the bidder to construct or finance the construction of the road so that the bidder may reflect such cost in the bid.

(c) SPECIAL ELECTION BY SMALL BUSINESS CONCERNS.—(1) A notice of sale referred to in subsection (b) shall give a purchaser of national forest timber or other forest products that qualifies as a "small business concern" under the Small Business Act (15 U.S.C. 631 et seq.), and regulations issued thereunder, the option to elect that the Secretary of Agriculture build the road described in the notice. The Secretary shall provide the small business concern with an estimate of the cost that would be incurred by the Secretary to construct the road on behalf of the small business concern. The notice of sale shall also include the date on which the road described in the notice will be completed by the Secretary if the election is made.

(2) If the election referred to in paragraph (1) is made, the purchaser of the national forest timber or other forest products shall pay to the Secretary of Agriculture, in addition to the price paid for the timber or other forest products, an amount equal to the estimated cost of the road which otherwise would be paid by the purchaser as provided in the notice of sale. Pending receipt of such amount, the Secretary may use receipts from the sale of national forest timber or other forest products to accomplish the requested road construction.

(d) POST CONSTRUCTION HARVESTING.—In each sale of national forest timber or other forest products referred to in this section, the Secretary of Agriculture is encouraged to authorize harvest of the timber or other forest products in a unit included in the sale as soon as road work for that unit is completed and the road work is approved by the Secretary.

(e) CONSTRUCTION STANDARD.—For any forest development road that is to be constructed or paid for by a purchaser of national forest timber or other forest products, the Secretary of Agriculture may not require the purchaser to design, construct, or maintain the road (or pay for the design, construction, or maintenance of the road) to a standard higher than the standard, consistent with applicable environmental laws and regulations, that is sufficient for the harvesting and removal of the timber or other forest products, unless the Secretary bears that part of the cost necessary to meet the higher standard.

(f) TREATMENT OF ROAD VALUE.—For any forest development road that is constructed or paid for by a purchaser of national forest timber or other forest products, the appraised value of the road construction shall be considered to be money received for purposes of the payments required to be made under the sixth paragraph under the heading "FOREST SERVICE" in the Act of May 23, 1908 (35 Stat. 260, 16 U.S.C. 500), and section 13 of the Act of March 1, 1911 (35 Stat. 963; commonly known as the Weeks Act; 16 U.S.C. 500). To the extent that the appraised value of road construction determined under this subsection reflects funds contributed by the Secretary of Agriculture to build the road to a higher standard pursuant to subsection (e), the Secretary shall modify the appraisal of the road construction to exclude the effect of the Federal funds.

(g) EFFECTIVE DATE.—(1) This section and the requirements of this section shall take effect (and apply thereafter) upon the earlier of—

(A) March 1, 1999; and

(B) the date that is the later of—

(i) the effective date of regulations issued by the Secretary of Agriculture to implement this section; and

(ii) the date on which a new standard timber sale contract, which is designed to implement this section and has been published for public comment, is approved by the Secretary.

(2) Notwithstanding paragraph (1), any sale of national forest timber or other forest products for which notice of sale is provided before the effective date of this section, and any effective purchaser road credit earned pursuant to a contract resulting from such a notice of sale or otherwise earned before that effective date, shall continue to be subject to section 4 of Public Law 88–657 and section 14(i) of the National Forest Management Act of 1976 (16 U.S.C. 472a(i)), and rules issued thereunder, as in effect on the day before the date of the enactment of this Act.

SEC. 331. Section 6(b)(1)(B)(iii) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 955(b)(1)(B)(iii)) is amended by striking "One" and inserting "Two".

SEC. 332. (a) CONDITIONAL EFFECTIVE DATE.—This section shall take effect only if the Energy and Water Development Appropriations Act, 1999, does not appropriate at least $6,000,000 in new funds for the management by the Tennessee Valley Authority of the Land Between the Lakes National Recreation Area in the States of Kentucky and Tennessee.

(b) TRANSFER OF JURISDICTION, LAND BETWEEN THE LAKES NATIONAL RECREATION AREA.—The Tennessee Valley Authority shall transfer, without reimbursement, the Land Between the Lakes National Recreation Area to the administrative jurisdiction of the Secretary of Agriculture.

(c) MANAGEMENT.—Upon the transfer of jurisdiction under subsection (b), the Land Between the Lakes National Recreation Area, hereinafter Recreation Area, is established as a unit of the National Forest System, and the Secretary of Agriculture, acting through the Chief of the Forest Service, shall administer the Recreation Area in accordance with this section and (except as provided in subsection (d)) the laws, rules, and regulations pertaining to the National Forest System. Except as provided in subsection (d), land within the Recreation Area shall have the status of land acquired under the Act of March 1, 1911 (commonly known as the Weeks Act; 16 U.S.C. 515 et seq.). The Secretary shall manage the Recreation Area for multiple use as a unit of the National Forest System, in conjunction with the original mission statement of the Recreation Area emphasizing outdoor recreation, environmental education, fish and wildlife conservation, and regional development. The Secretary shall conduct an inventory of all cemeteries located in the Recreation Area and ensure public access to such cemeteries for purposes of burials, visitation and maintenance.

(d) FEES AND OTHER CHARGES.—The Secretary of Agriculture may charge reasonable fees for admission to and the use of designated sites in the Recreation Area or for activities in the Recreation Area. No general entrance fees shall be charged within the Recreation Area. Notwithstanding any other provision of law, all amounts received from charges, user fees, and natural resource utilization, including timber and agricultural receipts, arising from the Recreation Area shall be deposited in a special fund in the Treasury to be known as the "Land Between the Lakes Management Fund", which shall be available to the Secretary, without subsequent appropriation, for the management of the Recreation Area, including the payment of salaries and expenses.

(e) PAYMENTS.—Federal lands within the Recreation Area shall be subject to the provisions for payments in lieu of taxes under chapter 69 of title 31, United States Code. Notwithstanding the transfer of jurisdiction, the Tennessee Valley Authority shall continue to be responsible for payments under section 13 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831l).

(f) TRANSITION.—(1) The transfer of jurisdiction under subsection (b) should be effected in an efficient and cost-effective manner to minimize the disruption of the personal lives of the Tennessee Valley Authority and Forest Service employees affected by the transfer. Not later than 30 days after the date on which this section takes effect, the Secretary of Agriculture and the Tennessee Valley Authority shall enter into a memorandum of agreement to provide procedures for the orderly withdrawal or transfer of officers and employees of the Tennessee Valley Authority, the transfer of property, fixtures, and facilities, the interagency transfer of officers and employees, the transfer of records, and such other transfer issues as the Tennessee Valley Authority and the Secretary consider to be appropriate. The agreement shall provide for a transition team consisting of Tennessee Valley Authority and Forest Service employees.

(2) In order to provide for a cost-effective transfer of the law enforcement responsibilities between the Forest Service and the Tennessee Valley Authority, the law enforcement authorities designated under section 4A of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831c-3) are hereby granted to special agents and law enforcement officers of the Forest Service. The law enforcement authorities designated under the 11th undesignated paragraph under the heading "SURVEYING THE PUBLIC LANDS" of the Act of June 4, 1897 (30 Stat. 35; 16 U.S.C. 551), the first paragraph of that portion designated "GENERAL EXPENSES, FOREST SERVICE" of the Act of March 3, 1905 (33 U.S.C. 873; 16 U.S.C. 559), the National Forest System Drug Control Act of 1986 (16 U.S.C. 559b-559g) are hereby granted to law enforcement agents of the Tennessee Valley Authority, within the boundaries of the Recreation Area, for a period of one year from the date on which this section takes effect.

(3) Unless terminated for cause, all permanent Tennessee Valley Authority employees at the Recreation Area shall be guaranteed employment by the Tennessee Valley Authority for a minimum of five months following the date on which this section takes effect. The Tennessee Valley Authority shall provide affected employees of the Tennessee Valley Authority at the Recreation Area with a severance/compensation package based on established practices of the Tennessee Valley Authority. Funding for the activities prescribed for the Tennessee Valley Authority in this section is to be derived only from one or more of the following sources: nonpower fund balances and collections; investment returns of the nonpower program; applied programmatic savings in the power and nonpower programs; savings from the suspension of bonuses and awards; savings from reductions in memberships and contributions; increases in collections resulting from nonpower activities, including user fees; or increases in charges to private and public utilities both investor and cooperatively owned, as well as to direct load customers. Such funds are available to fund the activities under this paragraph, notwithstanding sections 11, 14, 15, 29, or other provisions of the Tennessee Valley Authority Act, as amended, or provisions of the TVA power bond covenants. The savings from, and revenue adjustments to, the TVA budget in fiscal year 1999 and thereafter shall be sufficient to fund the aforementioned activities such that the net spending authority and resulting outlays for these activities shall not exceed $0 in fiscal year 1999 and thereafter. Within 30 days of enactment of this Act, the Chairman of the TVA shall submit to the House and Senate Committees on Appropriations an itemized list of the amounts of the proposed reduction and increased receipts to be made pursuant to this section in fiscal year 1999. By November 1, 2000, the Chairman of the TVA shall submit to the House and Senate Committees on Appropriations an itemized list of the amounts of the reductions and increased receipts made pursuant to this paragraph for fiscal year 1999.

(g) ADVISORY BOARD.—Within 90 days after the date on which this section takes effect, the Secretary of Agriculture shall establish a 17-member citizen advisory board to advise the Secretary on environmental education in the Recreation Area and means of promoting public participation for the land and resource management plan for the Recreation Area.

SEC. 333. (a) Any appropriations contained in this Act or any other Act for the operation or implementation of the Interior Columbia Basin Ecosystem Management Project (hereinafter "Project") shall be obligated or expended only as provided in this section.

(b) Within 120 days of the date of enactment of this Act, the Secretary of Agriculture and the Secretary of the Interior shall—

(1) prepare and submit to the Committees on Appropriations of the House of Representatives and the Senate the report required by section 323(a) of the Department of the Interior and Related Agencies Appropriations Act, 1998 (111 Stat. 1543, 1596-7), including any additional information necessary to correspond with the requirements of this section;

(2) distribute for advisory purposes to each national forest and each resource area or other relevant planning unit of the Bureau of Land Management within the region encompassed by the Project (hereinafter "Project forest") all relevant scientific findings of the Project and the report required by paragraph (1); and

(3) conduct and complete the orderly closing of the offices of the Project.

(c)(1)(A) Within 90 days after the completion of the requirements of subsection (b), each Forest Service Supervisor of, or Bureau of Land Management official with jurisdiction over, a Project forest shall review the resource management plan or other land use plan for the Project forest (hereinafter "plan"), and, as they may relate to the specific resources and conditions existing on the Project forest as of the date of enactment of this Act, the scientific information and report provided pursuant to subsection (b)(2) and any policies made applicable to the Project forest prior to the date of enactment of this Act, and determine whether an amendment to or revision of the plan is warranted.

(B) If the determination is made pursuant to subparagraph (A) that a plan amendment or revision is warranted, preparation of the amendment or revision shall be completed within 12 months or 18 months, respectively, of the date of the determination.

(2) To the maximum extent practicable, any plan amendment or revision prepared pursuant to paragraph (1)(B) shall provide for management standards appropriate to the specific conditions of individual sites and avoid the imposition of general standards applicable to multiple sites.

SEC. 334. Amounts deposited during fiscal year 1998 in the roads and trails fund provided for in the fourteenth paragraph under the heading "FOREST SERVICE" of the Act of March 4, 1913 (37 Stat. 843; 16 U.S.C. 501), shall be used by the Secretary of Agriculture, without regard to the State in which the amounts were derived, to repair or reconstruct roads, bridges, and trails on National Forest System lands or carry out and administer projects to improve forest health conditions, which may include the repair or reconstruction of roads, bridges, and trails on National Forest System lands in the wildland-community interface where there is an abnormally high risk of fire. The projects shall emphasize reducing risks to human safety and public health and property and enhancing ecological functions, long-term forest productivity, and biological integrity. The Secretary shall commence the projects during fiscal year 1999, but the projects may be completed in a subsequent fiscal year. Funds shall not be expended under this section to replace funds which would otherwise appropriately be expended from the timber salvage sale fund. Nothing in this section shall be construed to exempt any project from any environmental law.

SEC. 335. Section 5 of the Arts and Artifacts Indemnity Act (20 U.S.C. 974) is amended as follows:

In subsection (b) strike "$3,000,000,000" and insert in lieu thereof "$5,000,000,000".

In subsection (c) strike "$300,000,000" and insert in lieu thereof "$500,000,000".

In subsection (d)(4) strike the final "or".

In subsection (d)(5) strike "$200,000,000 or more" and insert in lieu thereof "not less than $200,000,000 but less than $300,000,000" and strike the final period and insert in lieu thereof ";".

After subsection (d)(5) insert the following 2 new subsections:

"(6) not less than $300,000,000 but less than $400,000,000, then coverage under this chapter shall extend only to loss or damage in excess of the first $300,000 of loss or damage to items covered; or

"(7) $400,000,000 or more, then coverage under this chapter shall extend only to loss or damage in excess of the first $400,000 of loss or damage to items covered.".

TULARE CONVEYANCE

SEC. 336. (a) IN GENERAL.—Subject to subsections (c) and (d), all conveyances to the Redevelopment Agency of the City of Tulare, California, of lands described in subsection (b), heretofore or hereafter, made directly by the Southern Pacific Transportation Company, or its successors, are hereby validated

to the extent that the conveyances would be legal or valid if all right, title, and interest of the United States, except minerals, were held by the Southern Pacific Transportation Company.

(b) LANDS DESCRIBED.—The lands referred to in subsection (a) are the parcels shown on the map entitled "Tulare Redevelopment Agency-Railroad Parcels Proposed to be Acquired", dated May 29, 1997, that formed part of a railroad right-of-way granted to the Southern Pacific Railroad Company, or its successors, agents, or assigns, by the Federal Government (including the right-of-way approved by an Act of Congress on July 27, 1866). The map referred to in this subsection shall be on file and available for public inspection in the offices of the Director of the Bureau of Land Management.

(c) PRESERVATION OF EXISTING RIGHTS OF ACCESS.—Nothing in this section shall impair any existing rights of access in favor of the public or any owner of adjacent lands over, under or across the lands which are referred to in subsection (a).

(d) MINERALS.—The United States disclaims any and all right of surface entry to the mineral estate of lands described in subsection (b).

SEC. 337. The final set of maps entitled "Coastal Barrier Resources System", dated "October 24, 1990, revised November 12, 1996", and relating to the following units of the Coastal Barrier Resources System: P04A, P05/P05P; P05A/P05AP, FL-06P; P10/P10P; P11; P11AP; P11A; P18/P18P; P25/P25P; and P32/P32P (which set of maps were created by the Department of the Interior to comply with section 220 of Public Law 104-333, 110 Stat. 4115, and notice of which was published in the Federal Register on May 28, 1997) shall have the force and effect of law and replace and substitute for any other inconsistent Coastal Barrier Resource System map in the possession of the Department of the Interior. This provision is effective immediately upon enactment of this Act and the Secretary of the Interior or his designee shall immediately make this ministerial substitution.

Section 405(c)(2) of the Indian Health Care Improvement Act (42 U.S.C. 1645(c)(2) is amended by striking "September 30, 1998" and inserting in lieu thereof "September 30, 2000".

□ 1830

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KILDEE:

Page 123, after line 14, insert the following new section:

SEC. 338. Section 123(a)(2)(C) of the Department of the Interior and Related Agencies Appropriations Act, 1998 (111 Stat. 1566), is amended by striking "self-regulated tribes such as".

Mr. KILDEE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. KILDEE. Mr. Chairman, my amendment would clear up an ambiguity caused by last year's Interior appropriations bill regarding the ability of the National Indian Gaming Commission to carry out its congressional mandates. It is technical in nature, and it is supported by the administration as well as the majority and minority of the Committee on Resources.

Mr. REGULA. If the gentleman will yield, I am aware of the amendment. On this side of the aisle we will accept the gentleman's amendment.

Mr. YATES. Mr. Chairman, we accept the amendment as well.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The amendment was agreed to.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 504, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 18 offered by the gentleman from Mississippi (Mr. PARKER); and amendment No. 15 offered by the gentleman from California (Mr. MILLER).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 18 OFFERED BY PARKER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Mississippi (Mr. PARKER) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 135, noes 289, not voting 10, as follows:

[Roll No. 319]

AYES—135

Aderholt
Armey
Barcia
Barrett (WI)
Bartlett
Bateman
Bilbray
Bishop
Blagojevich
Bliley
Boehner
Bonior
Bono
Boswell
Brown (CA)
Bryant
Burr
Camp
Capps
Cardin
Clay
Clyburn
Combest
Condit
Coyne
Davis (FL)
Davis (IL)
DeFazio
Delahunt
DeLauro
DeLay
Deutsch
Dicks
Dixon
Doolittle
Engel
English
Fattah
Filner
Fossella
Furse
Greenwood
Hall (TX)
Hastert
Hastings (FL)
Hayworth
Hefley
Hefner
Hilleary
Hilliard
Holden
Hooley
Hulshof
Jackson (IL)
Jefferson
Jenkins
Johnson (WI)
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
Lampson
Latham
Lazio
Lee
Levin
LoBiondo
Manton
McDermott
McGovern
McHale
McIntosh
McIntyre
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Minge
Moran (KS)
Nussle
Oberstar
Obey
Pallone
Parker
Pastor
Payne
Peterson (MN)
Pickering
Pitts
Pombo
Pomeroy
Ramstad
Rangel
Redmond
Reyes
Riley
Rivers
Rohrabacher
Rothman
Rush
Sabo
Salmon
Sandlin
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Shays
Smith, Adam
Spratt
Stabenow
Stokes
Stupak
Sununu
Taylor (MS)
Thomas
Thompson
Thurman
Torres
Traficant
Turner
Vento
Waters
Waxman
Wexler
Weygand
Wicker

NOES—289

Abercrombie
Ackerman
Allen
Andrews
Archer
Bachus
Baesler
Baker
Baldacci
Ballenger
Barr
Barrett (NE)
Barton
Bass
Becerra
Bentsen
Bereuter
Berman
Berry
Bilirakis
Blumenauer
Blunt
Boehlert
Bonilla
Borski
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bunning
Burton
Buyer
Callahan
Calvert
Campbell
Canady
Cannon
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clayton
Clement
Coble
Coburn
Collins
Conyers
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (VA)
Deal
DeGette
Diaz-Balart
Dickey
Dingell
Doggett
Dooley
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fawell
Fazio
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Hansen
Harman
Hastings (WA)
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
LaTourette
Leach
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
Meehan
Metcalf
Mica
Miller (CA)
Miller (FL)
Mink
Mollohan
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Olver
Ortiz
Owens
Oxley
Packard
Pappas
Pascrell
Paul
Paxon
Pease
Pelosi
Peterson (PA)
Petri
Pickett
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Regula
Riggs
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Roukema
Roybal-Allard
Royce
Ryun
Sánchez
Sanders
Sanford
Sawyer
Schumer
Sensenbrenner

Sessions
Shadegg
Shaw
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Stark
Stearns
Stenholm
Strickland
Stump
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thornberry
Thune
Tiahrt
Tierney
Towns
Upton
Velázquez
Visclosky
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)

NOT VOTING—10

Ford
Gonzalez
Green
Hunter
Markey
Moakley
Poshard
Radanovich
Serrano
Young (FL)

□ 1856

The Clerk announced the following pairs:

Messrs. BURTON of Indiana, ROEMER, BERRY, LUTHER, GEJDENSON, LAFALCE and ABERCROMBIE, and Ms. LOFGREN, Ms. HARMAN, Ms. JACKSON-LEE of Texas and Ms. EDDIE BERNICE JOHNSON of Texas changed their vote from "aye" to "no."

Messrs. MORAN of Kansas, ADERHOLT, BLILEY, LEVIN, TORRES, FILNER, HILLEARY, HASTERT, STUPAK, ARMEY, PETERSON of Minnesota, FOSSELLA, VENTO, BOB SCHAFFER of Colorado, REYES, BARCIA, LoBIONDO, and DEUTSCH changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 15 OFFERED BY MR. MILLER OF CALIFORNIA

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 15 offered by the gentleman from California (Mr. MILLER) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 236, noes 182, not voting 16, as follows:

[Roll No. 320]

AYES—236

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Ballenger
Barcia
Barrett (WI)
Bartlett
Becerra
Bentsen
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Bonior
Borski
Boswell
Boucher
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Campbell
Capps
Cardin
Carson
Castle
Chabot
Clayton
Clement
Clyburn
Condit
Conyers
Cook
Costello
Cox
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Dixon
Doggett
Dooley
Doyle
Engel
English
Ensign
Eshoo
Etheridge
Evans
Farr
Fattah
Fawell
Fazio
Filner
Forbes
Fossella
Fox
Frank (MA)
Franks (NJ)
Frost
Furse
Ganske
Gejdenson
Gephardt
Gibbons
Gilman
Goode
Gordon
Greenwood
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Horn
Houghton
Hulshof
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Klug
Kucinich
LaFalce
LaHood
Lampson
Lantos
LaTourette
Lazio
Leach
Lee
Levin
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Millender-McDonald
Miller (CA)
Minge
Mink
Morella
Nadler
Neal
Neumann
Ney
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pappas
Pascrell
Paul
Payne
Pelosi
Petri
Pomeroy
Porter
Portman
Price (NC)
Quinn
Rahall
Ramstad
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rohrabacher
Rothman
Roukema
Roybal-Allard
Rush
Salmon
Sánchez
Sanders
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Shays
Sherman
Skaggs
Skelton
Slaughter
Smith (NJ)
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stokes
Strickland
Stupak
Tanner
Tauscher
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Upton
Velázquez
Vento
Walsh
Waters
Watt (NC)
Waxman
Weldon (PA)
Weller
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOES—182

Aderholt
Archer
Armey
Bachus
Baker
Barr
Barrett (NE)
Barton
Bass
Bateman
Bereuter
Bliley
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cooksey
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Everett
Ewing
Foley
Fowler
Frelinghuysen
Gallegly
Gekas
Gilchrest
Gillmor
Goodlatte
Goodling
Goss
Graham
Granger
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Hostettler
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson, Sam
Jones
Kasich
Kim
Kingston
Klink
Knollenberg
Kolbe
Largent
Latham
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Mica
Miller (FL)
Mollohan
Moran (KS)
Moran (VA)
Murtha
Myrick
Nethercutt
Northup
Norwood
Nussle
Oxley
Packard
Parker
Pastor
Paxon
Pease
Peterson (MN)
Peterson (PA)
Pickering
Pickett
Pitts
Pombo
Pryce (OH)
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Ros-Lehtinen
Royce
Ryun
Sabo
Sandlin
Sanford
Sessions
Shadegg
Shaw
Shimkus
Shuster
Sisisky
Skeen
Smith (MI)
Smith (OR)
Smith (TX)
Snowbarger
Solomon
Souder
Spence
Stenholm
Stump
Sununu
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Turner
Visclosky
Wamp
Watkins
Watts (OK)
Weldon (FL)
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)

NOT VOTING—16

Clay
Ford
Gonzalez
Green
Hunter
John
Kelly
Lewis (GA)
Markey
Moakley
Poshard
Radanovich
Serrano
Smith, Linda
Stearns
Young (FL)

□ 1902

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. JOHN. Mr. Chairman, during rollcall vote No. 320, I was unavoidably detained. Had I been present, I would have voted "aye."

AMENDMENT OFFERED BY MR. YOUNG OF ALASKA

Mr. YOUNG of Alaska. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part 3 amendment printed in House Report 105–637 offered by Mr. YOUNG of Alaska:

Page 123, after line 14, insert the following new section:

SEC. 338. (a) MORATORIUM ON FEDERAL MANAGEMENT.—None of the funds made available to the Department of the Interior or the Department of Agriculture by this or any other Act hereafter enacted may be used prior to October 1, 2000, to issue or implement final regulations, rules, or policies pursuant to title VIII of the Alaska National Interest Lands Conservation Act to assert jurisdiction, management, or control over the navigable waters transferred to the State of Alaska pursuant to the Submerged Lands Act of 1953 or the Alaska Statehood Act of 1959.

(b) EFFECTIVE DATE OF 1997 ANILCA AMENDMENTS.—Section 316(d) of Public Law 105–83 is amended by striking "December 1, 1998" and inserting "October 1, 2000".

(c) REPEAL.—Subsections (a) and (b) shall be repealed on December 1, 1998, unless on or

before that date an amendment to the constitution of the State of Alaska has been adopted which the Secretary of the Interior has determined would enable Alaska statutes to be enacted which provide the priority required in section 804 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3114) in the taking on public lands of fish and wildlife.

The CHAIRMAN. Pursuant to House Resolution 504, the gentleman from Alaska (Mr. YOUNG) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment is a component of a broad effort in Alaska to resolve a long running debate over subsistence hunting and fishing. This amendment affects no other State. It concerns only Alaska.

My amendment extends until October 1, 2000, a current moratorium on a Federal takeover of Alaska's fish and game resources. However, the extension of the moratorium is effective only if the State of Alaska adopts a constitutional amendment to resolve the subsistence debate. If a constitutional amendment is not in place by December 1, 1998, the moratorium does not extend under this amendment.

Now the State of Alaska has until election day to decide whether to amend its Constitution. I am hopeful my State can come to a resolution in time. But I strongly believe my amendment is necessary to forestall and prevent a Federal takeover while the State proceeds in this effort.

A Federal moratorium is necessary because Federal control of Alaska fish and game would be devastating to the wildlife, and especially the people of Alaska. A Federal takeover is not my choice, and should not be Alaska's choice either.

Mr. Chairman, I urge the passage of my amendment.

The CHAIRMAN. Does any Member claim the time in opposition to the amendment?

Mr. YOUNG of Alaska. Mr. Chairman, I yield back the balance of my time, and I move the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alaska (Mr. YOUNG).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. DEFAZIO

Mr. DEFAZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. DEFAZIO: Page 107, beginning at line 19, strike section 328 (and redesignate the subsequent sections accordingly).

Mr. DEFAZIO. Mr. Chairman, this is an important issue before the House. A number of years ago, in the 1996 Budget Act, the demonstration program in the appropriations bill was extended to collect fees among the various Park Service, Forest Service, BLM and Fish and Wildlife Service units. The idea was to see if it was feasible, see if it could be done in a way that was accountable, see if it could be done in a way that would augment the scarce resources of these agencies for meritorious purposes, and then come back with a review. That review will come to the Congress, by law, next March. So next March, this Congress will receive a full accounting of the fee demonstration program among the various units of the Federal Government, and there are problems with this program.

There is such a multiplicity of programs with exclusive and overlapping jurisdictions out there that, in my own home State, if you visit the Deschutes Forest and you buy a pass to park at the Deschutes Forest, you cannot use it next door in the Willamette Forest, and if you buy a parking pass in the Willamette Forest, you cannot use it in some parts of the Deschutes Forest. And if you buy a pass in the Deschutes Forest and the Willamette Forest, you cannot use it in the Siuslaw Forest. If you have one for the Siuslaw Forest, the Willamette Forest and the Deschutes Forest, you cannot use it at Crater Lake.

Now, this is going on in other people's districts and States throughout the West. People who live in rural areas, who live adjacent to forests, who live on in-holdings in forest, to park at a trail head have to pay $25.

It has also seen very steep increases in fees at various park units around the country. We have seen the fees go from $3 to $10 per person and $5 to $20 per person at Yosemite, $10 to $20 per vehicle at Yellowstone, and the list goes on.

We need to review this program. We are going to receive a report, the United States Congress will receive a report, on this unauthorized tax. Make no mistake about it. If you oppose this amendment, you are voting to continue a tax on millions of Americans who visit our public lands in the United States in a mishmash fashion with no accountability, for no purpose that you can actually discern in many cases, because the accounting at the Forest Service and other agencies is so poor.

Eighty percent of the money was supposed to go in the Forest Service last year. Fifty-three percent of the money collected went to administration, and they were not enforcing it and offering tickets last year. This year they are going to be writing tickets. There is going to be even more overhead expense in the program. This program needs to be reviewed. It needs to be properly authorized by the committees.

My amendment would not terminate the program, it would merely say that the appropriators, this bill, cannot extend for two years beyond 1999 into the next century this program without authorization.

I do not think it is too much to ask, that a tax like this levied upon millions of Americans recreating on their public lands be authorized by Congress, that we review it, that we have some accountability.

We will hear that some of the money, particularly in the Park Service, is being spent for meritorious things. That may well be true, but let us have a full accounting. Let us authorize it. Let us do it in a way so that you do not have to plaster your whole windshield with passes until you are peering through a little tiny slot there as you drive around the western United States and trying to figure out what additional passes you need to paste and which ones you are going to have to take off at 25 bucks a hit or more.

This is not a program that is well run. There is too much overlap, too much multiplicity, and it is very egregious upon people who live close to public lands.

So I would urge Members to vote for this amendment, which means you are voting simply to say we will receive a report in March, and then we will authorize or not authorize an extension of these fee programs. Maybe it will be authorized for the Park Service and not for the Forest Service, and maybe other restrictions will be placed on it. Maybe we will require intergovernmental or interagency agreements so people will only have to buy one or two passes, instead of five or ten different passes at a very, very high cost to them.

Mr. Chairman, I would hope that the committee might accept this amendment and decide that it would be wise to get this authorized before the tax is extended.

Mr. HANSEN. Mr. Chairman, I rise in opposition to the amendment. As chairman of the Subcommittee on National Parks and Public Lands and having sat on that committee for 18 years, we have played with this idea for a long time. It is interesting to go to our national parks. In 1915, it cost $10 to go into Yellowstone National Park. In 1996, it cost $10 to go into Yellowstone National Park.

Look at the 374 units of the Park Service and how difficult it is to maintain them. I do not think a day goes by that I do not get a call from a superintendent or a forest supervisor or a BLM land manager that says, "Mr. Chairman, I need this, that or the other, and I do not have enough money." That puts us in a position of going back and looking for a supplemental thing or something else.

The best deal in America by far is the public lands and the national parks. Where else can you take your family and go into the Yellowstone National

Park for now, what, $10 or $25, or the Grand Canyon, all these places that are visited on a regular basis.

I like to go around and talk to people who go into those parks. It is kind of a fun thing to do. The next time I would advise some of our Members to do that. Walk into Yellowstone in the area and look at that retired CEO who is driving in in an $80,000 Winnebago and pulling a $30,000 Suburban. And, oh boy, we are going to ask for another 10 bucks? Big deal.

In fact, it is not uncommon for those of us on the Subcommittee on National Parks and Public Lands to get money from people who say, "Boy, no one ripped us off like we ripped you folks off." And now we give these people an opportunity to pay a little money to go into our national parks, to go into the public lands. I still think it is the best deal we have got. And to take away that tool that we have now given forest supervisors, that we have now given park superintendents, to have some money they can use in their own hands, to me it would be foolish and disregarding the history we have, which is extremely successful, and I do not feel that would be a wise thing to do.

I strongly oppose this amendment. If we do not defeat this amendment, we will just be back asking for more money and it will have to come out of the general fund, and I do not think that is a very good idea.

□ 1915

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

Mr. HANSEN. I yield to the gentleman from Oregon.

Mr. DEFAZIO. Mr. Chairman, does the gentleman think, and I realize he is on the authorizing committee and we have not authorized this, but does the gentleman think it is reasonable that two adjoining forests should require two different $25 trail head parking fees? I mean, that seems a little bit steep, and then the next forest over is requiring yet a third one. So one can cover an 80-mile stretch and have to pay $75 just to park at trail heads. I think there needs to be a little bit better coordination. Would the gentleman at least agree to that point? It is an actual case example from my home State.

Mr. HANSEN. Mr. Chairman, I am not sure I understand the gentleman's question.

Mr. DEFAZIO. Mr. Chairman, the question is, if I go to the Deschutes Forest and pay $25 for a trail head parking pass, it is not good in the next door Willamette Forest, and it is not good in the Siuslaw Forest. If I buy one in the Willamette Forest, it is not good in the Siuslaw Forest. But the one in the Willamette Forest is good in some other forest. I mean, one has to get a road map to figure out which of the forests have reciprocity and which do not. It is very, very, very complicated and potentially very costly.

Mr. HANSEN. Mr. Chairman, reclaiming my time, let me say this. This has been kind of an experimental thing we have been moving into. Little by little I would hope we would come to the point that we are able to encourage the States to have one.

I am not saying this is a perfect program; I do not think anybody does. But we have started down the road of having people pay a user fee, so to speak, or a camping fee, and I think it is coming out very well.

I would admit to the gentleman, yes, there are some bugaboos in it, there are some problems, but I think right now we are headed in the right direction and we will be able to take care of our parks.

Let me just say to the gentleman, we have a tremendous amount of backlog on in-holdings and repair. I could come up to billions of dollars just on our parks alone that we cannot figure out how to get the money. We had 28 miles of impassable road in Yellowstone; no one could drive down it. We had a water system out in the Grand Canyon, a sewer system out in Yosemite. We have a problem down in the Everglades. I could give the gentleman a list a mile long, but nobody is coming up with the money. I think it would make a lot of sense to have a users' fee to take care of this.

Mr. Chairman, I strongly oppose the gentleman's amendment.

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

Mr. Chairman, let me read the list of people and organizations that support the fee program: National Parks and Conservation Association; Natural Resources Defense Council; National Trust for Historic Preservation; the Secretary of the Interior. And I quote Secretary Babbitt: "We believe that the strong support for the fee program is because most receipts remain in the recreation area in which they are collected to be used to improve visitor services and protect resources." He goes on to say that this is a great program.

The Secretary of Agriculture states: "I firmly believe that changes in the program would be detrimental to the recreation fee demonstration program." Again, the Department of Interior, the Director of the Fish and Wildlife Service: "The demonstration program begun in 1996 has been a tremendous success."

Again from the Department of Interior: "All the agencies strongly support this program. I have spoken to superintendents in a number of parks. They are very strongly in support of it."

I asked the superintendents, how does the public feel? They said, "We have no complaints." People think this is one of the great bargains to come in when they know that the money is staying in the park. That is the important feature here.

Under the old law, the fees that were collected, before we changed the law as part of creating the demonstration program, the fees collected went to Treasury instead of staying in the park. Now they stay in the park, and they are using them to enhance the visitor experience, improve the camp sites, fix the sanitary facilities, things that are important to visitors.

Mr. Chairman, our delegation recently visited Muir Woods and the superintendent told me many people say, "That is not enough. Here, take a couple of extra dollars as part of the fee program."

This is working wonderfully well.

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

Mr. REGULA. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to say to the gentleman, and I completely understand the gentleman's concern about proper authorization, nothing that we have done here would stop the authorization committees from going ahead and maybe correcting some of the problems that Mr. DEFAZIO has properly pointed out. But what I see based on our trip is that we have such a huge backlog of maintenance that needs to be done.

The national parks are the crown jewels of this country, and in every park, the Olympic, Mt. Rainier National Park, the North Cascades, Yosemite, they have a backlog of work that totals billions and billions of dollars. For the first time we have gotten people used to the idea of a user fee, and that they ought to pay a little something when they visit the parks.

A few people complained when the fee program first started. Now however, overwhelmingly, when they know we are on the level, when they know that 80 percent of that money is going back to their park, then they support this program. Also, Secretary Babbitt has asked for it to be extended. Secretary Glickman, our former colleague, has asked for it to be extended.

We had the chairman of the committee, the gentleman from Utah (Mr. HANSEN), supporting the fee program. No one has done a better job of demonstrating concern for our parks than he has been. The gentleman from Ohio (Mr. REGULA) has been the champion on the Committee on Appropriations. We have all supported him. I think we ought to keep this program, and I urge the gentleman from Oregon (Mr. DEFAZIO) to go ahead and work on any refinements to the authorization.

The basic concept is solid, and the American people overwhelmingly support it. We have a lot of work to do. We have a chance here to stop the decline of the parks and start seeing them restored. This is a historic opportunity,

and I urge that we stay with the committee position because it is the right thing to do.

Mr. REGULA. Mr. Chairman, reclaiming my time, I thank the gentleman for his comments. I would point out this will generate $500 million over five years, and as my colleagues can see, it is strongly supported.

The gentleman mentioned 80 percent stays in the park, and the other 20 percent goes to parks such as Golden Gate where we do not have a fee, where there is not a single collection point, but it all stays in the park or the forest system, National Wildlife Refuge, and or BLM. All of the agencies support it; the public supports it. I think the program is absolutely very constructive, and I would strongly urge the Members to defeat this amendment.

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

Mr. Chairman, I find myself in a very interesting position here. I find myself opposing the demonstration fee program, and having to find myself on the opposite side of my own Chairman.

However, the fact is that I think that we have had sufficient time to see how the demonstration fee program is really working, and as it was first conceived, it has not worked well as far as the public is concerned.

The fact is that I really do think that the gentleman from Utah (Mr. HANSEN) is right, and perhaps for the national parks where there is a lot of high maintenance, and where there are facilities that need upkeep, we need to revisit that with the demonstration fee program. But as the demonstration fee program has been conceived of and is being extended in this bill, it is not working well.

Mr. Chairman, let me give an example. Last weekend I was home in Idaho and a woman who has 8 children told me about the fact that they were able to take their family to their church camp, and as always the family looked forward to going to the church camp, and as the little children piled out of the car and they gleefully set up camp and got their bunks all ready and everything set, the little boys took off to climb the hill behind the church camp. They had been doing this for years, and it was a favorite hill, but the ranger said, "Oh, I'm sorry, you can't climb that hill anymore, you must stay on the church camp property."

"Why can't we climb the hill?"

"Well, you need a pass, and it will cost $5 a person to go climb the hill," the hill that family had been climbing for years.

"Well, then let us go down to the lake."

"Oh, no, you can't go down to the lake, you can't go on that trail. That too takes a permit."

So what was a properly conceived of idea, for good reasons, is working out poorly. And I have received hundreds of calls in my office about how confusing and discouraging it is for people in Idaho and the Western States to be able to access the recreation and the outdoors that we have in our Western States and that we are so proud of, and, by the way, should be sustained with taxpayers' money.

So I would like to see us revisit this. I think the way it is conceived of now is not right, and I do again want to say, I do support fees for the high maintenance areas that have a lot of buildings and maintenance.

Mr. DICKS. Mr. Chairman, will the gentlewoman yield?

Mrs. CHENOWETH. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I appreciate that very much. In fact, I was in the gentlewoman's State in the Sawtooth National Recreation Area, one of the most beautiful places in the country, and we need to do a lot of good work there.

But the point I was trying to make earlier, the gentlewoman is on the authorization committee, and there is nothing that we are doing here today that would stop the authorizers from making certain refinements in this program. And what I would urge the gentlewoman to do, with the gentleman from Utah (Mr. HANSEN) and the gentleman from Oregon (Mr. DEFAZIO) and the gentleman from California (Mr. MILLER), is for the authorizing committee to come up with whatever refinements are necessary to make this even a more acceptable program.

The thing that I worry about is, it is the old adage, you pay for what you get. And if we want the parks to be stellar and world class, we are going to have to fix them up. We are way behind on maintenance.

So I would really urge the gentlewoman to try to, in the gentlewoman's committee, and I know the gentlewoman is a leader in her committee, to try to help us refine this program, because we need it.

Mrs. CHENOWETH. Mr. Chairman, reclaiming my time, I appreciate the gentleman's thinking there, as I usually do in these issues. The gentleman has been a leader in these issues for years.

But the fact is, as the demonstration fee program has been conceived of and as extended for 2 years, it is not working well, and the gentleman from Oregon (Mr. DEFAZIO) also sits on the committee, and I know that we would all like to see a new program of some sort put forth. I certainly have my ideas, as I have expressed on the floor. But as it is conceived of now, and as it is being extended, it is not working well.

Mr. DEFAZIO. Mr. Chairman, will the gentlewoman yield?

Mrs. CHENOWETH. I yield to the gentleman from Oregon.

Mr. DEFAZIO. Mr. Chairman, the key here is the word "demonstration." Demonstration to me means let us go out and see if it will work, and then let us review it. In fact, there is a logical review point: Next March.

This bill extends for 2 years beyond October 1, 1999 the demonstration program, after it is no longer a demonstration, with all of its faults intact. The logical thing to do is not extend it now. The Committee on Appropriations could come forward next year with an extension, if we fail to authorize it in the authorizing committee, and again legislate on an appropriations bill.

The CHAIRMAN. The time of the gentlewoman from Idaho (Mrs. CHENOWETH) has expired.

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

Mrs. CHENOWETH. Mr. Chairman, I yield to the gentleman from Oregon.

Mr. DEFAZIO. So the key here, Mr. Chairman, is that as to the demonstration program, there is going to be a report rendered. We may very well find that the Park Service is doing a tremendous job with it. I think we will find that the Forest Service and some of the other agencies have tremendous problems with the program.

We can then authorize it in due time, have an authorization in place for the Committee on Appropriations for next year. This is not a crisis. The program will be continued between this year and next year under existing law. It is just I object to extending it for another 2 years, because then I do not believe the authorizers will ever get to it.

Mr. DICKS. Mr. Chairman, will the gentlewoman yield?

Mrs. CHENOWETH. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, just briefly, the point is that if we wait until 1999 to do this, then we get to the end of the fiscal year. There would be uncertainty about whether we have the program or not. The thing that is good about having this now, is that we have established it and people are used to it. They have accepted it. Now we should not create uncertainty.

Mrs. CHENOWETH. Mr. Chairman, reclaiming my time, the gentleman does have a very good point, but the fact is that in the authorizing committee we can come up with a new program that has been properly authorized.

Ms. PELOSI. Mr. Chairman, I move to strike the requisite number of words. I thank the Chairman for the recognition to me as a member of the Committee on Appropriations.

As the night is wearing on and these very important amendments are being debated, I want to speak out of turn. As my colleagues may know, this appropriations bill of the Subcommittee

on Interior is the last one that our distinguished ranking member from Illinois (Mr. YATES), will be participating in.

□ 1930

I wanted to take the opportunity to just interrupt the debate for a moment before the evening goes on too long to pay tribute to the gentleman.

In the course of the development of this legislation in the subcommittee and the full committee and the rest, I think many members of the Committee on Appropriations have sung his praises, have talked about his great leadership, and I know that I can speak for every person in this body on this one subject, that the gentleman from Illinois (Mr. YATES) is indeed a gentleman.

People have praised the fact that he is a legislative virtuoso. He has taught us all a great deal and we have commended him not only as a teacher and a legislator and a gentleman and a person who has been a mentor to so many of us, but I want to comment on him as a great American patriot.

As chairman for a long time of this subcommittee, and as ranking member, he has protected the beautiful natural resources of our great country. Thank you for your patriotism, SID.

As the chairman and ranking member of this subcommittee, he has spoken out so eloquently about protecting freedom of expression in this country. Thank you very much for doing that, SID, and for protecting the freest of expression in the arts and the rest.

So he is not only a great leader, teacher, mentor, legislator, gentleman, but a great patriot.

I am reminded of what was said about Pericles when I think of the great SID YATES when it was said of Pericles, "He was a lover of the beautiful and he cultivated the spirit without a loss of manliness." I cannot think of anyone that applies to more than the distinguished, the very distinguished gentleman from Illinois (Mr. YATES).

Mr. Chairman, I thank you very much, Mr. YATES, for your leadership.

Mr. MILLER of California. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I thank the gentlewoman from California (Ms. PELOSI) very much for yielding to me. I want to join and associate myself with her remarks and to add a couple of my own, just to say that for 24 years I have served with the gentleman from Illinois (Mr. YATES) about half as long as Mr. YATES has served, and I wish to say what an incredible pleasure it has been for me as a public servant to watch him and to admire his beliefs in our public institutions.

I know him as one deeply involved in the issues of this subcommittee, the Interior and natural resources issues and the arts and the cultural issues. He has witnessed many political trends and political fads and schemes of popularity and unpopularity. But I think what we have seen is that he has stood fast for a great portion for the protection of not only our free speech and our free expression, but the protection and the preservation of our culture and our history in the way that no other Member of Congress has.

He embodies the very, very best, the very, very best in public service. At a time when we see so much venom and so much attack in our public arena, to have you here, SIDNEY, has been a gift to all of us who try to hold our profession, this institution, the American public in the highest possible regard that we can.

His span of service and commitment is something that if each us every day that we walked into this Chamber, and every day we exited, if we could just recommit ourselves in his image of that public service, we would do this country a great favor.

I thank the gentleman so very, very much for giving so much of his life to this country. I admire him and wish him the very, very best.

Ms. PELOSI. Mr. Chairman, reclaiming my time, to SID YATES, the patriot, thank you for protecting our culture, our Constitution, and our countryside. It has been the greatest privilege of my political career to call you colleague. Thank you, Mr. YATES.

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

Mr. Chairman, a few hours ago the gentlewoman from California (Ms. PELOSI) and I were clashing over the issue of normal trade relations for China. But at this moment, I want to rise to associate myself completely with the remarks that she just made about our distinguished ranking minority member, SID YATES.

It is going to be hard to imagine a debate on this bill next year without SID YATES being involved in it, but we shall survive somehow. But his spirit will certainly linger with us as we continue the debate next year and in following years on this legislation.

His advocacy, not only for the arts, but his advocacy for national parks and for preservation of lands in the United States has been extraordinary. And even though I have disagreed with him many times on many of the issues, I have always admired the perseverance that he has shown, the knowledge base that he comes from, and as the gentlewoman said, the civility with which he always approaches these issues.

It is a lesson which many of us in this body who are so much newer, and we are all much newer than SID YATES around this place, know that we could all take to heart.

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

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

Mr. REGULA. Mr. Chairman, I thank the gentleman from Arizona (Mr. KOLBE) for yielding me this time. I have said this to "my chairman" many times, that he is the epitome of everything that is good about citizenship in these United States. He has been everything that we have heard. I will not enlarge upon it. But I will make an additional comment, and that is that he has had a wonderful helpmate in his wife Addie. They have really been a great team. Many times she has been at the hearings and we love her as much as we do you, SID. We carry the message to her that we have appreciated her, and I am sure she has been a wonderful influence on your life.

Mr. KOLBE. Mr. Chairman, reclaiming my time, I do want to use a moment to address the amendment at hand. Back to the business of the Congress.

Mr. Chairman, I do rise in opposition to this amendment. As a member of the Subcommittee on Interior Appropriations, we have worked very hard, under the chairman's leadership, to address the operation on the maintenance shortfalls which exist at so many of our national parks, our Fish and Wildlife Refuges, on our other lands which are heavily utilized by the public.

No one wants our parks or forests or refuges to deteriorate. These represent in many cases some of the most spectacular and beautiful treasures that we have in our country. In my own State of Arizona, the Grand Canyon park is certainly one of the most spectacular natural splendors in the world. We cannot and must not let the quality of this park slip through our hands. Yet the increasing pressure of the public is enormous.

We have an enormous backlog of capital needs in all of our land management agencies and this is a problem that demands our attention, even as we seek to balance the budget and struggle to reduce our national debt. The utilization of our public lands is rising. We cannot expect appropriated funds to meet all of the increasing needs. We need to look for other solutions to this very troubling problem.

That is what the fee demonstration program is about. I believe it is having a positive effect. I have to tell my colleagues it is in my area. It is used in one of the national forests in the heart of my district, and it was unpopular with a lot of people. But I think as people have begun to see that the money is staying there in the forest, that it is being used to address the problems of maintenance and operation that is so badly needed to build new restrooms for example, to build new trails, I think people begin to understand this is good. It is a user fee that really is doing what it ought to do.

In Arizona, the Grand Canyon expects to collect $38 million in new

money over 3 years. And at the Grand Canyon, this will be used to improve a transit center, a maintenance facility, back country trails, archaeological site, stabilization initiatives.

Eliminating the program is not going to help address the critical backlog that we have on our Federal lands. So I hope that my colleagues will think very seriously about this amendment. Yes, we need to have the evaluation of it, but we need also to have some more time for it. We need to get more data.

So I strongly oppose this amendment and hope that we will keep the demonstration fee program in effect. It is doing what Congress intended it do. Defeat this amendment.

The CHAIRMAN. The time of the gentleman from Arizona (Mr. KOLBE) has expired.

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

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

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

Mr. VENTO. Mr. Chairman, I will join the gentleman from Arizona (Mr. KOLBE) reluctantly in opposition to this. I have heard some discussion here about authorizing this type of program. The fact is, when I served in the capacity of subcommittee chairman, we tried several times to authorize this type of program. In fact, we did do some authorization with regard to it.

The fact is that some of the fees that are included under this in terms of what I would call user fees, not entrance fees but user fees, are authorized and have long been authorized by the various land management agencies. But they choose, without the moral authority of Congress, to not implement those types of fees.

Because of this fee demonstration program I think they are now into the swing of things. And the fact is as far as the entrance fees in terms of the parks and forests and some of the other areas which are authorized by this and necessary and working, they are dealing with buses, they are dealing with the tour boats that come into Saint Croix, as an example, that were paying no fees in terms of entrance. The buses, they are paying considerable fees now when they go through our various parks and they were paying literally nothing before.

So the fact that it is in place, I would certainly work with the gentleman from Oregon (Mr. DEFAZIO), and others that are concerned about the fact that there is a problem with regards to parking, with regards to user fees and so forth in these various areas. We need to work that out. But the fact is to assume that we are going to keep this authorized or get it reauthorized in the absence of keeping it in this appropriation bill, I think would be a big mistake.

We not only need this; we need the pressure of this type of appropriation to keep the authorizing committee working and doing it. In the absence of that, I think it is going to get lost in the shuffle.

So, I join in opposition to this amendment and in support of this program.

Mr. KOLBE. Mr. Chairman, reclaiming my time, I thank the gentleman from Minnesota (Mr. VENTO) for his comments, and I would point out, as the gentleman mentioned, they have the authority now to have those fees, and that is absolutely true. But the reason they have not all too often is because it takes resources away from the parks or the forests to collect them, someone who could be doing law enforcement or building trails, and they could not keep the money in the park.

Now they have the incentive to do so, because the money gets to stay in the park or national forest to do exactly the kind of maintenance and operational backlog work that needs to be done. So I think the gentleman is exactly correct.

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

Mr. Chairman, today I join with my colleagues, the gentleman from Oregon (Mr. DEFAZIO) and the gentleman from California (Mr. HERGER) to offer a bipartisan, common sense amendment that will put an end to an outrageous tax increase on American families.

Two years ago, the recreational fee demonstration program was slipped into a huge budget bill without adequate hearings or debate. This legislative maneuver authorized a variety of so-called user fees throughout our national forests and our national parks, but these fees are nothing more than regressive taxes on families who can least afford to pay them.

Our amendment will delete this section of this bill that extends the life of these taxes for 2 more years. If our amendment passes, this tax will expire in 1999, as was originally planned. It was planned as a pilot project to see if this is a good way to raise funds for our forests and parks. Before we extend the fee demonstration program, we need to stop and find out if it is a good plan.

Mr. Chairman, in my district this new tax is called the Adventure Pass, and it has truly been a terrible adventure for thousands of my constituents who visit Los Padres National Forest, which is in our backyard up and down the central coast of California.

While it is a very local issue for my district, it affects 40 of the 155 national forests throughout this country. It is in all of our backyards.

Since coming to Congress in March, I have received more angry calls, letters, and e-mails on this topic than almost any other matter of Federal policy, and I brought with me today here a sampling of the letters that I have received from people who have never contacted their Federal representatives on any issue and have been motivated to express their deep concerns to me.

My hometown newspaper, the Santa Barbara NewsPress, which is the largest in the district, has eloquently captured, as colleagues can see the title here, "End the adventure." This is the sentiment for this new tax and this editorial ends with this statement: "The Forest Service should end the Adventure Pass for an extended and permanent hike."

Wealthy people might not think much of paying $5 to take their family for an afternoon hike or a twilight drive to watch the sunset. But for many working families in my district, this tax has basically eliminated a popular recreational activity and diminished our quality of life.

Mr. Chairman, to make matters worse, American families already pay some of their hard earned money to the U.S. Government to maintain our national parks and forests.

□ 1945

This much user fee, therefore, represents a double tax and it is wrong.

Let me be clear. I support adequate funding for the U.S. Forest Service, but let us find more equitable sources for this money. I support the DeFazio amendment that will require mining companies to pay their fair share for extracting profit from the public lands. And I support the Furse proposal to reduce the inflated subsidies paid to timber companies who make their money cutting down trees in public forests.

It is just not fair that our constituents must pay a fee to hike, picnic or see a sunset in our national forests when big logging and mining companies get subsidies for their activities on these same public lands. What this amounts to is a direct subsidy from the pockets of working families to the offices of corporate America, and this is wrong.

Mr. Chairman, I want to make a special appeal to my Republican friends. I have joined many of them to cut other unfair taxes, specifically the capital gains tax. Please join with us today to eliminate the unwarranted extension of an equally egregious tax on working Americans.

Let us end the Recreational Pass Demonstration Project misadventure. This adventure pass which is a misadventure. Let us go back to the drawing board. Let us have hearings on this demonstration program and conduct a full and open debate on its merits.

And perhaps in discussing it we need to separate the parks from the forests, because I believe there are different ways of collecting resources for each of these. And, also, it is a good idea that 80 percent of the fees do come back to

the local entity. But what is our surmise, and actually we have not studied this enough, but people are telling us that half of this amount of money in our local forests goes to enforcing the law; that we have turned our Forest Service workers into meter maids collecting these fees. That is what it appears to be like.

That is what we need to study, and that is why I ask for support for the DeFazio-Herger-Capps amendment.

Mr. REGULA. Mr. Chairman, will the gentlewoman yield?

Mrs. CAPPS. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I would like to quote for the gentlewoman from the Santa Barbara News Press. Their editorial, entitled Adventure Pass Praise, states "Let me start by saying I am proud to have purchased my adventure pass, and I strongly support the concept of user fees in our national forests." They are not a tax, they are user fees.

The CHAIRMAN. The time of the gentlewoman from California (Mrs. CAPPS) has expired.

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

Mr. REGULA. Mr. Chairman, will the gentlewoman continue to yield?

Mrs. CAPPS. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, this editorial is by Mark Lurie, whom the gentlewoman knows. Continuing to quote, "What's the big deal? A carload of people for only $5." That's a carload. Not one person, a carload, for $5. "How much for the same carload to go to the movies, five to seven times the cost?"

The whole editorial says it is a great program. He strongly endorses it. And this, of course, is in the Santa Barbara News Press.

Mrs. CAPPS. Reclaiming my time, Mr. Chairman, I acknowledge the gentleman's letter to the editor. Here are some other letters.

Mr. REGULA. If the gentlewoman will continue to yield, this is an editorial writer.

Mr. CAPPS. Well, this is their official position on this topic at this time. Again, I ask for time to study this idea. I appreciate the gentleman's comments.

Ms. HOOLEY of Oregon. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I join with my colleague from Oregon in his concern about extending this so-called pilot program that charges due fees for patrons who recreate in our national forests and our national parks and use the Bureau of Land Management lands and Fish and Wildlife Services' wildlife refuges.

I have to tell my colleagues that when the subject of pilot projects comes up in my State, people sort of roll their eyes and they go, "Is that Washington-speak for a program that we say we will evaluate and it is supposed to go away but never goes away?" This user demonstration fee program is a perfect example of why so many of my constituents distrust what we do in Washington, D.C.

Again, this program was scheduled to last no more than 3 years. It was to be used in a limited number of sites. These tests were there to provide us with a snapshot view of what happens when we do a pilot program: What does this look like? What are the things good about it, what are the things wrong about it?

But since the time that this pilot program was initiated, it is like somebody added a little bit of yeast and a little bit of sugar and it has just grown and grown and grown. They probably put it in a hot oven, too. Now it is used in over 100 sites and it is a program that is so confusing. I mean if we want to go and use the bathroom, we have to buy a 3-day pass.

I support the parks, and I know we have huge needs in our parks. But what happens is in one of our programs it is not about building new trails, it is not about building new bathrooms. We have somebody who is getting rid of the volunteers so they can add a new person to collect the fees.

And what do we get for these fees? Well, unbelievably, we do not know. Now, of the four agencies that have jurisdiction over this bill, the Forest Service, has made their numbers available to us, and what they show is this program barely pays for itself. So far, 53 percent of the funds that are collected has to be spent on collection costs. I do not think that is a very good deal.

Now, maybe the other three agencies are doing a terrific job, but we do not know, and we will not find out until March of 1999. I would like to have the information before we continue this program. But what I do not think we should do is continue this program. It is sort of like saying, well, what we do not know will not hurt us and we are going to extend the program for another 2 years. I have to tell my colleagues that makes no sense to me.

I think it is time to step back, take a look at the program, look at what works and what does not work. I urge my colleagues to support this amendment.

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

Mr. Chairman, I rise today in strong support of the DeFazio-Herger-Capps amendment which would strike from this bill the automatic 2-year extension of the demonstration program.

Many of us here in the House probably did not even know that we voted to authorize this program back in 1996 when we voted for the Balanced Budget Down Payment Act. And many of us probably would not have known that we were voting to extend the program for an additional 2 years if it were not brought to our attention by this amendment.

Without the passage of this amendment, we will be perpetuating a program that has never had a hearing, never been debated in the committees of jurisdiction, and that is, unfortunately, putting a visit to a national forest, park, or recreation area out of the financial reach of many working Americans.

I just want to give an example of the last point, and that is the Sandy Hook Unit of Gateway National Recreation Area, which is in my district. Sandy Hook is an extremely popular location and is highly valued by its 2.5 million annual visitors. These people come from throughout the New York, New Jersey, Philadelphia metropolitan area to take advantage of the recreational, historical and educational resources at Sandy Hook, including bathing beaches, fishing areas and historic structures.

Sandy Hook has always been really the one place in the area where people of all economic backgrounds have been able to enjoy a day at the shore, and we would like to help them keep it that way. Sandy Hook is a national resource, and as such it should remain affordable to everyone, and that includes moderate and low-income people.

Now, under this recreational fee demonstration program, daily per-vehicle beach user fees at Sandy Hook were doubled as of June 20th of this year from $4 to $8 on weekdays and from $5 to $10 on weekends. Such an increase, in my opinion, is exorbitant. It will put the cost of visiting Sandy Hook out of the reach for many working Americans, in effect turning them away from this national recreation area.

I heard mention that people have not complained about these fee increases. Let me tell my colleagues that many of my constituents have complained to me, and loudly.

I am also concerned about the false promises that have been made to justify the fee demonstration program. The extra money from the Feds is in no way sufficient to satisfy the multimillion dollar backlog of repair and rehabilitation needs at Sandy Hook. The fee demonstration program gives false incentives, in my opinion, to individual park units to raise park fees. The program gives the impression to Sandy Hook visitors that their increased generosity will result in significant park improvements from which they will benefit in the near future, and there is no reason to believe that that is the case at Sandy Hook.

So I would simply urge my colleagues, again I used one example but I know there are many more, I would

urge my colleagues to support this amendment so we can examine this program more closely before considering its extension.

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

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

Mr. HINCHEY. I yield to the gentleman from Oregon.

Mr. DEFAZIO. Mr. Chairman, let us revisit where we are at with this amendment. It does not eliminate this demonstration user fee program, but what it does do is say it will not be extended for 2 more years beyond 1999. Beyond October 1st of 1999.

What it says is we will receive a report, as required by the original demonstration fee program, on 3½ years of data in March of 1999. Then we will know. We will know how much is going to overhead, we will know how well this is working, we will know where the money is being spent, and then we can make decisions.

If, indeed, the authorizers are incapable of acting, and I would question if it is this popular, knockdown popular as everybody says it is, that people are just thrilled to pay this money and they know it is going to a good cause, why would the authorizing committee have any problem in moving a bill? I know the gentleman from Alaska (Mr. YOUNG) would be happy to do that, if it is so popular.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. HINCHEY. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, I would like to remind the gentleman we had the discussion on this issue in the committee last year and the year before. We had this discussion, and if I remember correctly, the gentleman at that time opposed any movement of any bill. Is that correct?

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

Mr. HINCHEY. I yield to the gentleman from Oregon.

Mr. DEFAZIO. Mr. Chairman, I opposed the form which the——

Mr. YOUNG of Alaska. The form. The gentleman opposed it.

Mr. DEFAZIO. It is my time, Mr. Chairman, and I would continue.

So the point here is we are going to get a report in March of 1999. We will know who is good and who is not.

The Forest Service spent 53 percent on administration last year, probably more this year, including law enforcement personnel. A lot of money replacing their newest vandalism, which is the fee signs. The amount of money collected by the Forest Service last year was enough money to meet .06 percent of their backlog. Not 6 percent, not six-tenths of a percent, but 6/100ths of 1 percent of their backlog.

At that rate, yes, in 1,600 years of collections we could meet today's backlogs. But of course there would be a few more backlog projects in the 1,600 years.

Yes, we do need additional funds. They should be appropriated. They should be requested by the administration and they should be appropriated. Perhaps we should ask the mining companies to pay a small fee for using the public lands, as opposed to dumping it on the back of individual taxpayers.

The key thing here is that we are being asked to buy a pig in a poke. We do not know how well it is working or where the money is going. This is just like the previous debate, the debate on the K–V funds, where the gentleman from California (Mr. MILLER) was successful. We are creating an unaccountable slush fund.

And if I am not successful with this amendment, in 2 or 3 or 4 years we will be back with an amendment because of all the money that cannot be accounted for and all of the moving around within accounts and all of the administrative overhead being paid for by this program. We will be back here.

But, no, let us act rationally now. Do not extend it for 2 years. Do not buy a pig in a poke. Let it go on for the next year, get the report in March, and then, even if the authorizing committee is not capable of acting, the Committee on Appropriations could extend the program for another year at that point. If it is so knockdown, dragout popular, and the money is being spent so well, and it is reflected in a report that we actually receive on this program as opposed to hearsay, then I do not think that will be a problem.

But if, indeed, the problems are as bad as a number of us have heard, I think there will be a need for very significant adjustments in this program before we extend it into the next millennium.

I thank the gentleman for yielding.

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

I will be very brief. It is time to vote. I just want to say that nothing that has happened here today in this appropriation bill stops or thwarts the gentleman from doing his job on the authorization committee. He does not have to come here and cry to the appropriators and cry to the Congress. He should just do his job; okay? That is all I am saying. The gentleman has a committee and they have said they will work with him. Go do the job.

The problem we have got is, if we do not extend this thing at this juncture, then next year the thing will expire at the end of the fiscal year. What if we do not get the bill passed by the start of the fiscal year? We are going to have to stop doing these demonstrations all over the country? That would be utterly ridiculous.

I think we should go forward and keep this program going. It is working. And let the gentleman and the authorizers do their job.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. DEFAZIO).

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

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

The CHAIRMAN. Pursuant to House Resolution 504, further proceedings on the amendment offered by the gentleman from Oregon (Mr. DEFAZIO) will be postponed.

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AMENDMENT OFFERED BY MR. BUYER

Mr. BUYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUYER:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act may be used to establish a national wildlife refuge in the Kankakee River watershed in the northwestern Indian and northeastern Illinois.

Mr. BUYER. Mr. Chairman, I would like to extend special compliments to the gentleman from Ohio (Mr. REGULA) and the gentleman from Illinois (Mr. YATES) not only for this bill, but I appreciate their willingness to work this out.

Right now in northwest Indiana and northeast Illinois, there are two existing projects with regard to the Kankakee River Basin. One is a Corps of Engineers study, and the second is a U.S. Fish and Wildlife project referred to as the Grand Kankakee Marsh National Wildlife Refuge.

The location and size with regard to this, the Kankakee Watershed drains a total of 5,167 square miles. That is 2,990 square miles in Indiana, 2,177 square miles in Illinois, and 7 square miles in Michigan. The watershed extends to the high waters of the Kankakee River near the City of Southbend, Indiana, to its confluence with the Des Plaines River near Kankakee and the Des Plaines River southwest of Joliet, Illinois.

The Kankakee River Basin area of northwest Indiana and northeast Illinois has been suffering from extreme flooding and siltation for many years. The river back at the turn of the century would meander and then there would be low-level lakes and then it would meander again.

Indiana dredged and straightened the river in Indiana, which has caused the siltation to build up in Illinois, and the river to flood. This brought on years of lawsuits between Illinois and Indiana.

I was pleased to work with Senator LUGAR and Senator Simon, TOM EWING of Illinois, and others, to help put an end to the court cases, and instead look for a long-term solution.

We were able to secure authorization and funding for an Army Corps of Engineers study to address the flooding and environmental concerns.

The Corps is currently in the feasibility study stage. Through the bipartisan cooperation of Congressmen CONYERS, VISCLOSKY, ROEMER, TOM EWING, JERRY WELLER, and myself, the House this year appropriated $940,000 for the second phase of the feasibility study.

WILDLIFE REFUGE

In 1996 the Fish and Wildlife Service contacted my office to inform us of their plans to look into designating a wildlife refuge in the Kankakee river basin area.

Since then, I, along with Congressmen WELLER, EWING, VISCLOSKY, and ROEMER, have been active in (1) ensuring that the local residents are well informed of the Service's plans and intentions, and (2) that the Service address their concerns.

We asked the Service to hold two hearings, one in each State, to listen to the locals' concerns and to take them into consideration as they examine whether to establish a wildlife refuge in the area. In Indiana alone, over 600 people showed up to learn more about the project and to express their views.

The local residents are rightly concerned about the impacts upon their properties and lives, and have not received answers to their questions and concerns.

It is not appropriate for the Service to push for the establishment of the refuge and for federal funding before the outstanding issues have been resolved.

SOLUTION

I believe that a solution can be found which will integrate the Corps findings and construction with the Service's refuge. By meshing them together, solutions can be found to address the (1) flooding, (2) siltation, and (3) environmental restoration problems.

I have been working with the Corps and the Service to get these two agencies to work together in a compatible manner.

In response to my efforts, Director Clark sent a letter to me, stating that the Service, "will not finalize the draft Environmental Assessment for the refuge proposal until we have ensured, in a mutually satisfactory manner, that effective coordination has occurred between the Service and the Corps on these two projects."

Until that occurs, it would be irresponsible and premature to designate federal funds for land acquisition for the proposed refuge.

Therefore, I am offering this amendment which will limit funds under this bill to be used for the designation or land acquisition of proposed refuge in the Kankakee River Basin. I have no intention by this amendment to prevent the U.S. Fish and Wildlife from expending funds in the planning function of its proposal to protect biodiversity in the Kankakee River Basin.

I urge the adoption of this amendment which will help ensure a common-sense solution.

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

Mr. BUYER. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, we are prepared to accept the amendment.

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

Mr. BUYER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, let me ask the gentleman. Is this a proposal by the Fish and Wildlife Service? Is that what I understand?

Mr. BUYER. Mr. Chairman, reclaiming my time, there is an existing proposal by Fish and Wildlife. I have two projects at once. I have a Corps of Engineers study, and then the U.S. Fish and Wildlife has a study.

Let me do say this, though, that would be important for me to say. I have no intention by this amendment to prevent the Fish and Wildlife from extending funds in the planning function of its proposed project to protect the biodiversity.

Mr. DICKS. If the gentleman would yield further, so they can go ahead and do the planning?

Mr. BUYER. They can go ahead and do the planning. They cannot go in and designate and purchase lands.

Mr. DICKS. At this juncture. Because this would be one of the rare times when somebody does not want to have a wildlife refuge in their district.

Mr. REGULA. If the gentleman would continue to yield, I understand that the gentleman from Indiana (Mr. VISCLOSKY) supports the amendment and the gentleman from Illinois (Mr. YATES) accepted the amendment.

Mr. DICKS. We will agree to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. BUYER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MC DERMOTT

Mr. McDERMOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDERMOTT:

Page 118, beginning at line 8, strike section 333 (and redesignate the subsequent sections accordingly).

Mr. McDERMOTT. Mr. Chairman, this amendment will strike an unwise legislative rider intended to halt the National Environmental Protection Act's planning process by terminating the Interior Columbia Basin Ecosystem Management Plan.

In 1993, the then Speaker of the House Tom Foley, reacting to a legislative gridlock that had been developed in this whole process, and the Clinton administration together sought to develop a "scientifically sound and ecosystem-based strategy for east side forests." Those are forests in the eastern two-thirds of the State of Washington, and Oregon and Idaho and Montana.

The Forest Service and the BLM jointly established the Interior Columbia Basin project, which includes 72 million acres of public lands in eastern Oregon, Washington, Idaho, and parts of 4 other States.

The intent of the project is to provide long-term management direction for 35 national forests, 17 Bureau of Land Management districts, ultimately amending 74 land management plans in a coordinated plan.

The Interior Columbia project builds upon the science of the Northwest Forest Plan, the Sierra Nevada Ecosystem in California and other regionwide efforts. What we have learned from those experiences is that individualized land management plans have failed to address systemwide problems like the protection of endangered salmon and other species.

Currently, the Federal agencies in the Interior Columbia Basin are operating under short-term directives to address anadromous fisheries and other issues. The risk of terminating the overall plan as proposed by this rider is that resource activities on these lands will shut down under a cloud of litigation as was the case of the west side forests in Washington and Oregon.

In May 1997, the BLM and the Forest Service released two draft EISs for public comment. One EIS applied to eastern Washington and Oregon, the other to the Upper Columbia Basin for Idaho and other States. Public comment on these drafts have been extensive.

Frankly, I do not think that the draft-preferred alternative in these plans goes far enough in protecting old growth, roadless and riparian areas. The science, for example, clearly supports concentrating active management in the more degraded road areas rather than the roadless regions.

The science, moreover, shows that many areas and many resources in the project area are in serious trouble and will get worse under current management plans.

So while I do not endorse the preferred alternative in the draft plans, I strongly endorse the process. It will be a serious mistake to terminate this project now as the sponsors of this rider propose.

Let me conclude by quoting from an analysis of the rider prepared by the Department of Interior—quote:

> The effect of the House rider would be to terminate the project, wasting 5 years' worth of scientific inquiry, taxpayers' resources and project staff time. Limitations on the use of funds as called for in the action would, by implication, make it illegal to publish the decision documents in which 5 years' worth of planning and community involvement were intended to culminate. Enactment into law of this provision would guarantee a continuing legal stalemate in the project area, with the outcome being the substitution of endless court battles for the sound management of natural resources.

Both the Departments of Agriculture and Interior strongly oppose this rider and OMB has issued a veto threat if this rider is included in the bill. I urge Members to support sound management of natural resources by voting against this amendment. I urge Members to support this amendment which strikes section 333.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, June 24, 1998.

Hon. BOB LIVINGSTON,
Chairman, Committee on Appropriations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The purpose of this letter is to provide the Administration's views on the Department of the Interior and Related Agencies Appropriations Bill, FY 1999, as approved by the House Subcommittee. As the Committee develops its version of the bill, your consideration of the Administration's views would be appreciated.

The Administration appreciates efforts by the Subcommittee to accommodate certain of the President's priorities within the 302(b) allocation such as funding for national park operations. However, the allocation is simply insufficient to make the necessary investments in programs funded by this bill. As a result, a variety of critical programs are underfunded, as discussed below, and the National Endowment for the Arts (NEA) is terminated.

The only way to achieve the appropriate investment level is to offset discretionary spending by using savings in other areas. The President's FY 1999 Budget proposes levels of discretionary spending for FY 1999 that conform to the Bipartisan Budget Agreement by making savings in mandatory and other programs available to help finance this spending. In the recently enacted Transportation Equity Act, Congress—on a broad, bipartisan basis—took similar action in approving funding for surface transportation programs together with mandatory offsets. The Administration urges the Congress to consider such mandatory proposals for other priority discretionary programs.

In addition, the Administration urges the Committee to pass a clean bill that does not attempt to roll back environmental protections and circumvent the proper process by attaching riders to appropriation bills. The Subcommittee failure to fund the NEA, its underfunding of other priority programs, and its inclusion of damaging riders, such as the provisions concerning the Interior Columbia Basin Ecosystem Management Project and the road easement in Alaska's Chugach National Forest, would lead the President's senior advisers to recommend a veto if the bill were presented to the President in its current form.

Below is a discussion of our specific concerns with the Subcommittee. We look forward to working with you to resolve these concerns as the bill moves forward.

NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES

The Administration strongly objects to the Subcommittee's elimination of funding for the National Endowment for the Arts (NEA) as well as to the Subcommittee's reduction in funding for the National Endowment for the Humanities ($26 million below the President's request) and the Institute for Museum and Library Service ($3 million below the President's request). The elimination of the NEA would result in the loss of important cultural, educational, and artistic programs for communities across America.

DEPARTMENTS OF THE INTERIOR AND AGRICULTURE

Interior Columbia Basin Ecosystem Management Project (ICBEMP). The Subcommittee has included a rider that would terminate this high priority interagency effort ICBEMP is an ecosystem planning project that will cover 72 million acres of Forest Service and Bureau of Land Management lands in the states of Oregon, Washington, Idaho, Nevada, Utah, Wyoming, and Montana. The environmental impact statement and the record of decision are scheduled to be finalized by mid-1999. The Bureau of Land Management and the Forest Service are now working under short-term directives to address anadromous fisheries (PACFISH), native fisheries (INFISH), and mature forests in Oregon and Washington (Eastside Screens). The Project will replace these interim directions with a coordinated, long-term management strategy that will foster both conservation and resource use and development. Replacing current interim measures with a long-term plan will provide necessary long-term protections for aquatic species. The shared environmental planning goals of the region can be effectively translated into individual forest and land management plans only through a coordinated process such as the ICBEMP, and this process provides more certainty to those who make their livelihoods from the Federal lands and live in the region.

Land and Water Conservation Fund. The Administration strongly objects to the Subcommittee's deep cuts in land acquisition funding to protect our national parks, forests, refuges, and public lands. The Subcommittee has reduced by almost half the $270 million requested, with Everglades land acquisition funds cut by 75 percent. This drastic reduction in funding, in combination with the Subcommittee's silence on the promised congressional release of the $362 million appropriated in FY 1998 for Federal priority land acquisitions, would prevent the Administration from making significant land acquisitions such as Cumberland Island National Seashore in Georgia, West Eugene Wetland in Oregon, Channel Islands National Park in California, the Appalachian Trail, and the Valles Caldera in New Mexico.

Clean Water Initiative. The Subcommittee has failed to provide the majority of the requested $128 million increase for Interior and the Forest Service to implement the Clean Water Action Plan. These reductions would prevent the initiation of watershed improvement and planning projects on public lands, including the remediation of abandoned hardrock mines, a serious source of water pollution in the West. The reductions would also curtail plans to increase research, assessment, and monitoring activities designed to help us understand the sources, transport and fates of non-point contaminants.

FY 1999 INTERIOR APPROPRIATIONS BILL: EFFECTS OF HOUSE AND SENATE ACTION ON THE INTERIOR COLUMBIA BASIN ECOSYSTEM MANAGEMENT PROJECT

BACKGROUND

At the direction of President Clinton in July 1993, the Interior Columbia Basin Ecosystem Management Project (Project) was initiated by the Forest Service and the BLM to respond to landscape-scale issues, including forest and rangeland health, the listing of Snake River salmon, bull trout protection, economies of local communities, species associated with old forest structure, and treaty and trust responsibilities to American Indian tribes.

While the project area includes over 144 million acres in the interior Columbia River Basin, the Upper Klamath, and parts of the Great Basin, the project would apply only to the approximately 72 million acres of public land administered by the Forest Service and BLM in the geographic area.

Two draft environmental impact statements were released for public comment in May 1997: the Eastside EIS for eastern Oregon and Washington, and the Upper Columbia River Basin EIS for Idaho and portions of Montana, Wyoming, Utah, and Nevada. These EISs outline seven ecosystem management alternatives that replace, where applicable, interim conservation strategies in up to 74 land and resource management plans. The preferred option of the DEIS-Alternative Four, announced on April 23, 1997—aims to "aggressively restore ecosystem health through active management using an integrated ecosystem management approach."

Public involvement has been a cornerstone of the project, with over 200 public meetings to date, a newsletter, an Internet home page, and a mailing list of over 8,000 people. The public comment period on the EISs was extended three times, and closed on May 6, 1998.

A Steering Committee of regional executive from land management, science, and regulatory agencies guide the project. An interagency team is located in Walla Walla, Washington, and Boise, Idaho. The team and Steering Committee have met periodically with various tribal governments. County governments have been active participants throughout the process.

After the final environmental impact statement is completed, the Record of Decision will have the effect of amending or completing conformance determinations on individual land use plans for each of the 48 administrative units of the BLM and the Forest Service.

COMPLIANCE WITH RECENT CONGRESSIONAL DIRECTION

Sec. 323 of the FY 1998 Interior appropriations bill modified a provision included by the House which required the Secretaries of Agriculture and Interior to analyze the economic and social conditions of communities within the Project area. This analysis was to be published for pubic comment and later incorporated into the final EISs. The two departments published and circulated this "socioeconomic analysis" in March, 1998.

The 1998 appropriation also provided that the two Secretaries submit a report—prior to the release of the FEISs—that provides a description of all planned "project decisions," the costs and time required to make those decisions, and an estimate of goods and services to be produced from Federal lands in the Project area over a 5-year period. The two departments fully intend to comply with this provision, though it should be noted that satisfying this requirement will significantly extend the Project planning timeline.

STATEMENT OF ADMINISTRATION POLICY

(This statement has been coordinated by OMB with the concerned agencies.)

H.R. 4193—DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1999

(Sponsors: Livingston (R), Louisiana; Regula (R), Ohio.)

This Statement of Administration Policy provides the Administration's views on H.R. 4193, the Department of Interior and Related Agencies Appropriations Bill, FY 1999. Your consideration of the Administration's views would be appreciated.

The Administration urges the House to pass a clean bill that does not attempt to

roll back environmental protections and circumvent the proper public process by attaching riders to appropriation bills. Regrettably, the Committee bill under-funds priority programs and includes damaging riders, such as the provision concerning the Interior Columbia Basin Ecosystem Management Project. In addition, it is our understanding that, if adopted, the rule for consideration of the bill will permit a single Member to strike all funding for the National Endowment for the Arts. Based on these concerns, if the Committee bill, as modified by the rule and associated motion, were presented to the President, the President's senior adviser would recommend that he veto the bill.

The Administration appreciates efforts by the Committee to accommodate certain of the President's priorities within the 302(b) allocation such as funding for national park operations. However, the allocation is simply insufficient to make the necessary investments in programs funded by this bill. As a result, a variety of critical programs are under-funded. The only way to achieve the appropriate investment levels is to offset discretionary spending by using savings in other areas. The President's FY 1999 Budget proposes levels of discretionary spending for FY 1999 that conform to the Bipartisan Budget Agreement by making savings in mandatory and other programs available to help finance this spending. In the Transportation Equity Act, Congress—on a broad, bipartisan basis—took similar action in approving funding for surface transportation programs together with mandatory offset. The Administration urges the Congress to consider such mandatory proposals for the other priority discretionary programs.

Below is a discussion of our specific concerns with the Committee bill. We look forward to working with the House to resolve these concerns as the bill moves forward.

DEPARTMENTS OF THE INTERIOR AND AGRICULTURE

The Administration appreciates the Committee's funding of maintenance programs, particularly those for health and safety, in Interior's land management agencies. However, the Administration strongly objects to inadequate funding provided by the Committee for high priority programs within the Department of the Interior and the Department of Agriculture, including Committee actions that would: reduce by more than half the $270 million requested from the Land and Water Conservation Fund to protect our national parks, forests, refuges, and public lands, with Everglades land acquisition funds cut by 75 percent. This drastic reduction in funding would prevent the Administration from making significant land acquisitions such as Cumberland Island National Seashore in Georgia and West Eugene Wetland in Oregon; provide no funding for the Millennium program protecting artifacts of our National heritage (see discussion below); deny most of the requested $128 million increase for Interior and the Forest Service to implement the Clean Water Action Plan; fail to provide the requested $15 million for the Disaster Information Network providing enhanced data to protect Americans; deny $29 million of the $36 million increase requested for the Endangered Species funding, including landowner incentive grants; fail to provide requested increases for the Bureau of Indian Affairs education operations and construction, the Indian Country law enforcement initiative, and the land consolidation pilot project and other trust system reforms; provide little or no funding for hazardous fuels reduction in most of California by allocating a disproportionate amount of available funds to the "Quincy Library Group" project in California; make significant reductions to the Forest Service's Wildlife and Fisheries Management, Rangeland Management, and Watershed Improvement programs, which would limit rangeland vegetative restoration and limit watershed improvements with approximately 12,250 fewer watershed acres protected or restored; and, eliminate the Forest Service's Stewardship Incentive Program and significantly reduce its Forest Legacy Program. Both of these programs support local communities and private landowners and effectively leverage Federal funds.

Forest Service General Administration. The rule would shift $67 million from General Administration to wildland fire suppression. This is unnecessary since the Committee mark is at the request level and a $250 million contingency is available for use if necessary. Such a transfer would deprive individual national forests of important on-the-ground natural resource management capability, delay needed Forest Service computer system and financial accountability improvements, and unwisely eliminate key agency leadership positions.

Priority Land Acquisition Funding. The Administration objects to the Committee's continued inaction on the promised congressional release of the $362 million appropriated from the Land and Water Conservation Fund in FY 1998. As requested by Congress, the Administration has submitted a list of proposed land acquisitions. In response, the Committee has not only held back the FY 1998 Title V funding but also has funded some items on the Administration's FY 1998 list with FY 1999 funding, resulting in critical acquisitions planned for both years being delayed and unfunded.

Millennium Program. The Administration strongly urges the House to provide funding in FY 1999 for the "Millennium Program to Save America's Treasures." The Committee has failed to provide any funding for this important effort. The President's budget requests $50 million to increase the Historic Preservation Fund to make a special effort to preserve our history and culture as we enter the new millennium. This program is designed to leverage Federal, State, and private funding to have the greatest collective impact on our rapidly deteriorating national treasures.

Purchaser Road Credit Program. The Administration fully supports the Committee's decision to eliminate the Purchaser Road credit program. The Committee bill includes a provision that would ensure that the value of road construction by purchasers continues to be included in calculations for the Payments to States. To permit increased certainty and better local planning more directly, we urge the House to adopt the Administration's proposal to provide a high, fixed level of payments to States.

Timber Sales. The Administration objects to the increase of $12 million over the request for timber sales in order to produce 3.6 billion board feet, 200 million board feet over the budget estimate.

LANGUAGE PROVISIONS

The Administration strongly objects to certain language in the Committee bill, including provisions that would: unwisely terminate the Interior Columbia Basin Ecosystem Management Project in six Northwest States, forcing individual amendments to 74 land management plans; remove 75 acres in Florida from the coastal barrier protection system, providing taxpayer subsidies for private development of environmentally fragile barrier islands; prevent the BIA and the Indian Health Service from entering into any new or expanded self-determination "Section 638" contracts or self-governance compacts with tribes, contrary to our government-to-government policy; prohibit improvements—even planning or design of improvements—to Pennsylvania Avenue in front of the White House; transfer the jurisdiction over the valued Land Between The Lakes National Recreation Area from the Tennessee Valley Authority, where it has been successfully managed for over sixty years, to the U.S. Forest Service, a disruptive change that would involve additional transition costs without improving service; and, impose a road easement across the Chugach National Forest in Alaska, thereby preventing the Government from making modifications to protect the environment while authorizing environmentally damaging management practices and undermining an ongoing discussion to determine the most appropriate road corridor based on a 1982 agreement.

INDIAN HEALTH SERVICE (DEPARTMENT OF HEALTH AND HUMAN SERVICES)

The Administration is concerned that the Committee has not included a $10 million increase requested for prevention and treatment of alcohol/substance abuse and breast/cervical cancer, which is part of an HHS-wide effort to reduce health disparities in minority populations. The Administration intends to work with the Congress to fund these important initiatives within funds available for the Indian Health Service. The Administration is also concerned that the Committee has included authorizing language, without hearings or tribal consultation, that would require contract support costs to be distributed to tribes and tribal organizations on a pro-rata (proportional) basis.

DEPARTMENT OF ENERGY

The Administration strongly objects to the House's severe reduction to the Department of Energy's Energy Conservation program. While the Committee mark appears to be $18 million higher than the FY 1998 enacted level ($630 million vs. $612 million), it includes $43 million for a program that previously has been funded in the Fossil Energy R&D account. The House's funding for the programs traditionally included in the Energy Conservation Account is $587 million, a cut of $25 million from the FY 1998 level and a reduction of $222 million from the President's request of $809 million. Within this reduction, particularly severe damage is done to the Partnership for a New Generation of Vehicles (PNGV), for which the Committee mark is $14 million (roughly 10 percent) less than the current appropriation and $45 million below the request.

These cuts would eliminate all of the Administration's requested increase in Energy Conservation for development of technologies to improve industrial, transportation, and building efficiencies and to reduce carbon emissions. The inclusion of several special-interest earmarks in the Committee Report also would reduce the President's ability to gain maximum benefit from the available funds. The inclusion of the $43 million in the Energy Conservation account to fund a utility-scale turbine program that would continue to be managed by the Fossil Energy program is an inefficient management practice that would dilute accountability and should be avoided.

The Committee mark eliminates all of the funding requested for the Energy Information Administration to work on carbon emissions accounting and analysis ($2.5 million), and eliminates all of the requested increase in Fossil Energy R&D for high-priority carbon sequestration research ($10 million). The President's budget also requested $36 million for payment to the State of California for the Retired Teachers System, which is not included in the Committee mark. The Administration prefers that this payment be appropriated consistent with P.L. 104–106.

The Administration would like to work with the Congress to restore fundings to these important Department of Energy programs as the bill moves through the process.

NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES

The Administration appreciates the Full Committee's restoration of funding for the National Endowment for the Arts (NEA). The Administration strongly objects to striking NEA funding and strongly supports the amendment to restore such funding. We urge the House to provide funding for NEA and NEH at the President's requested level of $136 million each and for the Institute for Museum and Library Services at the requested level of $26 million.

YEAR 2000 COMPUTER CONVERSION

In the FY 1999 Budget, the President has requested more than $1 billion for Y2K computer conversion. In addition, the budget anticipated that additional requirements would emerge over the course of the year and included an allowance for emergencies and other unanticipated needs. It is essential to make Y2K funding available quickly and flexibly. The House action striking the emergency fund in the Treasury and General Government Appropriations bill is very troubling, particularly in light of several Subcommittees, including the Interior Subcommittee, deciding to not fund the base Y2K request for several agencies.

SMITHSONIAN INSTITUTION

The Committee's $397 million overall funding level for the Smithsonian, which is $22 million less than the Administration's request, would prevent the Institution from addressing current pressing needs. The Administration is concerned with the lack of support for the Smithsonian's National Museum of the American Indian. The Administration encourages the Committee to provide the $16 million request for the construction of the Museum on the Mall, as well as the full $11 million requested for the programs and operations of the Cultural Resources Center. In addition, the Administration urges that the $3 million request for digitization of Smithsonian exhibits be restored.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

The Administration urges the House to provide the full $33 million requested for the Kennedy Center. In particular, we ask that the Committee provide the full construction request of $20 million, which is also included in the Administration's pending authorization bill.

HOLOCAUST MUSEUM

The Administration urges the House to provide the full $32.6 million requested for the Holocaust Museum.

INFRINGEMENT ON EXECUTIVE AUTHORITY

There are several provisions in the Committee bill that purport to require congressional approval before Executive Branch execution of aspects of the bill. The Administration will interpret such provisions to require notification only, since any other interpretation would contradict the Supreme Court ruling in *INS* vs. *Chadha*.

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

Mr. Chairman, I rise in very strong opposition to the McDermott amendment, for a number of reasons. I have been listening to my colleague from Washington State make mention of the reasons why he supports his own amendment. Obviously, he does, and I respect that.

However, let me put a clear perspective on this study, and that is exactly what it is, Mr. Chairman, it is a study.

In 1993, without authorization, and I say that again, without any authorization, without one single hearing, without any consideration by the authorizing committee of this Congress, some money was stuck into an appropriations bill to do a study of Washington and Oregon to look at the so-called ecosystem of these two regions relative to endangered species.

What developed from that ministerial duty, I will say, of putting some money in and saying let us do a study, has developed into a 7-State, 144 million acre monstrosity. Volumes of documents and scientific analyses have apparently been done, and so now this so-called initial study on the short-term has taken on a life of its own that has become a nightmare in the Pacific Northwest and in the 7-State region that this study encompasses, all in the name of so-called ecosystem management.

Let me tell my friends why this is so serious to the Pacific Northwest and all the Western States. It is a study that is never ending. It is a study that will cost the taxpayers an estimated $1.25 billion over the next 10 years.

The country has already spent $40 million on a study, a study, that has now created volumes of documents, staff galore, a lot of bureaucracy frankly, in the name of ecosystem management.

What this amendment does is essentially continue this bureaucracy that has existed since 1993, at a cost of $40 million unauthorized.

Let me tell my colleagues who is against this amendment by the gentleman from Washington (Mr. MCDERMOTT): The National Labor Management Committee, the Pulp and Paperworkers, which consists of the pulp and paperworkers and the carpenters and the machinists. It is opposed by 65 percent of all of the county governments of the 7-State, 144 million acre region.

I have that documentation right here, the Western Legislative Forestry Task Force, have all of the counties that oppose this study and oppose the continuation of the expense of this study. Here is volumes of material, letters and messages saying this study has gone beyond its original expectations; it is going to ruin the Pacific Northwest and the 7-State region, not only from a resource management standpoint but from a private property rights standpoint.

What we need to do in this case is reject the McDermott amendment and allow the amendment that we put into the subcommittee that passed without any objection, went to the full appropriations subcommittee without any objection and now is here on the floor, again without one hearing by the authorizing committee, a $40 million cost to the taxpayers already.

What we do is we say, let us terminate this project. Let us use the science. I object to my colleague asserting that the science is wasted. It is not. Particularly in our amendment, it says, let us use the science that has been accumulated. Let us also use the social and economic information that has been accumulated to make sure we do not ruin the small communities of the Pacific Northwest, the timber communities and the resource areas of our great part of the world.

What this amendment will do will be to perpetuate the bureaucracy, and I must say the environmental community is not pushing this. They do not like the study, the east side ecosystem study, the Interior Columbia Basin study for different reasons that I do not like it, but they still do not like it. They are not here on board supporting the McDermott amendment, to my knowledge. It is the White House, and it is Mr. GORE's office who really is pushing for this concept nationwide, worldwide, of ecosystem management, and the test case, the test place for it, is the Pacific Northwest.

So I would say to my friends, to my colleagues, we must reject this amendment. It is a destructive amendment to the way of life of people in the Pacific Northwest. It is a waste of taxpayers' money to continue this massive study that has gone beyond its original purpose. It is opposed by labor. It is opposed for other reasons, I am informed, by the environmental community, and what we need to do here is oppose this amendment so that we can be sure that there is a way of life in the Pacific Northwest relative to resource management.

There is nothing in the ecosystem study that prevents lawsuits, but it does allow the scientific information to be used in the forests that are affected by this scientific information. I think it is significant that 65 percent of the county governments, which were supposed to be an integral part of this study and its findings, have rejected the findings and the study and the continuation of the study by the Department of Interior and its land agencies.

So I know there are other Members here who want to speak out on this

today because it is a very serious breach, in my judgment, of the initial expectation of this study and it is a breach of the property rights of those of us in the Northwest who want to preserve the environment but also not shut down the entire forest system and public land system in the Pacific Northwest in the 7-State region containing 144 million acres that are covered by this study.

So I implore my colleagues, reject this amendment. Make sure that we preserve the resources of the Pacific Northwest.

□ 2015

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

Mr. Chairman, I join in the comments of the gentleman from Washington. This study that was undertaken several years ago has ended up moving from a study that was supposed to last for 9 months and cost only $5 million, has now moved into a study of 4 years in duration and has cost $40 million.

Mr. Chairman, that is a 700 percent increase, 700 percent over budget. The McDermott amendment continues to fund this project, a project that environmentalists hate, that industry loathes, that private property owners fear, and that very frankly local Forest Service and BLM employees say cannot be implemented. When I go home, and even in work back here, I have had so many Forest Service people say, "Please don't run this over the top of us. Please don't implement this ICBEMP," as they call it. Why do we want to continue to fund a project that is unacceptably overdue, over budget and cannot be implemented? The land managers themselves tell us, "Please don't implement this. It won't work."

The problem with this program is that what started out to be a study now will end up to be a superagency, imposing itself over a number of States and imposing restrictions on State water rights and private property rights. It also will lead to a paralysis of analysis in terms of getting our forest plans out.

What we can do in this case is to oppose the McDermott amendment. By opposing the McDermott amendment, we empower the local Forest Service and the BLM managers to again use the science and information gathered during this very intensive and extensive multistate project and multiyear project to create custom-fit solutions instead of forcing them to accept a one-size-fits-all Federal fiat that cannot be implemented at all.

Do we really want to support an amendment that will lead to more litigation and more gridlock and no improvement in land management? I do not think so. Or do we want results and better managed lands and local solutions? I think we do. It is better for our land and our communities. The McDermott amendment is bad policy and it is bad for the health of our land. I urge the opposition of the McDermott amendment. Please vote "no."

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

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Washington. It is a sound amendment, it is an important amendment and it is one that as he has pointed out is in opposition to the rider in this legislation that would throw overboard essentially this plan, it would terminate this plan, it would require the closing of the office and would not let us get to the final status of the EIS report. To do so is to stick our heads in the sand and to pretend that we have learned nothing in the last 25 years.

The gentleman from Washington (Mr. MCDERMOTT) comes from the region. He was here at the center of much of the controversy around the spotted owl where we started to learn a lesson because of piecemeal management, of uncoordinated management, of one agency not talking to the other agency, of the various departments and agencies that are responsible for land management doing their own thing, if you will, while not taking into account the impacts upstream, downstream or on other resources in the area. This effort is to remedy that situation.

Why do we do that? We do that because we have learned that if we do not do this, the region will be thrown into turmoil. It will be thrown into turmoil because once again we will be warned as we were with the spotted owl of the decline of the resource base in the area. What will that do? That will then force us back into court. That will force us back into litigation. This is an effort based upon a region-wide basis, on an ecosystem-wide basis to come to grips with all of the problems that are causing the decline in the various resources in the area and their impacts on fish and wildlife, their impacts on the total environment in that area. The same effort is being made in the Everglades of California; the same effort is being made in the Central Valley, in the Sacramento San Joaquin Delta in California, because we know that what happens 100 miles upstream dramatically impacts downstream. We know now that commercial fishermen on the coast of California are impacted by the cut in the forest that is 150 miles away. We know if we cut on the steep slopes as we have been doing for many, many years, we will experience landslides, we will experience the filling in of the streams and we will experience the diminishing of the fish population. We know that now. We have learned that.

Many people have said that this is over the top of the Forest Service. If you look on the front of the report, if you look on the status of the Interior Columbia Basin, on the cover is the Forest Service, is the Bureau of Land Management, is the Department of Agriculture. Why? Because all of those local land managers were brought in just as we did in the gymnasium in the Pacific Northwest where we brought together these people and we started to make them talk to one another, talk about what they needed in terms of resource management in their area, what they expected in cuts, what they could sustain, what they thought the productivity would be of the lands and make that fit and coincide with what was happening elsewhere in the region. The result of that is a greater recognition of how badly devastated this region in fact is. Because there are not many people arguing with the science of this report. Even the authors of this rider suggest that the science is valid, that it should be distributed to the local agencies on a site-specific basis and they can do what they want.

What does the science tell us? It tells us that they have a road system that is in absolute disarray, that is in decline, that is not able to maintain the maintenance because of declining budgets, and there is progressive degradation of the road and the drainage structures and increases in erosion.

What does it tell us about the integrity of the aquatic systems? It says if this is an important goal of this region, and there is nobody from this region that believes that the integrity of the aquatic systems is not an important goal in the Pacific Northwest, then dramatic and decisive action is required to stop further alterations and restore the areas that are already degraded.

What does it say about the ecosystem integrity of this vast region of the Pacific northwest? Sixty percent of these lands are of low ecological integrity value. That is why we did the science. Because we have learned from the train wrecks and the disasters of litigation, of shutting down industries, of invoking the Endangered Species Act time and time again until a region is so bound up in controversy that you start to lose your economy, you start to lose your tourism, you start to lose the uses of these lands.

This is an effort to do it right the first time, to recognize the mistakes that were made in the past. That is why this administration feels so strongly about this rider.

The CHAIRMAN. The time of the gentleman from California (Mr. MILLER) has expired.

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

Mr. MILLER of California. Mr. Chairman, we have an opportunity to do it right. One of the reasons this has been so extensive is because my colleagues

on the other side, rightfully so, we were doing this in the Sacramento San Joaquin Delta in the Central Valley of California, the agencies were directed to go out and to meet and to confer and to deal with local governments, with the site managers on the public lands, on the forests and the resource agencies and to take this into account and to work with these people. That is very extensive. It is also a very expensive proposition. If we had not done that, we would have obviously been criticized, the report would have been criticized for not consulting with these individuals. Now, it would have been less expensive but we would have found another basis on which to criticize the report. But the point is that people understand that the science here is valid.

I appreciate just as we did not like to hear in our region of California that we would now have to spend $1 billion correcting the past mistakes if we are in fact going to protect the San Francisco Bay and the San Francisco Delta and be able to provide for agriculture in the Central Valley. We got bad news, too. So did the people in the Everglades because of the history of terrible actions. They now have to go back and repair that. This is an opportunity to go back and to restore the environmental integrity of this region and forgo the litigation. This rider is simply Christmas in July for the attorneys.

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

Mr. MILLER of California. I yield to the gentleman from Washington.

Mr. NETHERCUTT. Mr. Chairman, I would make a point to the gentleman. The estimate is that it will cost $125 million a year to implement any scientific findings and there is, in this study, no prevention from there being any litigation. Does the gentleman realize that?

Mr. MILLER of California. I understand that. And that is the whole budget. The gentleman from Ohio (Mr. REGULA) has been besieged by people all day who said the real cost of this is $350 million. He only had $26 million. We are going to do the best we can. This delegation will have to make a decision. We have a big bill and the Everglades has a big bill and other places have a big bill that are going through this. Every year we are asking for money and we are making it and we are trying to make the decisions and work in the worst areas first and we are setting those priorities. It is all a big bill. Why? Because we have made some horrible mistakes. Many of those mistakes were made out of ignorance. We did not know the science. We did not know the ramifications of those actions. Today we cannot plead ignorance. That is why this study, the EIS is so terribly important to making the kind of progress necessary in the Pacific Northwest.

Mr. NETHERCUTT. If the gentleman will yield further, I do not know if the gentleman knows that there was a hearing between the Senate and the House of these land agencies.

The CHAIRMAN. The time of the gentleman from California (Mr. MILLER) has again expired.

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

Mr. NETHERCUTT. The testimony was that if they could not get the money, and this budget is strapped, they would do nothing. So, therefore, the forests deteriorate more and they are stuck sitting there without any kind of a management plan as long as this study continues.

My argument is, let us use the science that is there and let the managers on the ground implement these plans and take the findings and get something done rather than wait.

Mr. MILLER of California. I would just say to the gentleman that that is not free and the science dictates that same. This study is very involved in a very, very active management program. Your solution is not necessarily any cheaper. We just happen to think that the provision of the study and the follow-on EIS is simply much better coordinated and may in fact be somewhat less expensive in the long run if these people are in fact working together as opposed to just rolling back the clock to how we used to do business, where all of these 75 different land management agencies just go back to sort of what they were doing before.

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

Mr. Chairman, I really do not quite know how to start after hearing the gentleman from California, the debate on this and hearing the gentleman from western Washington with his remarks, but let me put it in perspective from my point of view. What we have heard so far on those that are proponents of this amendment are ironically people that do not live in the area that is affected. I suppose that is not unusual when we talk about resource issues. But I think in this particular case it would be worthwhile to find out from those of us that represent the people that live in this area and the potential impact that it has on them.

Let me back up to when I got involved in this issue. This came about in 1993 or 1994. Obviously when I was elected to this body in 1994, it was brought to my attention by local people, local county commissioners, and they were asking questions, "What is this ecosystem management project and what is the end result?" At that point I could not really answer them. But I did do this. I advised them very strongly that they should be at the table, they should be at the table no matter what comes out of this, because if you are not at the table, then you can hardly criticize what decisions may be coming down the line.

□ 2030

So those that I talked to took my advice and others' advice that that would be the procedure that they would follow. So they have been sitting at the table, starting in 1994, 1995, 1996, 1997, 1998 through this year.

We have moved the comment period back from time to time. I think that was good policy. The reason why is because the feedback I got from the elected officials that represent those counties in my district, they were hearing things that they did not quite like to hear. They wanted more information.

So as they got more information, they could see that this is becoming very, very quickly a top-down plan. Because, as was pointed out by my colleague, the gentleman from Washington, this was never authorized by this body. It was only funded in an appropriations bill, and it kind of grew like topsy and grew and grew. We are going to have this expenditure grow out for what?

So at the end of the day, what has happened is that those county commissioners in my district and in the adjoining counties said, "What can we do in order to change the way this thing is headed?" We suggested that maybe one thing we ought to do is cut off the funding and use the data that has been collected and use it on a local level. Because, after all, if you come from the school that the government closest to people is best able to react to the wishes of those people, then that is a pretty good model with this data.

So over 65 percent of the county commissioners in these affected counties have written, saying something like this: "We would like to see this program terminated. We will use the data as we think best in our own particular areas." I think and I trust those county commissioners to use that data in a way that is the right way to go about it.

Again, I want to make this point, so many times when we talk about resource issues, these resource issues are trying to be decided by somebody outside of the affected area.

The fact is that most of the discussion here, at least from my friend, the gentleman from California, talked about the forest areas. But this area is 144 million acres, and a good portion of it has no forest land. In fact I can tell you my district, which is all impacted, has very little forest land.

What we come to and why my local elected officials are apprehensive about this whole process is simply this: It is the unintended consequences that come out of this data. In my district, and I dare say throughout all of the affected area, the rainfall by and large is

less than 10 inches. So if you have an unintended consequences of controlling the water resources, what does that do to the agriculture industry? What does that do, for goodness sakes, to the fish? These are things that are not being addressed, in my view, by this. We are just studying, studying, studying.

I think if we are going to come to grips with what has been compiled so far in a program that was only supposed to have been funded for 1 year, it seems to me we ought to put that data in place. The county commissioners in my district are prepared to take that data and put it in a place where they think appropriate. But I think it is very important to give them the opportunity to make that decision on their level as they see appropriate.

So I would urge my colleagues to vote against the McDermott amendment. I think it is bad policy. I think we ought to terminate this program as the Committee on Appropriations has suggested. So I urge my colleagues to vote "no" on the McDermott amendment.

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

Mr. Chairman, when it was first proposed, the Interior Columbia Basin Ecosystem Management Project actually held great promise. The goal was to produce a document that would provide a broad framework through which individual forest management plans would be updated. These updates would provide the framework through which local communities and local citizens would see an end to the management of our public lands and our public forests through conflict.

The promise was that local governments and local citizens and local business owners and local labor unions and local conservationists would work together to restore predictability in the management of these public lands. This was very important, Mr. Chairman, because these local communities of the Northwest have seen their economies devastated and they have seen their small town culture wiped away by the breakdown in the process by which we made public land management decisions.

As we have heard from others, when the project started, the promise was that it would be completed in 9 months. When the project started, local governments were promised a place at the table. When the project started, local forest supervisors were to be given authority to manage their individual forests according to their individual needs. When the project started, the Congress was told that the cost would be $5 million.

So where are we today? Well, we are faced with a host of broken promises. The 9 months turned into 4 years, $5 million turned into $40 million. Local governments, who almost universally endorsed this project in the beginning, have almost universally now withdrawn their support for the process. Local citizens have been driven from the process and have been given no voice. In fact, what happened is the process that is supposed to be bottom line is replaced with a top-down mandate.

I found it interesting to listen to the gentleman from California as he read from the cover of the document saying that this was a document that was to be a consultation between various agencies. Mr. Chairman, I did not read the cover. I read the whole document. Let me tell you what I found out, is a process that was supposed to be inclusive and participatory has turned into one that is full of mandates and directives from the top down.

Is the science good? The science is good on the large footprint. But if you talk to any of the rangers out there that are managing these resources, if you talk to the forest supervisors, they will tell you the science for their individual forest management is useless.

I will tell you what else we determined in the joint hearing, and that is that the economics is off.

I just urge my colleagues to defeat this amendment and support this provision in the bill.

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

Mr. Chairman, I yield to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Chairman, I find this is a very interesting debate because it is characterized as sort of people from somewhere else jumping in.

This plan was put in place by the former Speaker of the House because he recognized all the problems we had had on the west side. On the west side we had every forest shut down for long periods of time. Not a stick of wood was cut anywhere. So he said to himself, let us not repeat the mistakes of the west side. Let us develop a coordinated plan from the outset between all the forests and all the Bureau of Land Management and get this thing done in a way that will actually work.

What I am hearing from my colleagues here in defending this rider is they do not want to have any of the plan. They do not want to have it implemented by the Bureau of Land Management. They want to turn it back into one fight after another in the courts.

If you have 74 land management plans, that means you have got district by district inside those forests. If one ranger wants to do it one way in one district and another ranger wants to do it in the next district differently, who is going to coordinate that? Not according to my colleagues. They do not want it coordinated. They simply want to let everybody have the book and look in it and say, "Well, that looks pretty good for our area. I think we will do that." But who coordinates that? My colleagues know that will not work.

So what my colleagues are willing to do tonight is roll the dice. They are willing to say let us throw away 5 years of trying to coordinate this thing, and we will go back and take our chances and cross our fingers that we do not get 74 lawsuits.

When my colleagues tell me that the environmentalists do not like this plan, I agree. They do not. I am not here defending the plan. I am defending the process. They do not like this because they do not think it got far enough.

Now, if we read that and we listen to the environmentalists talk about it, they are saying this plan does not go far enough. What does that imply if it does not get put in place? They are going to go to court. If my colleagues do not think there is a judge someplace in the Northwest who is going to look at this and say, "Well, here is what the National Environmental Policy Act says, and here is what you are doing. They do not match, so we are closing down the forest till we get a new plan."

We all know, everybody in the Northwest knows that we are right on the edge of having salmon as an endangered species. The salmon spawning in every single river in the Northwest is in danger. We are going to have a coordinated plan for salmon restoration. If you think it is going to be done by one county commissioner in one county and another county commissioner in another county, it simply will not work because the streams run through more than one county.

Mr. HASTINGS of Washington. Mr. Chairman, will the gentleman yield?

Mr. HINCHEY. I yield to the gentleman from Washington.

Mr. HASTINGS of Washington. Mr. Chairman, I would like to make this point. No less than 4 weeks ago, in the northern part of my district, there was a Habitat Conservation Plan that was agreed to by all the parties. It includes essentially all of the Columbia River north of Wenatchee and including all the tributaries on up to the Canadian border.

That is a locally developed plan. I am just suggesting to you that that ought to be a model that we ought to pursue, not only on the river, I hope is done downstream, but also as a model that we can pursue. Because the one thing that we have, I think that you will agree with me, I hope you do, and that is this: One size does not fit all in as diverse an area as we have in the West. There has to be a new way to look at it.

The HCP that was agreed to by the PUDs in the northern part of our district, frankly, can be a model, not only on the river, but also in the forested areas.

I would hope that defeating the gentleman's amendment would lead to that because this is where the county commissioners are. This is exactly where the county commissioners are in their rejection of the one-size-fits-all. That is why I think that with that HCP as a guide, which I say was signed no more than 4 or 5 weeks ago, this could be an opportunity for us. So I think that it is appropriate that, in fact, we defeat the gentleman's amendment, and this is the reason why.

Mr. McDERMOTT. If the gentleman from New York will yield, Mr. Chairman, would the gentleman from Washington just tell me which watershed that is? It is the mid-Columbia watershed?

Mr. HASTINGS of Washington. That is exactly right.

Mr. McDERMOTT. So the gentleman thinks that it will go section by section through the entire Northwest and it will all be coordinated.

The CHAIRMAN. The time of the gentleman from New York (Mr. HINCHEY) has expired.

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

Mr. HASTINGS of Washington. Mr. Chairman, will the gentleman yield?

Mr. HINCHEY. I yield to the gentleman from Washington.

Mr. HASTINGS of Washington. Mr. Chairman, that is precisely the point. This is the first step. That is what makes HCP in north central Washington so significant, because all parties involved, the environmental community, the farming community, the tribes, because, after all, they are involved in this as a reservation of the north part of my district, they all bought off on this idea.

The end result at the end of the day, at the end of this time period and, by the way, it is scheduled to last for 50 years, and at the end of this time period they believe that those fish runs will be enhanced. Everybody up there, all parties agree to that.

I would just suggest to you, as hard as they have worked on this plan on that issue, we ought to move from the old model of top-down, one-size-fits-all and look at that possibility, because it is true, it is real, it is right in that ecosystem that we are talking about.

So, yes, in answer to the gentleman's question, I believe that that can happen. I believe that we will, in fact, I believe in the near future we may have another one of those HCPs involving some more dams. I think that we will continue down that line. Because at the end of the day, the beauty of this whole system is that the people that are affected will make the decision.

Mr. McDERMOTT. Mr. Chairman, if the gentleman from New York will yield, I wish that I had the belief that my colleague does in a system, because I saw what happened on the west side, and it did not happen. The fact that one area has done it in 5 years that we have been talking about, we have got to ask ourselves, where is Oregon? Where is the rest of Washington? Where is Montana? Where are all the other affected areas? They have had 5 years. They could see it coming down the track at them, and they have not done it.

All these county commissioners who were going to get together, we have got one example on 72 million acres. We say, well, if we wait long enough, we will have it covered. Yes, we will, in about 25 years, after which we have had about 25 lawsuits. The problem with it is, if we do not start in a coordinated way at the start, we will never get it coordinated.

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

Mr. Chairman, I yield to the gentleman from Washington (Mr. NETHERCUTT).

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

Mr. Chairman, I listened with interest to my friend, the gentleman from Washington (Mr. McDERMOTT), make his points.

With regard to the environmental community which opposes this study, I do not think I am overstating it. The gentleman from Washington (Mr. McDERMOTT) said, well, certainly they will sue. They are opposed to the study, and they are opposed to a record finding because it does not go far enough.

□ 2045

So they probably will. But what I think is so very important in this case is that if you have the scientific information that is being used to amend the 74 plans, they are all going to have to be amended anyway, if there is a record of decision. But the difference is there is not one preferred alternative that affects all seven States and all 144 million acres. So we have got one particular record decision and preferred alternative for Oregon and Montana and Washington and Nevada, and that may not apply to eastern Washington.

What we are trying to do by terminating the study, but using the scientific findings in the interests of amending the plans anyway, we are not trying to have the alternative that may apply to Oregon, which has a different climate than my east side of the State of Washington, have it apply there. So the method in this madness is to use the science, and not be stuck with a one-size-fits-all policy that assumes that this entire region is one region, and we all have the same issues and the same environmental conditions, and preserve this local autonomy that my friend, the gentleman from Washington (Mr. HASTINGS), mentioned so well.

I have great respect for my predecessor. Certainly he stuck the money in. But he stuck the money in so the bull trout would not be listed. Well, guess what? The bull trout has been listed. After five years, roughly, of $40 million of expenditure, we are still fighting that issue. I do not buy the argument that if there had been some record of decision, it would not have been that somehow the bull trout would not have been listed.

I just think this is a continuation of bureaucracy that will never end, and I mean that sincerely. I think now they want another $5.8 million this year in our bill. We could not afford that. We are trying to save money for parks and other things, but still not waste the science and $40 million that has been out there. So this local decisionmaking and wise use of the information that meets the alternatives and the needs of the local communities, I think, just makes sense.

I must say to my friend, you have got the labor union movement that is affected in my part of the country saying, "Don't do this. We object to the continuation of this study. We think it ought to be terminated, because it means jobs for those who are in the pulp and paper industry."

Now, I want to preserve jobs too, and I just do not think there is any sense that this record of decision that affects all seven States with one preferred alternative is going to be the salvation of jobs in the Pacific Northwest and in the whole Western States region.

So I just urge my colleagues, look at it again. It is 144 million acres, it is $125 million conservatively of implementation costs. If you just look at the Northwest Forest Plan, you can about quadruple that number, if not more than that, in terms of cost, in doing the sub-basin studies. It is a tremendous cost.

So my view is, let us let these local decisionmakers make judgments about the needs of the regions that differ from one another. Use the science, but do not have a one-size-fits-all policy at a cost that this Congress and the taxpayers cannot afford.

I yield back to my chairman, with the understanding that there is not the money in this budget. We are tight as it is, trying to get this all done.

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

Mr. REGULA. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, having suffered through the other side of the State and having seen the problems associated with that, I worry a little bit, I must say to my friend from Spokane, who I have worked with, and my friend from the Tri-Cities, who I have worked with, two of my colleagues, that the idea that you can just do this without

some kind of a comprehensive strategy leaves you vulnerable to the lawsuit by the environmental action groups that you enjoin.

They take the scientist in there and they put him under oath.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. REGULA) has expired.

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

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, they say is the plan that you have got sufficient to restore the Chinook salmon run, or is it sufficient to restore the steelhead run, or is it sufficient for the bull trout?

If the scientist says no, the judge enjoins you, and then, instead of having the harvest rate up here at maybe 50 percent of what it was, you get enjoined, and then you have to come in and come up with a new plan. You will be back in Federal Court, they will demand you go out and have a plan for the entire area. Then when you have that plan developed, it will take you down further.

I can remember when I stood up here and we could have gotten $2.5 billion in Region VI on the spotted owl, but the people said no, no, no, that is too much, we cannot do that, and they objected to the plan. We wound up with $1 billion in the whole region.

So I just say to my friend from eastern Washington, and the gentleman from Washington (Mr. NETHERCUTT) and I have been very hesitant not to get into this tonight, I just worry that if you do not have a strategy, if you are just going to leave it go to the local level, and I applaud, by the way, the gentleman from Washington (Mr. HASTINGS) in support of the Multi-species Habitat Conservation Plan, and, by the way, that is done under the Endangered Species Act. I think it is the ultimate tool. This is a tool Pacific Lumber is using in northern California.

So I just worry that if we completely blow this up, that we wind up having nothing, and you leave yourself completely vulnerable to lawsuit after lawsuit that will wind up getting your forest. Instead of being at 50 percent, you will be down at 10 percent, like I am at the Olympic National Forest, a 95 percent reduction because the plan was implemented on a regional basis, top down, and we got killed. My people up there were very upset and offended by it.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. REGULA) has expired.

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

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I just worry that if you do not work out something that gets everybody around that table and provides some leadership, you guys may have to go out there and sit down with these people and get this thing going in the right direction, because somehow you have to have a plan.

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Washington (Mr. NETHERCUTT) to close the debate.

Mr. NETHERCUTT. Mr. Chairman, let me respond to my friend. There is nothing in the Interior Columbia Basic Ecosystem Management Project that prevents lawsuits. The gentleman assumes that a seven-State, 144 million acre plan with one preferred alternative is the answer. It is not the answer.

I submit respectfully to the gentleman, I am willing to work through all of this. I have talked to the gentleman from Washington (Mr. MCDERMOTT) and said let us work through this in conference. The Senate has a little different feeling about this. But this is not the answer to not having lawsuits, and, in my sense, the courts are going to look and say is there a scientific study, which my predecessor was trying to accomplish. Have a study. There is a study. It did not say a preferred alternative or record of decision or a seven-State, 144 million acre study. It said a study.

We have a study. We have adequate scientific information to allow any court, in my judgment, to resist any challenges, notwithstanding the fact that there is not a record of decision.

So I understand the gentleman's concern, but I am concerned also. I want to have some productivity and multiple use out of our forest system, but I do not come to the conclusion that a Federal program, such as it has been identified, I think accurately, as a bureaucracy, that is top down, not locally decided, which is what was expected in the first place, is the answer. There is no assurance in this. We want to have some language that says "no lawsuits." I will join into that.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. REGULA) has expired.

(On request of Mr. DICKS, and by unanimous consent, Mr. REGULA was allowed to proceed for an additional 30 seconds.)

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I want to say to the gentleman, I will be glad to work with all three gentlemen, my colleague the gentleman from Washington (Mr. MCDERMOTT) and my two colleagues from the eastern side of the State of Washington. We still need to work something out in conference on this issue, regardless of what happens on the McDermott amendment. But I want you to know I am still willing to work with you all to see if we cannot work out something that makes sense.

I do not want to see our bill get vetoed over this though. I would say to my colleague from Spokane, we cannot risk vetoing the bill. We have to work something out here.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. MCDERMOTT).

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

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

The CHAIRMAN. Pursuant to House Resolution 504, further proceedings on the amendment offered by the gentleman from Washington (Mr. MCDERMOTT) will be postponed.

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

Mr. Chairman, I just want to advise Members that we are going to rise temporarily for a matter, and then we will renew our efforts in title III after that. We are going to finish the bill tonight.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having assumed the chair, Mr. LATOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4193) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1999, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4276, COMMERCE, JUSTICE, STATE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 105–641) on the resolution (H. Res. 508) providing for consideration of the bill (H.R. 4276) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for fiscal year ending September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

POSTPONING FURTHER PROCEEDINGS ON MOTION TO INSTRUCT ON H.R. 3616, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. HASTINGS of Washington. Mr. Speaker, I ask unanimous consent that further proceedings on the question on

agreeing to the motion to instruct on H.R. 3616 be postponed until tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 3616, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999

The SPEAKER pro tempore. Without objection and notwithstanding postponement of further proceedings on the question on agreeing to the motion to instruct, the Chair appoints the following conferees:

FY 1999 DOD CONFERENCE APPOINTMENT (SENATE AMENDMENT TO H.R. 3616)

From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

Messrs. SPENCE, STUMP, HUNTER, KASICH, BATEMAN, HANSEN, WELDON (PA), HEFLEY, SAXTON, BUYER, Mrs. FOWLER, Messrs. MCHUGH, WATTS (OK), THORNBERRY, CHAMBLISS, JONES, PAPPAS, RILEY, SKELTON, SISISKY, SPRATT, ORTIZ, PICKETT, EVANS, TAYLOR, ABERCROMBIE, MEEHAN, Ms. HARMAN, Messrs. MCHALE, KENNEDY (RI), ALLEN, SNYDER, and MALONEY (CT).

From the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII:

Messrs. GOSS, LEWIS (CA), and DICKS.

From the Committee on Banking and Financial Services, for consideration of section 1064 of the Senate amendment:

Messrs. LEACH, CASTLE, and LAFALCE.

From the Committee on Commerce, for consideration of sections 601, 3136, 3151, 3154, 3201, 3401, 3403, 3404, 3405, 3406, and 3407 of the House bill, and sections 321, 601, 1062, 3133, 3140, 3142, 3144, 3201, and title XXXVIII of the Senate amendment, and modifications committed to conference:

Messrs. BLILEY, DAN SCHAEFER (CO), and DINGELL.

Provided that Mr. OXLEY is appointed in lieu of Mr. DAN SCHAEFER (CO) for consideration of section 321 of the Senate amendment.

Provided that Mr. BILIRAKIS is appointed in lieu of Mr. DAN SCHAEFER (CO) for consideration of section 601 of the House bill, and section 601 of the Senate amendment.

Provided that Mr. TAUZIN is appointed in lieu of Mr. DAN SCHAEFER (CO) for consideration of section 1062 and Title XXXVIII of the Senate amendment.

From the Committee on Education and the Workforce, for consideration of sections 361, 364, 551, and 3151 of the House bill, and sections 522, 643, and 1055 of the Senate amendment, and modifications committed to conference:

Messrs. PETRI, RIGGS, and ROEMER.

From the Committee on Government Reform and Oversight, for consideration of sections 368, 729, 1025, 1042, and 1101–1106 of the House bill, and sections 346, 623, 707, 805, 806, 813, 814, 815, 816, 1101–1105, 3142, 3144, 3145, 3162–3172 and 3510 of the Senate amendment, and modifications committed to conference:

Messrs. BURTON (IN), MICA, and WAXMAN.

Provided that Mr. HORN is appointed in lieu of Mr. MICA for consideration of section 368 of the House bill and sections 346, 623, 707, 805, 806, 813, 814, 815, and 816 of the Senate amendment.

From the Committee on International Relations, for consideration of sections 233, 1021, 1043, 1044, 1201, 1204, 1205, 1210, 1211, 1213, 1216, and Title XIII of the House bill, and sections 326, 332, 1013, 1041, 1042, 1074, 1084, 3506, 3601, 3602, and 3901–3904 of the Senate amendment, and modifications committed to conference:

Messrs. GILMAN, BEREUTER, and HAMILTON.

From the Committee on International Relations, for consideration of sections 1207, 1208, 1209, and 1212 of the House bill, and modifications committed to conference:

Messrs. GILMAN, BEREUTER, SMITH (NJ), BURTON (IN), ROHRBACHER, HAMILTON, GEJDENSON, and LANTOS.

From the Committee on the Judiciary, for consideration of sections 1045 and 2812 of the House bill and section 1077 of the Senate amendment, and modifications committed to conference:

Messrs. HYDE, BRYANT, and CONYERS.

From the Committee on Resources, for consideration of sections 601, 2812, and 3404–3407 of the House bill, and section 601, 2828, and Title XXIX of the Senate amendment and modifications committed to conference:

Messrs. YOUNG (AK), TAUZIN, and MILLER (CA).

From the Committee on Science, for consideration of sections 3135 and 3140 of the Senate amendment, and modifications committed to conference:

Messrs. SENSENBRENNER, CALVERT, and BROWN (CA).

From the Committee on Transportation and Infrastructure, for consideration of sections 552, 601, 1411, and 1413 of the House bill, and sections 323, 601, 604, and 1080 of the Senate amendment, and modifications committed to conference:

Messrs. SHUSTER, BOEHLERT, and CLEMENT.

From the Committee on Veterans' Affairs for consideration of sections 556 and 1046 of the House bill, and sections 618, 619, 644, and 1082 of the Senate amendment, and modifications committed to conference:

Messrs. SMITH (NJ), BILIRAKIS, and RODRIGUEZ.

From the Committee on Ways and Means, for consideration of Titles XXXVII and XXXVIII of the Senate amendment, and modifications committed to conference:

Messrs. CRANE, THOMAS (CA), and MATSUI.

There was no objection.

□ 2100

DESIGNATION OF EMERGENCY REQUIREMENT PURSUANT TO BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. PEASE) laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Ways and Means.

To the Congress of the United States:

Pursuant to section 3309(c) of the Internal Revenue Service Restructuring and Reform Act of 1998, I hereby designate the provisions of subsection (a) and (b) of section 3309 of such Act as an emergency requirement pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 22, 1998.*

LEGISLATIVE PROGRAM

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

Mr. REGULA. Mr. Speaker, just to advise Members, we will return to the Interior bill shortly. There will be no more votes tonight. However, I repeat, we will take all amendments tonight and stack votes until tomorrow. We intend to read through the end of the bill. It is important that if Members have amendments, they must offer them tonight. Tomorrow will be too late. This understanding has been worked out with the minority. Tomorrow we will only vote on the stack of amendments, plus final passage.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution 504 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4193.

□ 2104

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R.

4193) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1999, and for other purposes, with Mr. LATOURETTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the request for a recorded vote on the amendment by the gentleman from Washington (Mr. MCDERMOTT) had been postponed, and title III was open to amendment at any point.

AMENDMENT NO. 21 OFFERED BY MR. GILCHREST

Mr. GILCHREST. Mr. Chairman, I offer an amendment, Amendment No. 21.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 21 offered by Mr. GILCHREST:

Page 122, beginning on line 24, strike section 337.

Mr. GILCHREST. Mr. Chairman, I appreciate the opportunity to discuss this amendment.

The Coastal Barriers Resource System was created by the Reagan Administration in 1982. It was recognized at the time that coastal barrier islands are just that: they are barriers. They protect the mainland from storms, tidal floods and a number of other things. Absent human involvement, these islands are not stable systems. Even with human habitation, they are very unstable systems. These islands are frequently subject to hurricanes, flooding, and shifting coastlines. They basically, Mr. Chairman, are very unstable and on a regular basis they are very dynamic.

Oddly enough, however, they also represent prime oceanfront real estate and have been heavily developed in many areas. This development typically proceeds with full awareness of the risks involved, and worse, very often there is no thought given to the natural processes of these dynamic coastal barrier islands. As a result of that, we have seen for decades that large amounts of Federal assistance is provided then for disaster relief, flood insurance, beach stabilization, roads, et cetera, et cetera, after the inevitable storms roll through or nature takes its natural course.

When the Coastal Barrier Resource System was created in 1982, approximately a half a million acres was included in the system. In 1990 it was amended where it was up to about 900,000 acres, and today in our system we have about 1.3 million acres in 22 different States in the Atlantic, Gulf of Mexico, and Great Lakes coasts.

The Coastal Barrier Resources Act was designed to limit development on coastal barrier islands, therefore limiting Federal aid in new development projects. The act does nothing to prohibit new construction on land within the system. That means if one wants to build a house within the system on a national barrier island, one can do that; we just with the act limit the amount of Federal responsibility to one's particular choice.

The language in the Interior appropriation bill would remove 75 acres from the system in various areas around the State of Florida. It would designate 32 acres of a State park as otherwise, and it is already protected, but it would designate 32 acres of a State park as land within the system, and would add 7 acres to the Coastal Barrier System.

By comparison, Mr. Chairman, 75 acres does not sound like a lot when you compare it to 1.3 million acres in the system, but that is not the question. The question is and the problem is that this provision in this bill, in effect, has a negative effect on the integrity of the whole system. These areas were the areas in question tonight and, in my judgment, were legitimately included in the Coastal Barriers Resource system.

This provision in this bill sends a clear rifle shot signal to developers that the coastal areas are now, those coastal areas in this provision in the bill are now and must be the responsibility of the American taxpayers to be responsible for if a hurricane blows through.

In units of the Coastal Barrier System, the act prohibits Federal expenditures on items such as, and right now those areas within the coastal barrier system, the Federal Government cannot expend money for bridges, sewers, roads, housing, shoreline protection, that is beach replenishment projects, water supply, wastewater treatment facilities, disaster relief, flood insurance claim payments, and so on and so forth. If we take an area out of the Coastal Barriers island system, then the Federal Government will be responsible for all of those items.

Federal subsidies, according to the Congressional Budget Office, for coastal development costs the American taxpayer right now $82,000 per development acre per year on coastal barrier islands that are outside the Coastal Barrier Resource System. According to FEMA's own numbers, the Federal flood insurance program in 1997 had a net loss of $117 million, a net loss. Expanding opportunities to develop in high-risk areas will only worsen that condition for ratepayers and taxpayers.

The National Weather Service says that in this fiscal year, well, they do not go according to fiscal years I guess, but in 1998 they say there will be 10 storms, 6 of which will be hurricanes.

Mrs. FOWLER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong opposition to the Gilchrest amendment, which affects property and constituents in my district. I have great respect for my good friend and colleague from Maryland, but I have to disagree with his approach to a Florida issue.

Two years ago this Congress and President Clinton approved section 220 of the Omnibus Parks Act of 1996 that removed a net of 36 acres that were mistakenly put in the Coastal Barrier Resource System.

Now, let me say from the outset that I support the Coastal Barrier Resource System. My district includes more than 100 miles of beautiful Atlantic coastline, and its continued beauty is essential to the ecology and the economy of my district. Tourism is the number one industry in our State and it is our beautiful coastline that brings people there.

Mr. Chairman, any argument that this correction was slipped through the legislative process, and I have heard that from some groups going around the Hill, is false. When originally introduced in the 104th Congress, this bill sought to exclude almost 200 acres from the system. But once it was scrubbed thoroughly by the committee process and Florida officials, only a net removal of 36 acres remained. Removal of these 36 acres was supported by the entire bipartisan Florida House delegation, both of our United States Senators, as well as the governor and the Florida Department of Community Affairs.

Now, let me put this into perspective. We are talking about 36 acres spread out over 8 different coastal barrier resource units, out of 285,000 acres that are in the system in the State of Florida, and 1.2 million nationwide. It is important to note that the Florida Department of Community Affairs, which is our State land agency, originally opposed exclusion of these acres, but once they reviewed the evidence on these net 36, then they endorsed their removal.

Any claims that these exclusions were not scrutinized, debated, or carefully considered are quite simply wrong. There have been congressional hearings on this issue and Florida environmental officials went over these properties with a fine tooth comb before lending their support.

So why are we back here today? Well, we are here because the Coastal Alliance, not willing to accept the judgment of every government official in the State of Florida, the United States Congress, and the President, brought a lawsuit against these changes. Now, without getting into all of the legalese of the suit, in short, a Federal judge overturned Congress's will because the Department of Interior said they did not have the new maps on file on the date of enactment.

The judge's ruling had absolutely nothing to do with the merits of this issue. The judge also ruled that the Department should ask Congress to address the problem of not being able to

carry out Congress's intent. So all that the language that is in the bill does is what the judge ordered. It carries out the will of this Congress.

Now, the Coastal Alliance and others think the judge's ruling is an opportunity to reopen debate on these properties. It is not. The judge specifically asked for a remedy to carry out the will of Congress. The language in the bill today is that remedy.

□ 2115

The entire Florida delegation; the governor; the gentleman from Alaska (Mr. YOUNG), the authorizing chairman; and the gentleman from Ohio (Mr. REGULA), chairman of the Subcommittee on Interior Appropriations, still support removal of these properties. In fact, I have a letter here from Governor Chiles urging defeat of the Gilchrest amendment, which I will ask to submit for inclusion as part of the RECORD.

The judge did not ask us to review these properties one more time, as some would like to do. He asked us to carry out the intent of Congress. I would ask my colleagues to join the Florida delegation in reaffirming the will of Congress and voting against the Gilchrest amendment.

STATE OF FLORIDA,
WASHINGTON OFFICE,
Washington, DC, July 20, 1998.

Hon. RALPH REGULA,
Chairman, Interior and Related Agencies Subcommittee, House Appropriations Committee, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in opposition to the Gilchrest amendment to the FY99 Interior and Related Agencies appropriations bill, dealing with Florida-specific provisions of the Coastal Barriers Resources Act (CBRA).

As I have previously stated, the State of Florida is very supportive of the purposes of the CBRA to protect and preserve Florida's many pristine barrier lands from development. However, the parcels that are referenced in the Interior appropriations bill are not pristine, undeveloped properties in need of protection, but instead are parcels which were mistakenly included in the original CBRA due to mapping errors. These errors were corrected in P.L. 104–33, which was later overturned in federal court on a technicality.

The State reviewed the provisions of P.L. 104–33 and believes that these properties should be excluded from the CBRA system. I would urge Members to oppose the Gilchrest amendment.

With kind regards, I am
Sincerely,

LAWTON CHILES.

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

Mr. Chairman, it is very hard for me to disagree with the gentlewoman from Jacksonville, Florida (Mrs. FOWLER), my good friend. I had the opportunity to work with her constituents for years and admire their concern and their interest. But with all due respect, I have a little difficulty with some of the characterization.

I think it was clear when President Clinton signed the legislation in effect in the last session that he was not agreeing to it. In fact, my reading of that indicated that there were grave reservations on the part of the administration.

I am here, I guess, because of my grave concerns about the process that have been raised by the gentleman from Maryland (Mr. GILCHREST). The way that we handle water resources and development in disaster-prone areas in this country is itself a disaster.

Despite spending over $40 billion, for instance, to prevent flooding since 1960, flood-related costs adjusted for inflation are about triple what they were in the early 1950s, before we started the program. Total Federal disaster payments between 1977 and 1993 topped $100 billion. Disaster costs have increased 550 percent in the last 10 years.

Recently, this last week, we were here debating remedy to the Salton Sea, which was itself part of an engineering failure on the part of efforts to try and impact the environment. I appreciate that disasters are not always predictable, but too much development occurs directly in harm's way with the taxpayer footing the bill.

In 1982, as the gentleman from Maryland outlined, the Reagan administration and a Democratic Congress passed the Coastal Barrier Resources Act. I am not going to go through the details that the gentleman from Maryland pointed out, but it has saved the taxpayers an estimated $11 billion, keeping Federal investment out of millions of acres of barrier islands and coastline.

Mr. Chairman, if people want to build where God does not want them, then they ought to step up and pay the price, not the American taxpayer. The bill before us invites Federal investments back into the path of disaster.

I personally have reservations in terms of dealing with this as a technical amendment in terms of a rider. There is substantive legislation that has been considered in the past in the Committee on Resources. I would like that dealt with in that fashion. I too have reviewed the various parcels. It seems to me that there was, in fact, an argument made that they were in fact properly categorized.

But it seems to me that what we need to do on this floor is to be more aggressive in the protection of these issues that protect the taxpayer. And, in fact, we should be pushing back, whether it is water reclamation projects in the West, mining costs, beach nourishment, disaster relief, flooding, levees. Time and time again the taxpayer has been stuck with the bill. We have been very, very slow to adjust our policies over time. And I am reluctant to see us this evening, through the process of the rider process, expand that. I would rather this go back to substantive committees.

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

Mr. BLUMENAUER. I yield to the gentleman from Maryland.

Mr. GILCHREST. Mr. Chairman, I thank the gentleman from Oregon (Mr. BLUMENAUER) for yielding. I would just like to conclude that I compliment the gentlewoman from Florida (Mrs. FOWLER) for her cooperation in her disagreement tonight. I still have strong disagreements with the gentlewoman from Florida. I have strong agreements with the gentleman from Oregon, and I also want to compliment him on his efforts in bringing this issue to light before the Members.

This is not an issue of 32 acres being taken out of the system. It is not an issue of 75 acres being taken out of the system. It is an issue of creating an environment where we begin to lose a few acres every year. I do not want the system to leak.

Now, I have had discussions with the delegation from Florida, and Mr. Chairman, we have a strong commitment by the Florida delegation to work to ensure that we lose no more acres to the coastal barrier resource system in this country, that the 1.3 million acres that we have now in this system will stay intact.

Because of that commitment, and the dialogue that we have had before we reached the floor, I ask unanimous consent to withdraw my amendment.

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

There was no objection.

AMENDMENT OFFERED BY MR. HINCHEY

Mr. HINCHEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HINCHEY:

Page 106, beginning at line 16, strike section 327 (and redesignate the subsequent sections accordingly).

Mr. HINCHEY. Mr. Chairman, this amendment would simply strike the provision of the bill that would grant an easement through the Chugach National Forest to the Chugach Alaska Corporation. Under a 1982 settlement, the corporation has a right to access its lands which are surrounded by the Chugach National Forest. However, under the agreement, access is to be granted through a negotiation with the Forest Service and any easement providing access is to be conditioned on environmental review and on public comment.

The rider, which is the subject of this amendment, would effectively override all of that process. Instead it would give the corporation the right to choose the easement and would exempt its decision from environmental review or public comment. Moreover, the grant itself would be unusual. The easement would be 250 feet wide, 10 times the width of a usual access road, and the easement would be permanent and irrevocable.

This easement would be granted over public lands; in other words, our lands, the lands of the public, all the people of the country. No private landowner would agree to such an arrangement, and we who are the custodians of this land for the public should not agree to it either.

We do not want to deny the corporation legitimate access to its lands. It is entitled to that. But the corporation has been negotiating with the Forest Service. Its president, in fact, testified before our committee earlier this year that the negotiations were proceeding amicably. The corporation and the Forest Service signed a memorandum of understanding in March that is supposed to produce an agreement later this year. The date is in fact December 11.

The corporation did not say that the Forest Service had been difficult or uncooperative in negotiations. But the corporation apparently wants to circumvent environmental laws and reviews that could just delay the process for a few months.

It apparently wants a better deal than the Forest Service is likely to propose. Who would not leap at a chance for such a special deal? But that does not mean that this Congress ought to approve it.

Some people may think we have no interest in the land up there, or that our constituents have no interest in it. Why not just give it away? However, this section of the Chugach is an unusual section. The law requires the Forest Service to manage this area for conservation of fish and wildlife and their habitat, the only such place in the Forest Service where this language pertains.

The proposed easement would lie in or near the Copper River Delta, said to be the richest habitat for waterfowl and shore birds in the Western Hemisphere and the site of the most prolific sporting ground for salmon that we have. That is why so many organizations oppose this rider. Like myself, they are not saying that we should cut off access. They are saying that we should take time, be careful, and follow the usual process and the reviews the corporation has agreed to. That is all I am asking.

Mr. Chairman, I want to make it clear that we are in no way suggesting that this road providing access into this land should not be built. It is quite clear the corporation has the right to that access. That access should be granted. But it should be granted just as any other access would be granted. It should be granted in accordance with the law.

We should not, as this present bill provides, override NEPA, override the Clean Water Act, override all existing Federal legislation in order to give a special grant under these special extraordinary circumstances.

Let us build this road. Let us provide this access under the provisions that are going forward. Negotiations are proceeding just as they ought to, just as they would proceed in any other case, and they will lead to a fruitful conclusion. In other words, an agreement will be made and a road will be constructed. But it ought not to be constructed by fiat from the Congress. It ought not to be done in any way that is extraordinary or special, and that is what is called for under the present language.

Let us build this road, but let us honor the process as we are doing so, and once it is done let us make sure that we have done it right.

With this rider in this appropriations bill, this inappropriate rider, this bill is certain to be vetoed. If we approach this in the right and proper and just way, then we can get both the bill and the road built.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

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

Mr. MILLER of California. Mr. Chairman, I thank the gentleman from New York (Mr. HINCHEY) for yielding, and I rise in support of his amendment.

The CHAIRMAN. The time of the gentleman from New York (Mr. HINCHEY) has expired.

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

Mr. MILLER of California. Mr. Chairman, I associate myself with the remarks of the gentleman from New York (Mr. HINCHEY). I think he makes an important point about this amendment. That is that due much to the activity of our committee chairman, who has the knack of getting people's attention in the bureaucracy, I think we are all very confident that this agreement is going to be reached by the end of this year.

But it is a question of how we do this and whether we do it, as the gentleman said, by fiat, and whether we do it notwithstanding any other provision of law. That is a recipe for disaster. It is a recipe for a veto. It is a recipe for delay, because people now will drag their feet in these negotiations waiting to see whether or not this provision does or does not become law.

Mr. Chairman, I do not believe it will become law. We have had conversations with the administration, and yet we also want these negotiations to finish by the end of the year. As was pointed out, we all acknowledge, as the chairman of our committee has told us numerous times at various octave levels, this runs with this land. They are entitled to this right-of-way.

But as was also pointed out, this is an area that was early recognized by the House and the Alaskan Native Lands Conservation when they sought to make the area adjacent to this a national wildlife refuge. That was not achieved. But the special management for fish and wildlife was achieved in this forest; I believe the only forest like it with that mandate in the country.

This process has been stop again, start again, stop again, start again, by both parties. All the blame is not just with the Forest Service. The other parties have been hot and cold on this relating to whether or not there is a market for coal, whether or not there is a market for timber, and that has influenced this to some extent.

Mr. Chairman, the time has come to bring this issue to a closure, but the time to bring it to closure within the regular order and within the laws governing these kinds of activities. Mr. Chairman, I thank the gentleman from New York for his amendment.

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

Mr. Chairman, I am not sure the gentleman from New York (Mr. HINCHEY) was talking about the same language we have in the bill. I would point out some things.

The statement was made that they need time. Well, they have had since 1971. That is when the Alaska Native Claims Settlement Act was given and that is when this right-of-way was given—1971.

The Secretary of Agriculture agrees that they are entitled to this easement, and both gentlemen likewise agreed. And in 1982, there was an agreement with the Secretary of Agriculture. So here we are, 16 years later. I think that is enough time.

The Chugach Alaska Native Corporation has been complying with the appropriate environmental requirements and will complete those on schedule by the end of December, 1998.

Now, in the full committee, the language was further amended by the gentleman from Virginia (Mr. MORAN) to include the following: The easement was reduced from 500 feet to 250 feet. Secondly, access was changed from private to public. And, thirdly, the easement must be consistent with all environmental laws.

I believe the gentlemen over there expressed a concern that this easement comply with environmental laws, and that is incorporated into the language.

□ 2130

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

Mr. REGULA. I yield to the gentleman from New York.

Mr. HINCHEY. Is it not true, though, that the easement was not granted in 1971? In fact, the land area was set up for the tribe in 1971.

Mr. REGULA. That is correct.

Mr. HINCHEY. It was for the corporation. For the corporation in 1971.

Mr. REGULA. Right.

Mr. HINCHEY. The easement process was begun in 1982.

Mr. REGULA. That is correct.

Mr. HINCHEY. Since then, the corporation has broken off negotiations on the easement on a number of occasions. And since then they have sold the coal rights on their property to a South Korean corporation. So it is only now, or only recently that they have addressed the Forest Service, once again, only in the last year, to acquire access into this particular piece of property.

So I just want to make that clear; that several administrations have gone by during this process, but that there has not been a consistent attempt to establish this right-of-way either since 1971 or since 1982. That process has only been very recent.

Mr. REGULA. Reclaiming my time, would the gentleman agree, though, that they are entitled to the easement? Negotiations are underway. They are going to comply with the environmental requirements by the end of this year. Do we agree on that?

Mr. HINCHEY. If the gentleman will continue to yield, we do agree they are entitled to the easement, and they are entitled to negotiations to proceed expeditiously. And those negotiations are proceeding expeditiously.

And, in fact, the Memorandum of Understanding, upon which both the corporation and the Forest Service have entered into, requires that the negotiations be completed by December 11th. But they do not stipulate that the right-of-way should be 250 feet wide, which is 10 times as wide as the normal right-of-way.

Mr. REGULA. Well, reclaiming my time, I think the width of the right-of-way would be determined by topography, by the soil conditions, and a whole lot of variables in Alaska. And I think that that is a decision that should be made. The original we had in the bill was 500 feet. We agreed, by amendment from the gentleman from Virginia (Mr. MORAN) in the full committee to reduce it to 250 feet.

Mr. HINCHEY. If the gentleman will yield on that point, it is clear that what is attempting to be done in the legislation is to establish that this right-of-way would be extra negotiated, outside of the negotiations, and be established by fiat. And that the right-of-way would be a very extraordinary one, indeed, in that rather than the customary 25 feet wide, the right-of-way that would be established by fiat would be 250 feet wide.

Mr. REGULA. Staff advises me that the gentleman from Virginia got the information to establish the 250 foot right-of-way from the Forest Service, and that this was not an uncommon width in Alaska because of the unique topographical conditions as well as soil conditions that they need to address in establishing the access road.

Mr. HINCHEY. Yes, but it is true that the Forest Service has not agreed to that. This was simply some negotiations that went back and forth in the Committee on Appropriations, and that is very proper, I understand that, but the conclusion that was arrived at is a very inappropriate one indeed.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. REGULA) has expired.

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

Mr. REGULA. Mr. Chairman, reclaiming my time, the gentleman from Virginia established the 250 feet from information he received from the Forest Service. But, in any event, the Native Americans were promised this easement, and I think it is an obligation of this body to keep our word.

Mr. YOUNG of Alaska. Mr. Chairman, I move to strike the requisite number of words, and I rise reluctantly, trying to be calm.

This is an outrage. The gentleman from New York has never been to Alaska, never been to Chugach, and now he is telling the American native people of Alaska that they are wrong; they have no rights. The Forest Service is correct and the Wilderness Society is correct.

Mr. HINCHEY: Mr. Chairman, will the gentleman yield.

Mr. YOUNG of Alaska. I am not yielding to the gentleman at all, period. I will tell him that right now. Just sit down.

Mr. HINCHEY. Well, I am sorry to hear that.

Mr. YOUNG of Alaska. I am not yielding.

I am telling the gentleman now that this is a deal this Congress made in 1971 to the Chugach native people. They had to go to court. In 1982, they had a decision from the court that said, yes, they had a right to 78,000 acres of land and a right of easement and it should be granted to them by, and shall be granted by the Forest Service.

And not through the delta, by the way. South of the delta to the Martin River. Nowhere near it. And that is what the court said should be done. The Forest Service, because they did not like that decision, as an agency have drug their feet again and again.

And why did the corporation back away from the Memorandum of Understanding? Because the Forest Service said we do not have the money to do the studies for the right-of-way. So they did the studies. They paid for it. Forest Service did it, but the native corporation paid for it.

Now they say they have got a Memorandum of Understanding and we are going to bring this to a conclusion by December 1. Let me read the gentleman the last page. It says nonenforceable. Nothing herein shall be construed as committing and obligating the United States Forest Service or the United States.

So what this tells me, after we go through this whole thing, this whole understanding, that the Forest Service, because they have not done it since 1982, they are going to say, forget it, American natives. We do not care what Congress has said. We are going to do what we want to do. That is how we are going to conduct our business. Congress does not count.

I had a 500 foot right-of-way, yes, because in Alaska it takes a little more room to build a highway, in that terrain and with the climatic challenges, than it does in the State of New York. But the corporation said they will never have a road wider than a standard road. It will be a two-lane road. It will have public access. And, in fact, the property will revert back to the Forest Service when they are done using it.

Now, the mention of coal being sold to Korea, as if it is an evil thing to sell their own property. For the gentleman's information, they are not going to mine that coal. What they want to do is develop some timber. Yes, they want to do that as their right.

So I am going to suggest that the gentleman's amendment is mischievous. It, in fact, is evil, because he is going against the intent of this Congress and the American native people that owned this land long before he was born. In fact, the gentleman ought to be ashamed of himself. What he is trying to do to these people is really wrong. * * * He is going back on the word of this Congress against the first citizens of this great Nation. It was their land, and the gentleman wants to take away their right that this Congress gave them under an act.

That just blows my mind, that someone from New York State, that has never been there, has never seen this area, never talked to the people can, in fact, promote something that has been given to him by one of the wilderness associations that promotes its ill will in this capital every day. No honesty, no direct influence at all, other than the fact that they think this is wrong.

I am ashamed, in fact, to see an amendment like this against the people of the great State of Alaska.

Mr. HINCHEY. Mr. Chairman, I ask that the words be taken down. I ask the gentleman's words be taken down.

The CHAIRMAN. The Clerk will report the words. Which words would the gentleman like?

Mr. HINCHEY. Immoral and corrupt.

The CHAIRMAN. The Clerk will report the words.

PARLIAMENTARY INQUIRY

Mr. YOUNG of Alaska. Mr. Chairman, parliamentary inquiry.

The CHAIRMAN. The gentleman from Alaska will state his inquiry.

Mr. YOUNG of Alaska. May I inquire, what words are being struck? What

words? Just to say he wants to strike the words, what words?

The CHAIRMAN. The gentleman is not stating a parliamentary inquiry. The Clerk is presently transcribing the words and when they are reported the House will determine that.

Mr. YOUNG of Alaska. Can the gentleman answer me that?

The CHAIRMAN. The gentleman from Alaska will suspend.

Mr. HINCHEY. Will the gentleman repeat the question?

Mr. YOUNG of Alaska. What words is the gentleman asking be struck?

Mr. HINCHEY. While I was asking the gentleman to yield, I believe that he used the words immoral and corrupt, and I am concerned about what context he used those words in and to whom they were referring.

The CHAIRMAN. Without objection, the gentleman from Alaska may explain.

Mr. YOUNG of Alaska. I think the amendment was; I was not referring to the gentleman.

Mr. HINCHEY. To whom was the gentleman referring, then?

Mr. YOUNG of Alaska. I was referring to the amendment itself as it is written. It strikes me it was really due to these American natives. If I am referring to the gentleman, I apologize for that. I will apologize for that.

Mr. HINCHEY. Is the gentleman suggesting that an amendment that I wrote is immoral and corrupt?

Mr. YOUNG of Alaska. I think, in fact, it is immoral, yes. I do not think it is corrupt.

Mr. HINCHEY. I think the gentleman used the word corrupt.

Mr. YOUNG of Alaska. I did, and I apologize for that.

I will withdraw the words if they are that offensive.

Mr. HINCHEY. I thank the gentleman. I appreciate it.

The CHAIRMAN. Without objection, the words are withdrawn.

There was no objection.

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

Mr. Chairman, I am rising in opposition to the gentleman from New York's amendment that affects this easement language that is contained in our subcommittee report and the bill.

I have lived in Alaska, spent a year continuously there, and spent 4½ years traveling literally throughout the entire State of Alaska and, in fact, worked on the Alaska Native Claims Settlement Act in the U.S. Senate as a staff person. So I have some sense of the agreement that was reached then and the respect under which it was given.

In fact, I agree, in many, many respects, with the gentleman from Alaska relative to the commitment that was made to the Native American peoples under the Native Claims Settlement Act.

I believe that the amendment of the gentleman from New York strikes a blow against the Native American private property owners. The amendment strikes a provision that is necessary for the Federal Government to keep a promise it made in 1982. I suggest that any of us in Washington State or New York or any other State of the Union would be offended if we had to wait from 1982 to 1998 to have the Federal Government fulfill a commitment that was made to our people.

I have great respect for the gentleman from Alaska for standing up for his State; he should and he is. All too common, Mr. Chairman, in this country, in this body, people from outside the area of concern are trying to influence what happens in the States, whether it is my western State, people from the East Coast trying to influence what happens in my State and tell our residents what is good for us. The same is true especially of Alaska.

I think this Congress many times has taken great liberty with the State of Alaska. I have lived there. I have seen what impact it has on the people who are there and this is another example of that.

In our bill, in the chairman's bill, the Subcommittee on Interior of the Committee on Appropriations, on which I serve, made clear that this 250 foot easement was just that, it is an easement for purposes of constructing a roadway into the land of the people who own it. It has been a 16-year saga of trying to get that decided.

This is not some superhighway or freeway that the native people there are trying to build. It is just not the case. It is a roadway to get from point A to point B into their own lands and use it for their own purposes, which are legitimate.

In our bill, we say nothing in this section waives any legal environmental requirement with respect to the actual road construction. It does not waive environmental laws. It is not trying to put up a high-rise on this 250 easement. But 250 feet in Alaska is different than 250 feet in the lower 48 in terms of the needs of the area there to do the construction that is necessary, to just build a two-lane road. And that is the commitment they have made.

So I really think it is offensive that the Native American people, the Chugachs, have to fight this battle for 16 years to try to get some relief. That is all this is, is trying to get some relief so they can get what is rightfully theirs.

□ 2145

It is clear that without this road, that the natives cannot get access to lands that Congress gave them. There was extensive debate in this body and in the other body settling the claims of the Alaskan natives. It is a breach of that commitment and that agreement and that settlement for now us having to be here fighting off this finality which I think is very important to the State of Alaska and the people of Alaska. In 16 years, the Federal Government has not given the natives the easement necessary for access to their lands, not somebody else's lands, their own lands. This bill grants that easement. The chairman is right. We sat in the full committee and acceded to the amendment of the gentleman from Virginia (Mr. MORAN) on the representation that this was what was necessary by the Forest Service and acceptable to the Forest Service for this construction and this easement to occur. This will go on and on and on in grand unfairness to the people of Alaska and the natives of Alaska if we do not resolve this today. The gentleman's amendment will enable the Federal Government to continue to breach its promise. I urge that it be rejected.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. I thank the gentleman for yielding.

Mr. Chairman, it has been suggested that without this rider, there will be no access to the Chugach. I want to make it perfectly understandable and plain that that is not true. There is a negotiation going on now between the Chugach Corporation and the Forest Service. The memorandum of understanding upon which they have entered into requires an agreement by the 11th of December. What this rider would do is override that process and it would establish this access by fiat, disregarding the laws established by this Congress on numerous occasions. That is precisely what this would do.

It has been suggested that this has been an interminable process, beginning back in 1982, and it has been obstructed, it has been suggested, by the Forest Service on more than one occasion. Again let me say that is not so. What has happened in the process of these negotiations is simply this. The leadership of the corporation has changed hands on several occasions. The direction of the corporation has changed on several occasions. It is only recently that they have come back to the table, wanting to conclude the negotiations, and those negotiations are going forward and they will conclude in an orderly, respectful fashion by the end of this year, given their own head. What this rider does is interrupt that. And it does something else, unfortunately. It is so wrong and so contrary to normal process that it is strongly objected to by the Forest Service and the Department, and it has been recommended to the President that on this basis alone if this bill passes with this rider that the bill be vetoed. That is how objectionable this rider is. The

sad part about it is it is so totally unnecessary. This is an exercise of imprudence at best. If it were not to happen, the access would be granted, the road could be built, and everything that the Chugach Corporation wants in this regard would be acceded to. But since it is being done in this particular way, in the context of this rider, it places the whole process in jeopardy. I hope that that is clearly understood. The likelihood that this process will conclude amicably and favorably is jeopardized by the presence of this rider. If the rider is removed, the likelihood that the process will conclude amicably and in due course and expeditiously is guaranteed.

I hope that all those who respect the law, respect this Congress and what it has done over the years, respect lawful process, and also wish the best end of this process for the Chugach Corporation will join me in opposition to this rider.

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

Mr. HINCHEY. I yield to the gentleman from Ohio.

Mr. REGULA. I want to make it clear that we are not disregarding the law. This is simply to expedite this action and this provision in the bill is for that purpose. I think we agree that it ought to be done. They are entitled to it. What we are trying to do is to get for these natives something that they were given by an original agreement, that has been delayed through various bureaucratic problems. Let us get on with it.

Mr. HINCHEY. The gentleman must know that the rider says, "Without regard to any provision of law," and so it overrides the entire process. This document represents the agreement that is about to be signed within the next couple of months by everyone involved. This is the process that has been engaged in. What happens is that this rider overrides this whole process and throws out the law.

Mr. REGULA. If the gentleman will continue to yield, I just quote from the bill: "Nothing in this section waives any legal environmental requirement with respect to the actual road construction."

Mr. HINCHEY. If you read the first phrase, though, it says, "Notwithstanding any provision of law." Do not forget the read the first phrase. The introductory clause in this case is critically important.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. HINCHEY).

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

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

The CHAIRMAN. Pursuant to House Resolution 504, further proceedings on the amendment offered by the gentleman from New York (Mr. HINCHEY) will be postponed.

AMENDMENT NO. 16 OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. MILLER of California:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC.—. None of the funds made available in this Act may be used to construct any road in the Tongass National Forest.

Mr. MILLER of California. Mr. Chairman, I think we are toward the end of the amendments in this legislation and fortunately this is a very straightforward amendment.

It is intended to prohibit the Forest Service from using appropriated funds to construct new timber roads in the Tongass National Forest in Alaska. It saves money and it protects old-growth forest at the same time.

The Tongass already has over 4,600 miles of permanent roads which have been built with the help of taxpayer subsidies for the timber industry. In fiscal year 1997, the Tongass timber program lost over $33 million, by far the biggest money loser in the Nation, in part because of 79 miles of new roads that were constructed. Because of the difficulty in construction and the terrain, these are some of the most expensive roads within the Forest Service.

The recently revised Tongass Land Management Plan would allow construction for up to an additional 110 miles of new roads annually. While this is less than the last decade's average of 168 miles constructed annually, it represents a major impact on the environment and would require significant outlays of taxpayer dollars. Because this plan is being reviewed on appeal by the Secretary, the Forest Service has not included the Tongass in the draft proposed roads moratorium.

It especially does not make sense to use appropriated funds to build new timber roads in the Tongass when the Forest Service has already been waiving local processing laws in order to allow the logs to be exported to Japan and to other countries. During 1997, the Forest Service permitted the export of over 100 million board feet of timber cut from the Tongass.

Mr. Chairman, the committee's bill proposes to eliminate purchaser road credits and to reduce to $1 million direct spending to build new roads. This amendment would seek to assure that no such funds would be used to build roads in the Tongass. It is pro-taxpayer, I believe it is pro-environment, and I urge the Members to support this amendment.

I would also say that this amendment is necessary because we see a sort of Soviet style economic decision in the Senate which demands that the Tongass engage in over 240 million board feet annually, an amount more than double the current demand-driven cut of 100 million. So I think that this amendment is also important for that reason because of actions being taken in the Senate. I would urge passage of this amendment.

Mr. YOUNG of Alaska. Mr. Chairman, I move to strike the last word.

Mr. Chairman, some things never change. This Tongass fight has been going on for a long time. In all regards to my good friend, the ex-chairman of the committee, I can remember in 1989 that the gentleman from California worked very hard to solve the Tongass problem. We very frankly thought we had solved it. In 1990, 400 million board feet were being cut. I was told by the gentleman from California that the mills would still run, there would be plenty of timber. In fact he quoted, if I may quote,

> Wilderness designation for the 23 areas would reduce the scheduled Tongass timber harvest of 450 million board feet annually by 49 million board feet. The impact of new wilderness on the scheduled timber base of 1.75 million acres is a loss of 238,000 acres. The remaining 1.5 million acres of land scheduled for harvest is capable of producing over 400 million board feet of timber per year.

Because of the Forest Service and this administration, a lot of inactivities and the continued taking away of lands, we are now down to very frankly 267 million board feet maybe if the Forest Service sells any. And, by the way, the efforts of the gentleman from California (Mr. MILLER) after 1990, we have no more saw mills, pulp mills left in the State. That is why there is no demand.

We are trying to develop three or four small mills. Very frankly that is what we are trying to do. We need roads in the area if we are to have any timber. You cannot get timber unless you have roads. Even the President agreed with this. Even the Forest Service agreed with this, that there has to be roads to get the timber out. What the Miller amendment does very frankly is to make sure there is no new timber cut in the Tongass. Otherwise there will be no more timber industry. I will be very frank with the gentleman from California that if he would say that is what he wanted to do in 1980 or 1990, I might have said, "Okay, that is the way the game is played," but not to tell me we are going to have plenty of timber.

The other thing I might remind people that he killed 4,600 jobs in my southeast area. There is no forestry. There are a lot of forest rangers but no forestry being done. Actually I believe a zero cut in the Tongass is the goal.

It was mentioned about roads in the Tongass. To just give my colleagues an idea, Mr. Chairman, we do not know how many roads will be built in the

new areas to get timber out. We have no idea. But I will tell my colleagues that in West Virginia, the Tongass is the same size, 17 million acres. West Virginia has 35,110 miles of road, and it is still called a rural State. Thank God for Senator BYRD. They have 35,110 miles of road and in the Tongass we have 2,000 miles of road. If you want to drive to Juneau, you cannot, the capital. If you want to drive to Petersburg, you cannot. If you want to drive to Sitka, you cannot. If you want to drive to Wrangell or any other place, you cannot, because we have no roads. There are 35,110 miles of road in West Virginia, the same size as the Tongass, and we have 2,000 miles of road. But what we are trying to do here is preserve what little remaining timber industry we have.

If we were to adopt the Miller amendment, if we were to adopt it, we would say no more timber shall be harvested in Tongass. If that is the intent of Mr. MILLER, I would suggest he offer that amendment, that he says there will be no more timber period ever harvested out of that area. Then we go back to 1990 where he said there would be approximately 400 million board feet still available after we set this aside for a wilderness area in the Tongass.

I am going to ask my colleagues just to consider this for a moment. In all due respect to my good friend, my ranking member, he does not want any timber harvesting left in the Tongass forest. I argue that we reached this agreement in 1990, we signed off on it with the environmental community. CEAC said in fact there will be peace in the valley. No longer any need to debate, this is behind us, let us go forth and do what is correct. Let us progress in more positive things. Yet here tonight at this late hour, we have a gentleman who it was involved in 1986, in 1989, in 1990, in three different Tongass bills. And we have it before us tonight.

I urge the defeat of this amendment. It is not only mischievous, I am going to suggest respectfully, it is an attempt to kill the forest industry.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from California.

Mr. MILLER of California. I thank the gentleman for yielding. As he knows, I did not force the pulp mill to act in violation of criminal law and to be successfully prosecuted under criminal law so that they ended up losing their rights in the forest.

Mr. YOUNG of Alaska. Reclaiming my time, that was not both mills and the gentleman from California knows that. Do not say that.

Mr. MILLER of California. The gentleman knows why the pulp mills are not there, too.

Mr. YOUNG of Alaska. Because there is no more timber.

Mr. MILLER of California. There is no market.

Mr. YOUNG of Alaska. There is no market because you have no timber.

Mr. MILLER of California. No, there is no market for the pulp.

□ 2200

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

Mr. Chairman, I thought we had settled the Tongass matter in 1997 with the law of the gentleman from California (Mr. MILLER), and apparently not, because we are getting another bite of the apple proposed tonight.

At the time the 1997 Miller Tongass law passed, 3,000 people were put out of work; 1,600 were left. If this amendment is agreed to, 600 more workers will be out of work almost immediately.

I am somewhat surprised, and I have not been to the Tongass, but there must be some concern about 600 families that are suddenly going to be out of jobs, because from what little bit I know of Alaska, I do not think they are making any steel or bearings or tires or refrigerators in Alaska. If these people do not work in the timber industry, where will they work?

Mr. Chairman, I yield to the gentleman from California. Maybe he can answer that.

Mr. MILLER of California. Mr. Chairman, I would answer that by asking the gentleman a question. Are there appropriated funds in this bill for roads in the Tongass?

Mr. REGULA. Mr. Chairman, reclaiming my time, I think the Forest Service would make that decision. There is money for road building.

Mr. MILLER of California. So out of the $1 million, that money can be appropriated to the Tongass?

Mr. REGULA. That is going to be their decision.

Mr. MILLER of California. But that is $1 million nationwide.

Mr. REGULA. It is for new roads.

Mr. MILLER of California. Right.

Mr. REGULA. That is correct. But does this amendment only apply to the $1 million?

Mr. Chairman, I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, it says no appropriated funds, whatever we end up determining is appropriated for new roads, that none of those appropriated funds would be used for new road construction.

Mr. REGULA. Is this applicable only to the $1 million?

Mr. MILLER of California. Yes, if that is the only appropriated monies for new roads.

Mr. REGULA. So what is the gentleman suggesting?

Mr. MILLER of California. Apparently my amendment is going to lay off 600 people. The gentleman's bill does not have any money in it for new roads to begin with. We are down to $1 million nationwide. So let us not pretend like somebody cares about people, and other people do not at this point.

Mr. REGULA. Mr. Chairman, let us clarify it. Does the gentleman's amendment apply to reconstructed roads?

Mr. MILLER of California. No.

Mr. REGULA. So if they could reconstruct roads to keep these jobs, that would be permissible.

Mr. MILLER of California. That is a very important point. This has been one of the most aggressive road building programs per board feet. I mean, let us not pretend like there is not timber to cut off existing roads.

With all due respect to the Alaska delegation, and admiration, they have done very well in pushing roads that far exceed the purpose of the road for the timber that was taken off of previous sales. So it is not like they cannot meet 100 million board feet off of existing roads.

Let us not pretend the road is only good for that one sale and we never go back. That is not the history of forest roads anywhere, and it is certainly not the history here when you look to the extent to which roads have been pushed into the Tongass already in the name of previous sales.

Mr. REGULA. Mr. Chairman, reclaiming my time, if these are reconstructed roads, then the gentleman does not have a problem with that?

Mr. MILLER of California. Exactly.

Mr. REGULA. The gentleman wants to help to keep the jobs.

Mr. MILLER of California. The gentleman is correct.

Mr. REGULA. So the gentleman is not interested in stopping logging in the Tongass; is that correct?

Mr. MILLER of California. No, I never have been. Ten years ago we made a deal, Senator STEVENS and I, and we said for 10 years, that that would be it on the Tongass. It was not a matter of months before riders started appearing on Senate appropriations bills directing cuts in the Tongass.

We all have great admiration for Senator STEVENS, but he is the one that continued, continued to alter that original agreement that we had. I do not like the results but I have got to admire the talent. He has never stopped, as those Members on the Committee on Appropriations, I see them all smiling here, they know exactly what I am talking about. They have never had an appropriations bill move where there is not something tricking up.

He tried to change the forest plans. He tried to go back to the old plans. He tried to increase the cuts. He tried to increase the roads. He tried to bail the industries out of problems. Bang-di-di-bang-di-di-bang. This guy has never slept. I guess I misunderstood. I thought we shook hands, and he said we were going to go away for 10 years. I think he said he was never going to

sleep for 10 years. That is what happened.

So this is not some unilateral course. As the Chairman knows, this is a very, very active subject matter in these appropriations bills, and it usually runs afoul of forest policy and the administration and all of the rest of it.

Mr. REGULA. Mr. Chairman, reclaiming my time, our bill presently does not mention the Tongass, as the gentleman knows.

Mr. MILLER of California. Right.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. REGULA) has expired.

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

Mr. REGULA. Mr. Chairman, one other question: Does the gentleman think his amendment will in any way affect the contractual obligations of the Federal Government?

I yield to the gentleman from California.

Mr. MILLER of California. I do not know why it would. It would not affect the previous purchaser credits, no.

Mr. REGULA. Mr. Chairman, I think if there is some just possibility that it would, it could create a great liability. I would also point out that the Society of American Foresters and many labor unions oppose the Miller amendment, because they must have some concern that it will substantially reduce the employment base in Alaska.

Mr. MILLER of California. That has been a historical proposition.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. REGULA. Yes, I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, in answering the question of the contractual agreement of the forest, it will affect the ability to take trees off that forest. There is no doubt about that. With all due respect to the gentleman from California, I do believe his legal staff will tell him that.

I am going to suggest this issue is not in this bill. This is the first time I believe on this House floor that we have not had a Tongass provision in the committee bill that came to the floor. I never tried to put one in.

Mr. MILLER of California. He is quite correct. He is quite correct. Very rarely do they initiate over here.

The CHAIRMAN. The gentlemen will suspend. The gentleman from Ohio (Mr. REGULA) is not a mere spectator. The gentleman from Ohio (Mr. REGULA) controls the time.

The time of the gentleman from Ohio (Mr. REGULA) has again expired.

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

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Chairman, I want to stress that again. This issue I thought had been put to bed. The good Senator, bless his heart, never does sleep. But to be frank, I would suggest to the gentleman from California, if he wants to open up the Tongass, and he has his amendment adopted, he will really have an opportunity. And I will tell him, the gentleman from Washington (Mr. DICKS), and the gentleman from Ohio (Mr. REGULA) will tell him, he does not want to go through this.

So I was trying to do something correct for many times, dead serious, not to have the Tongass mentioned in the bill at all, so there would not be a door open for my good senior Senator who is very persevering.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

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

Mr. MILLER of California. Mr. Chairman, let me just say if this was the World Wrestling Federation, this tag team from Alaska would be the world's champions.

Mr. YOUNG of Alaska. I thank the gentleman.

Mr. MILLER of California. Mr. Chairman, I appreciate there is nothing in this bill, but we already know that the Senate is mandating more than doubling the cut of 240 million board feet. This is the Soviet Union saying we are going to cut this. There is no market. The price is falling. But what they need to make it all work is tax subsidized roads.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield again?

Mr. REGULA. Yes, I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, as I have said, I have left the Tongass, as the gentleman from Washington will say, out of this bill. We have reached an agreement on our side with those people that do not like road purchases of credit, et cetera, et cetera. We reached that agreement, so that is not in the bill. That has been agreed to.

Now the gentleman from California's amendment comes along and very frankly breaches that agreement. So I want to say, in all respects, if you open this box the agreement is off as far as the future in the conference.

Mr. MILLER of California. If the gentleman will yield, the gentleman does know that the Tongass is not part of the moratorium which is the basis for the agreement.

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. That was done by the administration. That was done by the Forest Service rightfully due. I am saying that was rightfully done. We had a TLUMP process. We were told it followed the TLUMP. That is the planning program. We were told that. We have followed that. We are going to follow it if everything goes forth.

Mr. MILLER of California. We have this wonderful agreement over here on the other side. I can hear the heart beating over there and it is 240 million board feet.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, if the gentleman's amendment is adopted, I can guarantee him with my two Senators on the other side this is going to become one of the major issues. I tried very systematically to leave the Tongass out, on behalf of the gentleman from Ohio (Mr. REGULA), on behalf of the gentleman from Washington (Mr. DICKS), and leave the Tongass out of it.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. REGULA) has again expired.

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

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, in fact, I encourage the gentleman to withdraw the amendment and let this thing go over to the Senate side without the mention of Tongass and see what happens. But if the gentleman leaves it in there, I want to tell him, Katie bar the door, if he thinks El Niño is bad, try this one.

Mr. MILLER of California. That river boat is coming right to the forefront here.

Mr. REGULA. Mr. Chairman, based on that persuasive testimony, will the gentleman withdraw the amendment?

I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, the gentleman will not because he has such great admiration for this team over there. We know what is coming from the other side. It is clearly a decision to try and to drive additional roads and additional cuts far beyond the market-driven cut here. I think this is an important amendment. It is two old war horses up here.

Mr. REGULA. Mr. Chairman, let me just close by saying I urge all Members to reject this amendment. We closed the Tongass issue in the past, and let us move on.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair will admonish all Members that referring to Senators by name, even in the context of being wrestlers, or referring to Senate action or inaction, is not appropriate.

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

Mr. Chairman, it is pretty hard for me to tell whether we are at the sublime or the ridiculous end of the evening given where we are at this point. My mind is certainly reeling from the discussion about the millions

of board feet in different ways that that would happen.

But the one thing that I think I pick up out of this is that we have built roads, and we have harvested timber. The Forest Service says that, in 1997, the timber program in the Tongass cost $33 million to the U.S. taxpayers. So the combination of road building and timber harvest costs us $33 million.

Going back some years before that, from 1992 to 1994, the GAO says that the costs over that 3-year period was $100 million. The cost to the taxpayers, which again means the roads that were built, whatever were built, and whatever access that provided, and whatever was cut on that basis has cost the taxpayers $100 million. In the more recent time that is at least a third, at least a third, more than a third of the total timber program losses that the U.S. Forest Service has sustained.

It would appear that each sale in the Tongass is yielding a loss in substantial part because of the costs to the taxpayers of building the roads. We are now being told, well, yes, but we are not talking about building new roads but only of reconstructing the old ones which certainly are expensive in their own right.

In order to get to more timber where the major part of the problem or a major part of the problem is that the markets and the weather extremes in the circumstances mean that logging is going to be basically not profitable without the substantial subsidy of the building of the access to it.

I suspect that the vast majority of Americans would recognize this combination as a bad deal for the taxpayers and prefer to stop digging the hole deeper as we go.

Earlier this year, and I recognize that the Tongass is not part of the agreement, that is part of the issue, that the agreement was reached by Congress and the Forest Service to end the subsidized road building in roadless areas in the national forests. Why? Because generally it is environmentally destructive. It produces erosion and siltation of the waterways and that that has an adverse effect upon habitat, particularly because of silt and waterways for fishing stocks.

So the program of building new roads into national forests has been ended essentially except for that in Alaska. So the bill creates a special case in Alaska to allow this road building to continue, whether new or I am not sure after the discussion, although I listened very carefully to it, whether it is new or just reconstruction of the roads that are already there to do this in Alaska in the Tongass, which is our only remaining temperate rain forest.

□ 2215

So the road building program there is really a jobs program. For those who want less government or smaller government, then I would suggest that we ought to be voting against it in order to cut out wasteful corporate welfare.

From my point of view, coming from the Northeast, it is sort of an add-insult-to-injury, in a sense, because the subsidy that would be required here to do this timber cut, which by all the figures in the past has been continually done at a loss to the U.S. taxpayers, that subsidy comes out of the hides of other parts of the country.

In my area and congressional district, the largest manufacturing in my district is paper manufacturing, and there is a good deal of timbering that goes on in some of the States in the Northeast. But we have need for programs and use programs.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. OLVER) has expired.

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

Mr. OLVER. Mr. Chairman, in my part of the country we depend upon things like the Economic Action Plan, the Forest Stewardship, the Forest Legacy Program, and yet each year, especially this year, the chairman and the ranking member have to struggle very hard to find ways to fund those programs and to keep them running, based upon sound industry practices to promote economic development and natural resources protection. But each of them is being squeezed down over time and, instead, we are doing something which is a major subsidy to the industry by all indications from how it has operated and what the GAO says and what the Forest Service says about the net cost of the program in this instance there.

There are other costs involved in such a program. We would expect it to cost both in tourism and fishing, as I have already mentioned. And here we are, while we are trying to get other countries to protect their rain forests and actually paying, in some cases putting money into that, here we are with our taxpayers being sent a bill to cut down our own last remaining or major remaining temperate rain forest.

So with all of those thoughts under consideration, I would urge that Members of this body support the Miller amendment when it comes up for a vote tomorrow.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. OLVER) has expired.

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

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. OLVER. I yield to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Does the gentleman have any idea what size the Tongass Forest is?

Mr. OLVER. I think the gentleman told us what size it is earlier. It was the size of the State of West Virginia.

Mr. YOUNG of Alaska. Mr. Chairman, the reason I asked that question, the gentleman said we are cutting the last rain forest down. Does the gentleman know how many acres are left, of 17 million acres that are available to even think about harvesting?

Mr. OLVER. Mr. Chairman, reclaiming my time, yes. But this is what the debate is over. In essence, it really does not matter. If every time we build another road into that area it costs more to build the road than the value of the timber cut that we get, we are costing the taxpayers every time more than we are getting back from that.

Mr. YOUNG of Alaska. Mr. Chairman, if the gentleman will yield further, I am not debating that. I am debating the comment that we are cutting the last rain forest. We have about now left in that forest, about, get this, 11 million acres of rain forest that will not be touched. Nobody takes that into credit.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. OLVER) has expired.

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

Mr. OLVER. Mr. Chairman, I am surely not meaning to infer that we are cutting the last piece of rain forest that is the size of this Chamber or any such thing. Rain forests and the continuous convergence of cutting all around rain forests, whether they be in Costa Rica or in Sumatra or Borneo or the Amazon or in the Tongass, which is our largest and one that does contain substantial old growth forests which have never been cut, it is the major remaining temperate rain forest that we have. We are cutting into it.

Mr. YOUNG of Alaska. Mr. Chairman, if the gentleman will yield further, 93 percent of the forest is left. Ninety-three percent is left, and now, get this, of the 93, that is all 500-year-old trees. But do forests grow back?

Mr. OLVER. Mr. Chairman, reclaiming my time, surely, over a very long period of time. We plant at best not for our own generation, but for our grandchildren's generation. So it takes a very long time to grow back.

Mr. YOUNG of Alaska. So if a dead tree is dead, a dead tree is dead, and there is no harvesting of trees. Of the 93 percent, that means there will be no new trees. So, for future generations, that is nothing but dead trees.

Mr. OLVER. Mr. Chairman, reclaiming my time, the very points that the gentleman is making, the gentleman is saying 500-year-old trees that are there, that have taken a good portion of that time, certainly they were probably merchantable, timberable a good number of years ago, but not by any means 200 or 300 years ago.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

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

Mr. MILLER of California. Mr. Chairman, when we had a lot of these Alaska issues on a debate, Chairman Udall led a trip, and we had all of the scientists on board one of the tour ships, one of your ferry systems going down to Sitka.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. OLVER) has expired.

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

Mr. OLVER. Mr. Chairman, I yield to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. They were talking about reforestation and how soon these trees would grow back. So we were looking, as the gentleman said, at 500-year-old trees and 400-year-old trees, and there were people from the forestry industry that said, "See all this? It will be back in 30 years."

How the hell will it be back in 30 years, when it took 500 years to grow the first time? Plus you know what happens to the soil on these slopes. A lot of these will not be back. That is why it took 500 years for that tree to get there.

Mr. YOUNG of Alaska. Mr. Chairman, if the gentleman will yield further, not in Alaska. They are not talking about the same forest condition the gentleman has in California. I can say the same areas that have been growing timber since we harvested in 1900, they are now considered old growth trees. They are only 100 years old.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. OLVER) has again expired.

Mr. OLVER. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

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

Mr. DICKS. Mr. Chairman, I object. We have to get to a vote on this. We have gone on and on and on. Can we not vote on this amendment, please?

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from California (Mr. MILLER).

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

Mr. MILLER of California. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 504, further proceedings on the amendment offered by the gentleman from California (Mr. MILLER) will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT OFFERED BY MR. PAPPAS

Mr. PAPPAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment Offered by Mr. PAPPAS:

Insert after the final section the following:

SEC. . The amounts otherwise provided by this Act are revised by increasing the amount for "LAND ACQUISITION AND STATE ASSISTANCE" under the heading "NATIONAL PARK SERVICE" (to provide funds for the State assistance program) and reducing the amount for "GRANTS AND ADMINISTRATION" under the heading "NATIONAL ENDOWMENT FOR THE ARTS", by $50,000,000.

Mr. PAPPAS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. PAPPAS. Mr. Chairman, this amendment will reorder priorities in this Congress and this Interior appropriations bill. I know time is short and the chairman and ranking member have been here for quite some time, so I will be brief to explain what I am trying to do here.

This amendment would move $50 million into the Land and Water Conservation Fund Stateside Grant Program and reduce funding for the National Endowment for the Arts by $50 million.

The Stateside Grant Program, which is a matching grant program, helps States in recreational and open space efforts. This is a very good bill and it is a lean year.

I congratulate the chairman and ranking member for their efforts. Finding offsets is hard to do in this tightly constructed bill. For example, yesterday the gentleman from Massachusetts (Mr. MCGOVERN) and I offered an amendment to move $30 million into the Stateside Grant Program under the Land and Water Conservation Fund. Yesterday, 203 Members of this House supported this effort. However, many were troubled at the offset chosen.

This amendment is another attempt to find more acceptable offsets to fund an important function in the Land and Water Conservation Fund. To me, funding open space and recreational efforts is a more important priority to central New Jersey and the people of this country. I am a great supporter of the arts. However, I believe putting money into the Land and Water Conservation Fund is a more important priority because so much of our open space is disappearing.

Yesterday we had a full and fair debate on the propriety of the government support for the arts. I do not intend to replay yesterday's debate. However, the vote on the amendment of the gentlewoman from Connecticut (Mrs. JOHNSON) was a vote to support funding arts. The level of funding is a different matter, especially when there is an opportunity to help the quality of life of all Americans helped by the Land and Water Conservation Fund.

This amendment would reduce NEA funding to $48 million, which would be roughly $1 million for each state. New Jersey presently does well under the NEA compared to other States. However, we need to do much better in the Land and Water Conservation Fund funding and having the Federal Government more active in helping States do more to match recreation and open space efforts of the States.

Mr. Chairman, I urge this Congress to vote for this amendment as a statement of our commitment of proper priorities and our dedication to protecting open space and our communities.

Mr. HORN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sorry to disagree with my colleague from New Jersey. I think we have here obviously a conflict of major things within one appropriations bill. The fact is that we won that battle for the arts by 253 to 173. I would hope we do not have to fight that every day the bill remains before us.

But it seems to me the answer to the gentleman's question on the how to acquire land and open space and all the rest means that the Forest Service ought to start prioritizing its various forests, portions of various forests, and we ought to be talking about land exchanges, not moving money from the arts, which means a lot to thousands of schoolchildren in America and millions of other people.

I am sure the chairman has explored that, but I would think we need to be more vigorous in the Forest Service in classifying the weaker part of a forest with the richer part of the forest and making the availability of millions of acres, which perhaps would gain the type of space the gentleman needs closer to the urban populations that would profit from it.

I would hope the gentleman might go that route, rather than create a friction within the House of Representatives of the arts versus trees, because a lot of us are for both of them.

Ms. SLAUGHTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong opposition to this amendment. As the gentleman from California (Mr. HORN) just pointed out, the House exercised its will yesterday on the matter of the National Endowment for the Arts.

The gentleman offering this amendment does quite well, as he pointed out, New Jersey does, but let me speak of his own district. In his district, he has four NEA grants alone that total over $210,000, almost a quarter of a million dollars. When you consider there are 435 Congressional districts competing for $98 million, you have to say that the gentleman from New Jersey (Mr. PAPPAS) does extraordinarily well.

Let me mention a few of those grants in the gentleman's district. The National Poetry Series, to support the work of five upcoming winners of the

1999 National poetry, an open competition. The McCarter Theater Company, it supports the production of a new musical.

□ 2230

The Princeton Art Museum tour, touring an exhibit entitled The Art and Culture of Chinese calligraphy. The American Boys Choir School, which gets by itself $120,000 to support their efforts to plan and to stabilize their endowment.

While I am sure that land and water certainly does add to the quality of life and to the joy of living, without any question I think that these programs that the NEA helps to leverage also do a great deal for the quality of life in the district of the gentleman from New Jersey (Mr. PAPPAS). It is very shortsighted for him to attempt to take half the money in what is already I think agreed by many of us to be an extremely underfunded program.

The NEA's direction from this Congress is to try to reach into every nook and cranny in the United States, and it is doing a very good job of doing that. The things that we know now about the importance of the arts and the effect that it has on the developing child, making a child a better student, giving them self-respect, teaching them discipline, all the things that we want for America's children, the ability to really develop one's mind and one's ability in science and math directed to the attention given and being exposed to music, particularly piano and dance, is certainly undisputed in this country today, and again is something that we very badly need and we very badly want.

Mr. Chairman, I appreciate very much my cochair of the Congressional Members Arts Organization, the gentleman from California (Mr. HORN), and he and I have worked very diligently in trying to keep this program alive. Thanks again to the gentleman from Ohio (Mr. REGULA), the chairman of the subcommittee, for his good work on NEA. I would urge that the House not pass this amendment and recommend very strongly a "no" vote, should it come to a vote tomorrow.

Mr. PAPPAS. Mr. Chairman, will the gentlewoman yield?

Ms. SLAUGHTER. I yield to the gentleman from New Jersey.

Mr. PAPPAS. Mr. Chairman, I appreciate the gentlewoman's sentiments, but I also need to refer to the document that I have before me, which is the Land and Water Conservation Fund Act of 1965, which I will include for the record. From that, there is a reference to "not less than $300 million for fiscal year 1977 and $900 million for fiscal year 1978, and for each fiscal year thereafter through September 30, 2015."

Mr. Chairman, I include the following for the RECORD:

20. LAND AND WATER CONSERVATION FUND ACT OF 1965 (AND RELATED LAWS)

A. Land and Water Conservation Fund Act of 1965

An Act to establish a land and water conservation fund to assist the States and Federal agencies in meeting present and future outdoor recreation demands and needs of the American people, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—LAND AND WATER CONSERVATION PROVISIONS

SHORT TITLE AND STATEMENT OF PURPOSES

SECTION 1. [16 U.S.C. 4601–4] (a) CITATION; EFFECTIVE DATE.—This Act may be cited as the "Land and Water Conservation Fund Act of 1965" and shall become effective on January 1, 1965.

(b) PURPOSES.—The purposes of this Act are to assist in preserving, developing, and assuring accessibility to all citizens of the United States of America of present and future generations and visitors who are lawfully present within the boundaries of the United States of America such quality and quantity of outdoor recreation resources as may be available and are necessary and desirable for individual active participation in such recreation and to strengthen the health and vitality of the citizens of the United States by (1) providing funds for and authorizing Federal assistance to the States in planning, acquisition, and development of needed land and water areas and facilities and (2) providing funds for the Federal acquisition and development of certain lands and other areas.

CERTAIN REVENUES PLACED IN SEPARATE FUND

SEC. 2. [16 U.S.C. 4601–5] SEPARATE FUND.—During the period ending September 30, 2015, there shall be covered into the land and water conservation fund in the Treasury of the United States, which fund is hereby established and is hereinafter referred to as the "fund", the following revenues and collections:

(a) SURPLUS PROPERTY SALES.—All proceeds (except so much thereof as may be otherwise obligated, credited, or paid under authority of those provisions of law set forth in section 485(b)(e), title 40, United States Code, or the Independent Offices Appropriation Act, 1963 (76 Stat. 725) or in any later appropriation Act) hereafter received from any disposal of surplus real property and related personal property under the Federal Property and Administrative Services Act of 1949, as amended, notwithstanding any provision of law that such proceeds shall be credited to miscellaneous receipts of the Treasury. Nothing in this Act shall affect existing laws or regulations concerning disposal of real or personal surplus property to schools, hospitals, and States and their political subdivisions.

(b) MOTORBOAT FUELS TAX.—The amounts provided for in section 201 of this Act.

(c)(1) OTHER REVENUES.—In addition to the sum of the revenues and collections estimated by the Secretary of the Interior to be covered into the fund pursuant to this section, as amended, there are authorized to be appropriated annually to the fund out of any money in the Treasury not otherwise appropriated such amounts as are necessary to make the income of the fund not less than $300,000,000 for fiscal year 1977, and $900,000,000 for fiscal year 1978 and for each fiscal year thereafter through September 30, 2015.

(2) To the extent that any such sums so appropriated are not sufficient to make the total annual income of the fund equivalent to the amounts provided in clause (1), an amount sufficient to cover the remainder thereof shall be credited to the fund from revenues due and payable to the United States for deposit in the Treasury as miscellaneous receipts under the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1331, et seq.): *Provided*, That notwithstanding the provisions of section 3 of this Act, moneys covered into the fund under this paragraph shall remain in the fund until appropriated by the Congress to carry out the purpose of this Act.

SEC. 3. [16 U.S.C. 4601–6] APPROPRIATIONS.—Moneys covered into the fund shall be available for expenditure for the purposes of this Act only when appropriated therefor. Such appropriations may be made without fiscal-year limitation. Moneys made available for obligation or expenditure from the fund or from the special account established under section 4(i)(1) may be obligated or expended only as provided in this Act.

ADMISSION AND USE FEES; ESTABLISHMENT AND REGULATIONS

SEC. 4. (a) [16 U.S.C. 4601–6a] ADMISSION FEES.—Entrance or admission fees shall be charged only at designated units of the National Park System or National Conservation Areas administered by the Department of the Interior and National Recreation Areas, National Monuments, National Volcanic Monuments, National Scenic Areas, and no more than 21 areas of concentrated public use administered by the Department of Agriculture. For purposes of this subsection, the term "area of concentrated public use" means an area that is managed primarily for outdoor recreation purposes, contains at least one major recreation attraction, where facilities and services necessary to accommodate heavy public use are provided, and public access to the area is provided in such a manner that admission fees can be efficiently collected at one or more centralized locations. No admission fees of any kind shall be charged or imposed for entrance into any other federally owned areas which are operated and maintained by a Federal agency and used for outdoor recreation purposes.

(1)(A)(i) For admission into any such designated area, an annual admission permit (to be known as the Golden Eagle Passport) shall be available, for a fee of not more than $25. The permittee and any person accompanying him in a single, private noncommercial vehicle, or alternatively, the permittee and his spouse, children, and parents accompanying him where entry to the area is by any means other than private, noncommercial vehicle, shall be entitled to general admission into any area designated pursuant to this subsection. The annual permit shall be value for a period of 12 months from the date the annual fee is paid. The annual permit shall not authorize any uses for which additional fees are charged pursuant to subsections (b) and (c) of this section. The annual permit shall be nontransferable and the unlawful use thereof shall be punishable in accordance with regulations established pursuant to subsection (e). The annual permit shall be available for purchase at any such designated area.

(ii) The Secretary of the Interior and the Secretary of Agriculture may authorize businesses, nonprofit entities, and other organizations to sell and collect fees for the Golden Eagle Passport subject to such terms and conditions as the Secretaries may jointly

prescribe. The Secretaries shall develop detailed guidelines for promotional advertising of non-Federal Golden Eagle Passport sales and shall monitor compliance with such guidelines. The Secretaries may authorize the sellers to withhold amounts up to, but not exceeding 8 percent of the gross fees collected from the sale of such passports as reimbursement for actual expenses of the sales. Receipts from such non-Federal sales of the Golden Eagle Passport shall be deposited into the special account established in subsection (i), to be allocated between the Secretary of the Interior and the Secretary of Agriculture in the same ratio as receipts from admission into Federal fee areas administered by the Secretary of Agriculture and the Secretary of the Interior pursuant to subsection (a).

Mr. Chairman, I think that the Congress has not done enough to fund the Land and Water Conservation Fund. As I said in my remarks to my friend from New York, the Congress has not, I think, followed through on funding a very, very important program. Open space is disappearing in my part of the country, and without more Federal involvement in State and local efforts to preserve open space, we are going to lose this battle.

Ms. SLAUGHTER. Mr. Chairman, reclaiming my time, I do not know how many forests the gentleman has in New Jersey, but let me say that when I first came to Congress in 1987, the National Endowment for the Arts budget was over $170 million. It has been cut considerably as well. I know of no other program, no other investment that we make in the United States budget of $98 million that will bring back into this Treasury almost $4 billion. Indeed, that money that is sent out enriches the lives of everyone that it touches.

I agree that open space is terribly important, but I do not want to see us pit one against the other, because the importance will be very difficult to approve for each one. I would think that the people in the gentleman's district would agree that the money that they have for the National Endowment for the Arts has been money well spent and has had a positive effect on the State of New Jersey, particularly in the gentleman's district.

Again, I urge a "no" vote on this amendment.

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

Mr. Chairman, I would like to point out to the gentleman from New Jersey (Mr. PAPPAS) that in this bill there is almost $3 million for the State of New Jersey, all Land and Water Conservation money.

Also, I would point out that last year we spent $15 million on the Sterling Forest in the State of New Jersey, again, Land and Water Conservation money. There is only so much of it, and we have a responsibility to the Federal lands.

We have $10 billion worth of backlog maintenance in our National Parks, 375 National Parks, 50 Forests, about 30 Fish and Wildlife, millions of acres of Bureau of Land Management; a total of almost 700 million acres that we are responsible for, to say nothing of all of the cultural institutions in this city, to say nothing of the Bureau of Indian Affairs. Mr. Chairman, 75 percent of the Indians do not even have adequate health care or dental care. We are stretched thin.

Yesterday this House, by an 80-vote margin, we voted to have the National Endowment for the Arts. We voted in another amendment not to bring back State Land and Water conservation money. I think in view of all of that, this attempt would fly in the face of the House's action, and more importantly, fly in the face of the House's responsibility to take care of those 700 million acres of Federal lands.

The National Governors Association advises us that 47 States have budget surpluses, and I think the State open spaces are a responsibility of the States. We are a Federal legislative body, and our number one priority has to be Federal responsibilities. Even in the arts there are State arts associations; many of them take responsibility and are financed by the States. They get some money from NEA.

This amendment to cut the NEA in half in the face of the House's action yesterday and to transfer money to the Land and Water Fund just does not fit with the policies adopted by this Congress. I would strongly urge the House Members to vote against this amendment. I do not think it is good policy. We do not have the money, and our primary area of responsibility, which is the public lands, is faced with a $10 billion backlog of maintenance. This is roads and camp sites and housing and all kinds of needs. It would be irresponsible simply to shift money out to the States.

We used to have revenue-sharing and we eliminated it because there was not any revenue to share. The same thing is true of the State Land and Water Conservation Fund. We cannot even use all of it for Federal projects in terms of land acquisition, and it simply does not make good policy to adopt an amendment such as this. I would strongly urge the Members to vote against it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. PAPPAS).

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

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

The CHAIRMAN. Pursuant to House Resolution 504, further proceedings on the amendment offered by the gentleman from New Jersey will be postponed.

Are there further amendments to title III?

If not, the Clerk will read.

The Clerk read as follows:

This Act may be cited as the "Department of the Interior and Related Agencies Appropriations Act, 1999".

Mr. REGULA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. GILCHREST) having assumed the chair, Mr. LATOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4193) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1999, and for other purposes, had come to no resolution thereon.

MAKING NO FURTHER AMENDMENTS IN ORDER DURING FURTHER CONSIDERATION OF H.R. 4193, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

Mr. REGULA. Mr. Speaker, I ask unanimous consent that during further consideration of H.R. 4193, pursuant to House Resolution 504, no further amendment shall be in order in the Committee of the Whole.

The SPEAKER pro tempore (Mr. GILCHREST). Is there objection to the request of the gentleman from Ohio?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. GILCHREST). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

BARBARIC ACTIONS OF RUTHLESS CASTRO DICTATORSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

Ms. ROS-LEHTINEN. Mr. Speaker, we recently marked the sad anniversary of a dark day in the history of human rights and of Cuba, my native homeland.

It was 4 years ago on July 13, 1994 that thugs of the Castro regime purposely attacked and sunk a tug boat filled with Cuban refugees, refugees who were attempting to flee the island in search of freedom and democracy. It was another example, sadly, of the hundreds already available that clearly demonstrate the barbaric nature of the dictatorship that has ruthlessly ruled Cuba for 38 years.

Early in the morning of that day, over 50 Cuban refugees boarded a tug

boat named the "13th of March." They did not know that all along they were being watched by Castro's brutal authorities. After sailing about 7 miles in the the open sea, Castro's gun boats began to repeatedly ram the tug boat filled with mostly women and children, while shooting water guns at the refugees aboard the vessels. Rejecting the pleas of mercy from the refugees, the ruthless Cuban soldiers, acting under Castro's order, continued to ram the vessel until it began to sink, but this was not enough.

While the drowning refugees asked for help, the Cuban gun boats circled around the tug boat wreckage in order to create a whirlpool effect that literally sucked the refugees into the bottom of the sea. As a result, over 50 people were murdered, most of them women and children.

Here are posters, Mr. Speaker, and it speaks volumes when we look at this photograph, and these were young children who were aboard that tug boat, small boys and girls who would never be able to live their lives, and all for the crime of trying to flee the Communist tyranny that engulfs the island of Cuba, and because their parents wanted a better life here in the United States for these children.

Whole families, whose only crime was to seek a new life and freedom, were massacred by the Castro regime. One of the survivors of the attack, Maria Victoria Garcia Suarez, later recaptured this sad incident in an interview. Maria said, "We begged them not to do it, not to shoot more water at us, to stop. There were children aboard, that they were going to kill both them and us. Then we cried out to one boy who was stationed on the bridge of one of the thugs, and we cried at him, that 'Jacobo, don't shoot, don't hit us with more water', and he just laughed saying, 'Let them die.' We cried out, we offered to surrender, but they kept spraying us with the water cannons and bumping against us. Then later, the boat that was on one side, on the right side, hit us hard and we capsized. That's when the boat began to sink on us."

This tragic incident, Mr. Speaker, is not the exception in the brutal history of the Castro dictatorship; it is, sadly, the rule. In the almost 40 years of totalitarian rule, thousands of Cubans just like these small children have been subjected to torture, to harassment, and even to death. The Cuban political prisons continue to be filled with dissidents who fight for freedom and for democracy.

Right now, as I speak, dissidents who dared to publish a document criticizing the Cuban communist constitution and asking for more democratic reforms on the island remain in prison.

□ 2245

Many thought that after the Pope's visit to Cuba, the Cuban dictator would change. But as he has clearly shown throughout his brutal nature in power, he will not change. His only goal is to maintain power at any cost without any consideration for the suffering and the misery of the Cuban people.

The best way to remember the murdered refugees of this sad episode, these boys and girls, Mr. Speaker, is to continue to fight for the freedom of the Cuban people and to let them know that the United States and the United States Congress stand in solidarity with their daily struggle.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING REVISIONS TO THE ALLOCATION FOR THE HOUSE COMMITTEE ON APPROPRIATIONS PURSUANT TO SECTION 2 OF HOUSE BUDGET RESOLUTION 477

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KASICH) is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, pursuant to Sec. 314 of the Congressional Budget Act, I hereby submit for printing in the CONGRESSIONAL RECORD revisions to the allocation for the House Committee on Appropriations pursuant to section 2 of House Resolution 477 to reflect $355,000,000 in additional new budget authority and $323,000,000 in additional outlays for continuing disability reviews. In addition, revisions to the allocation for the House Committee on Appropriations should reflect $20,000,000 in additional new budget authority and $12,000,000 in additional outlays for adoption incentive payments. This will increase the allocation to the Appropriations Committee to $532,954,000 in budget authority and $563,221,000,000 in outlays for fiscal year 1999.

As reported by the House Committee on Appropriations, H.R. 4274, a bill making appropriations for the Departments of Labor, Health and Human Services, Education and Related Agencies for Fiscal Year 1999 includes $355,000,000 in budget authority and $323,000,000 in outlays for continuing disability reviews. The bill also includes $20,000,000 in new budget authority and $12,000,000 in outlays for adoption incentive payments.

These adjustments shall apply while the legislation is under consideration and shall take effect upon final enactment of the legislation.

Questions may be directed to Art Sauer or Jim Bates at x6-7270.

RESULTS OF GOVERNMENT MEDDLING IN HEALTH CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, we will soon pass some type of patients rights bill, and we need to do this. But it is really sad that it is necessary to do this.

Prior to the mid-1960s, medical care in this country was of high quality and very low cost. The cost was low and flat for many, many years. Then the Federal Government got into medical care in a big way and costs exploded and we got things like HMOs.

The government took what was then a very minor problem for a very few people and we turned it into a very major problem for everyone. Almost everyone, with the exception of Bill Gates and Warren Buffett, could be wiped out by some type of major medical catastrophe.

All the government has done is to do what it has always done best, make a very few filthy rich at the great expense to the very many.

Look at nursing homes. Those few who were lucky enough to get into the nursing home business, those favored enough to get nursing home licenses, have gotten rich because of government restrictions on the number of nursing homes and the overregulation that always drives small operators out.

The result: The cost of nursing home care is probably double or triple what it would be if the government had stayed out and had let the free market operate.

Medical care is the only thing we are paying for through a third-party payer system. If we bought cars this way, a Yugo probably would have cost $300,000. When someone else is footing the bill, cost no longer matters and everyone wants the most expensive product or treatment available. Thank goodness most of us are not paying for food through a third-party paying system.

A few years ago, I asked a hospital administrator in my district what would happen if the government got totally out of medical care. He told me that prices would go down 50 percent within days, and probably another 50 percent over the next 6 months. So, they would very quickly be 25 percent or less of what they are now.

Obviously, though, we cannot dismantle this overpriced and unfair system that we have now. Too many doctors, hospitals, and medical businesses would scream to high heaven if we did. So what should we do? Realistically, all we can do is reform around the edges and hope the system does not become even worse and even more expensive.

Medical savings accounts or medical vouchers would help some, because they would give people some incentive to shop around. But what I really want to do tonight is read a portion of a column from yesterday's Washington Post by James K. Glassman, who is consistently one of the very best commentators on the political scene today.

Mr. Glassman wrote, "Employers today foot most of the bills for health insurance, so they determine the policies their workers get. As costs soared in the 1980s, employers turned to HMOs

and managed care, restricting their workers' choices.

"Health insurance policies aren't really 'insurance'; their purpose is to prepay medical costs that are predictable or inexpensive, like checkups and flu visits. This is like auto insurance paying for an oil change. But since Uncle Sam is footing a big part of the bill, it makes sense for health 'insurance' to be all-inclusive, with low deductibles.

"Employees have little incentive to self-ration the care they get. Imagine a tax subsidy for food insurance, provided by your employer. You would naturally buy steak instead of chicken. Soon, however, the insurer would respond by limiting your steak-buying to once a month, or by forcing you to buy all your food at a specific grocery chain with no steak in its coolers. Given this restricted choice, you would probably rush to a politician to complain.

"The solution for health insurance is to end the tax subsidies, which currently cost the Treasury more than $100 billion a year. Instead, give that money back to individual Americans either through tax credits or rate reductions that would leave more money in their pockets. We should probably require everyone to have some type of catastrophic insurance (say, for expenses over $2,500), and the government should foot the bill for the poor through insurance vouchers (like food stamps).

"Then we would have a real market with far less paperwork and with people buying the sort of insurance they really want . . . not just what their employers force them to take. The final insult of the tax exclusion is that it mainly benefits those who need it least. The Lewin Group found that 64 percent of subsidies in 1996 went to families making $50,000 a year or more, while 11 percent went to those making less than $30,000.

"Instead of pandering to fear," Mr. Glassman wrote, "politicians should level with voters. End the tax exclusion and let people buy their own health policies. Insurance companies, which benefit from billions in subsidies, might howl, but choices would broaden, costs would fall, and paperwork would be drastically reduced and the destructive cycle of excess, cutbacks in care, and political intervention would end."

MANAGED CARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for half the time until midnight as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I am pleased tonight to be joined by two of my colleagues to talk about managed care reform, the gentleman from Texas (Mr. TURNER) and the gentleman from Pennsylvania (Mr. KLINK).

Before I yield to them, I wanted to talk briefly about the Republicans' managed care reform bill, which to be accurate I like to call the Insurance Industry Protection Act. The reason I bring this up is because it has been noticed to be debated and, theoretically, I suppose approved or disapproved on the floor this Friday.

This Republican version of managed care reform is in my opinion easily one of the worst pieces of legislation the Republicans have put forward since they took control of Congress in 1994.

For weeks prior to the introduction of the Republicans' Insurance Industry Protection Act, supporters of the Democrat's alternative, the Patients' Bill of Rights, were speaking out about what we knew was coming.

What we expected they would do is to introduce a bill that was greatly watered down as a sort of cosmetic fix with regard to managed care reform. We expected the Republican leadership, who really are not interested in passing a managed care reform bill, would come out with a bill that would purport to provide patient protections, but really would not.

The managed care issue, Mr. Speaker, is too explosive for the Republicans to ignore, so they have to at least create the impression that they are trying to rectify the weaknesses in the current system that are leading to the abuses we hear about on a daily basis.

Let me say, we are truly hearing about these abuses daily. One need only turn on the TV, as I did tonight on the 6 o'clock news or pick up the newspaper, and see what I am talking about. In any event, just as we expected, before Congress adjourned for the July 4th recess, the Republicans released a set of principles which they said would all be incorporated into their bill.

Mr. Speaker, these principles confirmed what Democrats expected. The Republican bill was going to be written so as not to interrupt the flow of support streaming into the Republican Party from the insurance industry.

Last Friday, we finally got to see the language, and I think the American people need to know that the Republican Party went far beyond a cosmetic fix. They have introduced a bill that is far, far worse in my opinion than the existing law. Finding themselves caught between the insurance industry and the American people, the Republicans chose the insurance industry.

Now they are gearing up to stuff this bill down the throats of the American people without giving them a chance to look at it. The Republican bill is scheduled, as I said, to be on the floor on Friday.

In order to ensure the American people know as little about it as possible before everyone in the House is asked to vote on it, the leadership has bypassed the committee process. Not one of the three committees that has jurisdiction over this bill has had or will have a hearing on the Republican bill. And I would stress again that the language was only available last Friday.

Because the Republican leadership refused to have hearings on its own bill, this week the Democratic Health Care Task Force held two hearings on this legislation. That was yesterday and today. At these hearings we heard testimony from administration officials, including the Secretary of Health and Human Services, Donna Shalala, and patients who have been abused by HMOs, doctors, and others. These hearings generated some truly disturbing and chilling revelations, I think, about the Republican bill.

Mr. Speaker, I am not going to go into all of those now, because I think we can bring them out this evening as I yield to my colleagues who are here to join me and talk about some of the protections that are missing from the Republican plan, but included in the Democrat's Patients' Bill of Rights.

Also, at some point I would like to talk about the issue of enforcement and how effectively the Republican bill has no enforcement. But at this time, I yield to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) for yielding. It is an important evening, though it be a late hour here in this hall. We will be, by all reports, considering managed care legislation on Friday. A very important day for the House, a very important day for the American people. A very important day for the future of health care in the United States.

This is an issue that all of us, I think, take very personally. I, just a few weeks ago, took my father to the hospital because he was having some symptoms of dizziness and the doctor suspected it might be an early sign of stroke. We went immediately out to our hospital and he was given a CAT scan and, fortunately, it was determined that his dizziness was not a result of signs of early stroke.

But I cannot help but think about what it would have been like if my father had been enrolled in a managed care plan, rather than being covered under Medicare. When we found out that he perhaps had an early sign of stroke, we would have been faced with calling our doctor and our doctor then having to call the HMO supervisor or clerk and determining first whether or not that procedure would have been authorized.

It is in those kinds of delays that have been caused so many times in recent reports by many patients who have had unfortunate dealing with their HMO, it is those kinds of delays

that make the difference in life or death.

Mr. Speaker, I am very pleased that we have a bill as Democrats authored by the gentleman from Michigan (Mr. DINGELL), a man who has served many years in this Congress, serving as chairman of the Committee on Commerce, and now as ranking member of the Committee on Commerce, a man who has been a leader in this Congress in providing a responsible managed care legislation.

I had the opportunity, when I was in the State Senate in Texas in 1995, to pass one of the first managed care bills passed anywhere in these United States. Interestingly enough, when we passed it in Texas, it had bipartisan support. In fact, the bill passed both the House and the Senate with relatively little opposition. It was a good strong bill.

In Texas today, we have protection in place and, interestingly enough, we have had no increase in health care premiums as a result of the patient protection legislation that we passed in 1997, which was the year after I initially passed the bill followed by a veto of our governor and then repassage of the bill in 1995.

So we have a good law in Texas. Now, I was surprised to learn just a few years ago that the legislation that we were working on and passed in Texas in 1995, and finally passed in Texas in 1997, does not apply to about half of the people who are enrolled in managed care in the State of Texas. That is because the courts have ruled that the ERISA law, a Federal law, preempts the State legislation that was adopted overwhelmingly by our State legislature.

The reason we are considering this legislation in Congress is because the ERISA law has been interpreted by the courts to exempt all those enrolled in self-insured health care plans that are covered by ERISA, to exempt them from all the patient protections that have been passed in most of our States across our country.

So we here in Congress feel very strongly on the Democratic side that it is wrong to have two classes of patients out there in Texas and the many other States that have passed patient protections. One group of patients who have the protections that were provided by their State legislatures, and the other group of patients who do not have those protections because a Federal court has ruled that their self-insured plan covered by ERISA is not covered by the protections that their legislature has put into the law.

That is why we are here. The Democrats have come up with a bill that provides an answer to that problem. Our bill makes it clear that not only do we provide a clear base of protection in the law for everyone enrolled in managed care, but we provide each State the right to control all of the legal liabilities that relate to providing health care under those managed care plans.

Our bill is a plan that respects States' rights and it is a plan that protects patients uniformly, irrespective of what kind of health care plan that they are enrolled in.

So I think that we have a good bill, one that will stand the test of time, and contrary to the Republican plan will leave two classes of patients out there in this country, one covered by one set of rules that the Republicans want to place on ERISA covered plans and the other patients covered by the variety of State laws that have been passed across this country, but we as Democrats have a bill that will provide every patient the same protection who are enrolled in managed care plans in this country.

Mr. PALLONE. Well, I just wanted to say that my colleague from Texas has brought up a number of really important points here. Number one, the whole issue of costs, we have been criticized, Democrats have been criticized, for their patient protection bill by the allegations by the insurance industry that it is going to cost a lot more money.

The gentleman points out that in Texas, there has actually been no premium increase. We had a report from the Congressional Budget Office that just came out a couple of weeks ago on our Democrat bill that said that even if everything passed and our bill was law, at the most, individuals would pay only about two dollars more per month for the patient protections that are so important to the American people.

The other thing the gentleman pointed out is that we have, in effect, now, these two regimes, if you will, for people who are in ERISA and they are working for an employer that has a self-insured plan, which now preempts, the Federal law preempts it, and those people are not coming under ERISA.

One of the things that is important is some of the proposals put forward by the Republicans, particularly the Senate proposal, actually does not even provide the patient protections if you are not under ERISA. So for those people who live in States other than Texas, that do not have the patient protections, they are not even going to get the patient protections if they are not in an ERISA self-insured type program.

The other thing I wanted to say that the gentleman really brought out, and I think it is very important, too, is this whole issue of enforcement. We have been criticized by some of the opponents of managed care reform and they have said, well, the only difference or the only thing the Democrats want to do is they want to eliminate the ERISA exemption on the ability to bring suit, because under ERISA you cannot sue effectively for damages or to really recover the damages or the fact that you were not able to work or that you basically had a number of losses, you cannot bring a suit if you are under an ERISA plan because of the exemption from liability.

What I wanted to point out is that if we do not repeal that ERISA exemption on liability, there is not going to be any effective enforcement of these patient protections.

One of the criticisms I have is that under the Republican proposal in the House, basically not only do they not permit you to sue, they do not repeal the ERISA exemption on the ability to sue, but they also say that for individuals who have to buy the insurance in the individual market and not through a group plan, that they do not even have access to an appeal procedure where if they have been denied proper care, they do not even have a way of taking the appeal of that decision under the Republican proposal.

So the Republican proposal in the House, on the one hand, excludes a lot of people from any kind of appeal if they have been denied coverage. It does not allow a lot of people to bring suit, if they are covered under ERISA, and essentially there is no enforcement. So there are tremendous loopholes in this Republican plan that we need to address and it is one of the reasons why we have been so critical of it.

At this point, I yield to the gentleman from Pennsylvania (Mr. KLINK), who is on the Committee on Commerce and has been really outspoken in bringing his concerns about managed care home to his constituents. I know the gentleman has had a lot of forums and he has heard a lot of horror stories over the last 6 months.

Mr. KLINK. The gentleman from New Jersey is right. I want to thank the gentleman from New Jersey for his leadership on this issue. He has been here relentlessly, tirelessly, night after night, day after day, as he has been in the Democratic hearings, as he has been in talking with Members on both sides of the aisle trying to educate Members on this issue, and I think you are to be lauded, regardless of what comes out of the effort by either party. The gentleman has worked very hard on this issue.

Before I get to my comments, I think I want to get to what the gentleman from New Jersey and the gentleman from Texas (Mr. TURNER) were talking about. We sometimes start talking in alphabet soup terms in Washington, D.C. We talk in acronyms because it is the way the bureaucracy operates. We do not have time to say these long names and so we shorten it to the acronym, and ERISA is a very confusing acronym because it is a very complex law.

Anyone who knew this law inside and out would make hundreds upon hundreds of thousands, if not millions, of

dollars each year consulting with companies. It is the Employee Retirement Income Security Act, and that is why we call it ERISA. It deals, as the gentleman from New Jersey and the gentleman from Texas have stated, with multistate employers, usually self-insured, companies like General Motors, Ford, Chrysler, IBM, Westinghouse Electric, Pennsylvania Plateglass. All of these large multistate employers, because they are located in more than one State, do not come under a State insurance commissioner. They come under the Federal Government.

In coming under the Federal Government, the judges, as was stated by my two colleagues, have determined that because of the ERISA law, because of this long named law, you cannot sue those insurance companies when they make a medical decision. If they deny you access to a hospital and you drop over dead, you could only retrieve from them the cost of the time you would have been in the hospital, or if they discharge you from the hospital early and you die or you lose a limb, you cannot get the cost of the damages for the loss of life or for the limb that you have lost. You can only get the 2 days that they denied you to be in the hospital. How ridiculous that is.

The Democratic plan says, that is ridiculous. If you are going to make medical decisions, then you should be liable when those decisions are wrong. You should not be the callous kind of person that says, you have no choice. We are making the decision. I am looking at a set of figures here. You do not go to the hospital, unless you are willing to pay the piper when that decision is wrong.

The Republican plan does not fix that. It does not make people who are making medical decisions, even though they may not be medically trained, because they work for insurance companies, it does not make those insurance company personnel responsible. Then, what the Republican plan further does, which the gentleman from New Jersey, I thought, explained very well, it only relates to those employers who come under ERISA plans, those multistate employers.

If you work for a small company, if you are self-employed, if your employer is within one State where you come under that State insurance commissioner in all 50 states, you get no protection from the GOP plan at all. This plan is left wanting on both ends, and that is the difficulty.

My problem with this is that this whole managed care debate is life and death. It is a life and death decision.

I can remember back in 1993 and 1994, my friend, the gentleman from New Jersey, was here with me and we were trying to work on tackling this issue. I was not a proponent at that time of the Clinton plan, although I thought we needed to do something. I was at that time for more of a, let us try this and then we will do this. I did not like the whole omnibus idea, but what happened is something that is happening now and we have to learn from history, and that is the insurance companies took to the airwaves of this nation, spending tens of millions of dollars, saying, you do not want the Federal Government to have control of your insurance and, lo and behold, the people of America listened to all of those Harry and Louise ads and we said, I guess we do not want the Federal Government.

Why would we want the government involved in our health care, not stopping to think that Medicare, which seems to work pretty well, which is run by the government, is controlled by the same government.

□ 2310

But nobody put two and two together. Very few people did. And so the insurance companies won, the Clinton administration lost, and life went on, except life did not exactly go on. Because the insurance companies now have control over the health care delivery system of this Nation. It is not big government, it is big business. And decisions are being made not for health reasons but for reasons of increasing the profits of those people who invest in or who manage those insurance companies. That is how the decisions are being made today.

I began early last year in a small town called Slickville, Pennsylvania. Because I could not talk my Republican colleagues into holding hearings on this matter, we went to the tiny town of Slickville after hearing horror stories from doctors who could not treat their patients anymore because they could not be included in the HMO, after hearing from patients who no longer could go to their doctors because their doctors were not in the HMO and they had no choice, by the way, because their employer took the HMO. It was not like they had a choice to go out because they could not afford to go outside the employer plan. But now they could not go to their own doctors and they could not go to the hospital of their choice and they could not go to the pharmacist of their choice, they could not get the drugs that their doctor was recommending for them. They had all kinds of problems. We began over 60 hours of hearings. We heard horror stories which told me one thing. The people of this country were aware of what happened since the failure of the Clinton plan until now, they knew there was a problem, but inside the Beltway, the people running the House of Representatives here did not understand it, and I think to this day as they try to ram a bill that is horrible, without hearings, down the throats of this Congress and the American people, they still do not understand. They still do not get it. I will tell you, people know they are getting a raw deal. They know what is happening when the insurance companies force them to go through a series of hoops with the hope that somewhere along the line they will just give up and not fight anymore for the treatment that they should get. They know they are getting a raw deal when they cannot even get good information about what it is their insurance covers in the first place. And when their doctor has only two minutes to see them because they have to see so many more patients under managed care. Or when they cannot go to see a specialist that they may have been going to for years without having to go across town or to a different town to get a referral from a primary care physician. And they know they are getting a raw deal when they get these ridiculous bills from their insurer because they fell down unconscious and they failed to call the HMO for authorization when the ambulance then picked them up and took them to the nearest emergency room. Or they know they are getting a raw deal when they get kicked out of a hospital the day after major surgery even though the doctor says you need to stay in this hospital. And they know they are getting a raw deal, they know that something really bad is happening because care was denied and they discovered the health insurers are about the only type of business in this country that cannot be sued for pain or suffering when they make a decision.

The Democratic Patients' Bill of Rights has answers for all these problems, but regrettably the Gingrich plan does not. It is that simple. One of the women, and really this is a horror story that we had, Mrs. Bloise from New Castle, Pennsylvania, her daughter came to see us in New Castle. It turns out her mother was admitted to a great hospital, the Cleveland Clinic, on December 13 of last year for surgery on her esophagus. By all accounts the surgery was very successful. But it was major surgery and it required a degree of postoperative attention.

What happened is really beyond my comprehension I would say, Mr. Speaker. Even though she wanted to stay in the hospital after the surgery, and her family wanted her to stay in the hospital, and her doctor wanted her to stay in the hospital, Mrs. Bloise was discharged two days after major surgery on her esophagus over the objection of her family, her doctor and told she would have to come back two days later. But she was too sick to travel hours away from the Cleveland Clinic to New Castle, Pennsylvania. She was in no condition to travel. A day and a half after traumatic surgery, she was discharged and told she would have no choice but to stay at a hotel room across the street from the Cleveland Clinic and wait for her appointment

two days later. Well, they did not have to worry about paying any more of Mrs. Bloise's hospital bills because she died in that hotel across the street from the Cleveland Clinic.

Now, our dear friends in the insurance companies, they hear these stories, they say, "Well, this is just anecdotal." When you get this many anecdotal stories in 60 hours of hearing in my district alone, something is wrong in this country with our health care delivery system and people are dying. And we are not just saying this because it sounds good, we are saying it because it is true and they are our constituents, they are our family members. Not one person that any of us, Republican, Democrat, Independent, Communist, Socialist, Green Party, not one person that we know, not one person that we talk to does not know someone who has not had a raw deal from the insurance companies. They now control health care. The Democrats want to change that. The Republicans, now wedded to the insurance companies, want to keep it business as usual. That is what they are going to try to do this Friday and it is a shame.

How in the world, and I am a pro-life Democrat, but I am going to tell you something, I do not know how my friends on the pro-life side on the Republicans can say they are pro-life when they want this kind of loss of life, this kind of pain and suffering to continue day in and day out and they do not want to stand up to the insurance companies and do something about it. You cannot be pro-life until the child is born and then from that point on through their life when they are fighting to see doctors, when they are fighting to get medical care to save that life you turn your back on them. That is exactly what is happening.

Mr. PALLONE. I just want to thank the gentleman again for his contribution here tonight, because I know how strongly he feels about this. He has all these cases. He has really spent the time in his district giving forums and opportunities, if you will, for individuals to come forward and talk about these abuses. We know how many there are.

I just wanted to say briefly and then I will yield to the gentlewoman from Michigan. One of the major problems with the Republican bill is that when I talk to constituents and when I get feedback from different individuals, what they really want, most importantly, is the return of medical decision-making to patients and health care professionals, doctors, and not have medical decisions made by the insurance companies. The worst part I think of the Republican bill, the House bill and the Senate bill, is that it allows the insurance company, the HMO, to define medical necessity, so that we as Democrats have said that what we want to do is switch this whole phenomena so that the decision about whether or not you are going to be able to stay in the hospital a few more days or whether you have a certain medical procedure is made by the patient and the doctor.

Well, if you leave it as the Republican bill does, if you leave the definition of what is medically necessary to the HMO, you do not have any patient protections. This is what I have been trying to say the last few days when this Republican bill was finally revealed last Friday, that it actually does not move us forward at all in terms of patient protections. This is one of the major reasons, because the definition of what is medically necessary is still going to be left up to the HMO.

I just wanted to mention a few things briefly, because I do not know that we have specifically talked about some of the differences in terms of the actual patient protections. One is what I have mentioned, the protection of the doctor-patient relationship. It is still denied essentially by the Republican plan. The other is access to specialists. The Democratic plan lets you go to a specialist outside the network if there is not one available within the HMO network. The Republican bill does not allow that. The Republican bill does not do anything in terms of coverage of mastectomies and requirement of coverage for reconstructive surgery. In other words, in our bill, we have a prohibition on the drive-through mastectomies and we require coverage for reconstructive surgery after a mastectomy. This is a very important provision that we have talked about for some time that is not in the Republican bill.

Point of service. A big issue for a lot of Americans is the ability to go outside of the HMO network and see a doctor outside the network even if they have to pay a little more if they want to do that. What the Democratic bill says is if your employer only offers you an HMO, a closed panel HMO, for only doctors or hospitals within the network, he also has to offer you initially the option of going outside the network if you are going to pay a little more. Well, in the Republican bill, they have so many loopholes in their point of service option that it might as well not exist. They say that there is an exemption for these new health insurance pools, there is an exemption if the employer does not want to contract with a plan to provide the point of service. They might as well not have anything.

□ 2320

I mean, they have so many loopholes it is incredible. So there is no point of service. There is no option, really, to go outside of the plan for a doctor or a hospital under the Republican plan.

Under emergency care, we of course require that you would be able to go to any emergency room. You do not have to go 50 miles away. You do not need prior authorization because we have what we call a prudent layperson standard. If the average person thinks that this is an emergency, then they go to the local emergency room and they do not need prior authorization; otherwise, it is not an emergency.

In the Republican plan, again, they have so many loopholes. They say that severe pain is not a standard that a reasonable person could apply and go into the emergency room. So if you think you are in severe pain, and that is the reason you go to the emergency room without prior authorization, it turns out you did not have a problem, then they are not going to pay for it, because your basis was going there with severe pain. I can go on, and I do not want to because I think we can bring some of these things out.

Essentially, there is no progress on the issue at all with the Republican plan. It is not a meaningful way to move forward at all on the issue of managed care reform.

Mr. Chairman, I yield to the gentlewoman from Michigan who, again, has been outstanding on this issue and has been getting a lot of input back from her constituents on the need for this Democratic proposal.

Ms. STABENOW. Mr. Chairman, I thank my friend, the gentleman from New Jersey, and to echo what all of my colleagues have said for all of his hard work, he has been a wonderful leader and he has been here many, many late nights. We are all here late tonight, because we care very much about this issue, and he has been here many, many late nights.

Today, we are here as Democrats from New Jersey to Pennsylvania to Texas to Michigan. I do want to start, though, by saying that, most importantly, we are here as Americans who want to allow every one of our families to be able to participate in what is the best health care system in the world.

How ironic that we have the best health care, and, yet, people cannot receive the best health care because of the ways systems have been set up.

We do not want to be here talking about Democrats versus Republicans. We want to ask them to join us. Unfortunately, it has become an issue separating us because of whose interests we are reaching out to protect, American people wanting health care or those who benefit, the insurance companies who are benefiting by the current status quo.

I want to share with my colleagues this evening just one letter of many that I have received from families in Michigan. This speaks very much to the issue of emergency room care as well as a number of other issues that have been raised this evening. This is from a constituent of mine.

"My husband was working on a job when he had a chain saw kick back and

cut into his lower left leg. He was rushed to the nearest hospital where he was immediately put into a trauma unit where the doctors began assessing the damage and preparing a medical plan of action. The chain saw stalled in his tibia bone after severing all the muscles, veins, and nerves in his lower leg.

"The hospital's plan was to take him to an operating room, with an orthopedic surgeon, vascular surgeon and a neurology surgeon. Per my health insurance card's instructions, the hospital personnel contacted my HMO who insisted that my husband be transferred to another hospital. The physician in charge did not agree, claiming the accident was too severe to move him. The HMO clerical claimed that, if treated, the HMO would not pay the bill.

"The ambulance drivers were instructed to leave my husband on a gurney by the door at the second hospital, where he remained for 9 hours without any pain medication. He was not even given any ice to put on the wound. We finally saw the emergency room physician after 9 hours and after my husband tore a phone out of the wall and threw it on the floor" due to his severe pain.

"Eventually, my husband was given nine loose stitches in his leg, put in a cast, and sent home after laying in his filthy, wood-chip covered clothing for 28 hours" in the emergency room. "He never received any surgery", which was recommended, and "is now in constant pain from permanent nerve and vascular damage, which were both medically repairable during the first 24 hours following the accident.

"We have found a physician who is willing to attempt some orthopedic repair. This has taken all of our savings because he is not in the 'network'" of the HMO.

"This corporation has been allowed to hold my family prisoner for 12 months. The lack of medical care they have provided has cost my husband a normal life. We have since lost our business and are trying to sustain our family of four on one income."

This is a situation that should never happen in the United States of America. There is absolutely no reason why this gentleman was not treated immediately in the emergency room with the care that he needed which was recommended by the doctor in charge.

Our bill, the Patients' Bill of Rights would reinstate that critical relationship between the physician and the patient. Instead, the Republican leadership bill would do little to protect the family that I just talked about.

As my colleague, the gentleman from New Jersey, talked about earlier, the whole issue of referring to severe pain as well is excluded from their bill in terms of defining when you can receive care in an emergency room. In fact, what we are talking about is the medically sound advice of a doctor, such as the doctors in the emergency room that I just talked about, being able to treat someone without having to look to an HMO that is not in the best interest or used in the best interest of the patients involved.

Let me just say, in conclusion tonight, that we are fighting for that woman, that family that was in that emergency room, and all of the other families across America that want very much, that expect in this country to have the quality health care that they need for themselves and their families.

Ms. MILLENDER-McDONALD. Mr. Speaker, I would like to join my colleagues tonight in explaining to the American people what the Republican leadership is doing—as opposed to claiming to be doing—to address a disturbing trend in the nation's health care system.

We have heard story after story of how doctors have recommended certain medical procedures and health insurance companies have claimed that it is not necessary and not covered. We have heard over and over again about women who have not been allowed to have their gynecologist serve as their primary doctor and instead, have been forced to waste time and money visiting their primary doctor each time they need to see their gynecologist. We know the same treatment occurs when patients seek specialists and are instead dragged through a painfully slow process of going to their primary care physician every time they need their specialist. This has resulted in delayed treatment and even in the loss of lives.

One issue on which I have worked extensively is creating more opportunities for children and those in need to receive bone marrow transplants. Although most health insurance companies claim that they cover bone marrow transplants, in reality, few cover the complete cost involved in saving a child's life. Every year in this country, 30,000 people are diagnosed with diseases such as Leukemia and Sickle Cell Anemia that can be successfully treated with a bone marrow transplant. The marrow transplant procedure is no longer considered an experimental procedure.

It has been peer-reviewed in numerous professional medical journals, which is the basis for determining "medically appropriate" care that will be covered by insurance plans. Beyond meeting this standard, bone marrow transplant searches and procurement from donors must be covered as well in order to truly save lives.

Bone marrow transplants are just one example of a clearly life-saving and medically appropriate and necessary procedure that needs to be covered by health insurance companies.

The Republican bill leaves medical decisions in the hands of insurance company accountants and not in the hands of those who know best: the doctor and patient.

The Republican bill does not ensure access to specialty care; does not prohibit HMOs from offering bonuses to doctors for denying necessary care; does not prohibit drive-through mastectomies; and perhaps, worst of all, the Republican bill does not hold the health insurance plans accountable when abusive practices kill or severely injure patients.

Despite what those who would rather squander extra dollars for the health industry say, these protections would not result in a significant increase in costs. A recent congressional study concluded that the right to sue, which is in the Democratic Patients' Bill of Rights bill, would result in only an extra $2 a month per employee.

These are just some of the 16 protections that are missing from this Republican fig leaf of a bill that are included in the Democratic Patients' Bill of Rights bill. The Republican bill flies in the face of those lives who have been lost or severely impaired by an incomplete, unfair and sometimes ruthless HMO system. This legislation is seriously flawed not only because it is extremely partisan and has completely circumvented the legislative process, but also because it does little to resolve some of the most daunting problems facing Americans today.

GENERAL LEAVE

Mr. PALLONE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my Special Order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

ISSUES OF HIGH NATIONAL IMPORTANCE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Georgia (Mr. BARR) is recognized until 12 midnight as the designee of the majority leader.

Mr. BARR of Georgia. Mr. Speaker, I would like to spend a few moments this evening engaging in what we used to as children called paint by numbers. The Speaker may recall those paint by numbers where, when you open a box of that paint by number, you are basically presented with what appears to be an incoherent picture, white with some black lines on it and some numbers. Only as you fill in the numbers so designated at some point does the full impact of that picture really become clear.

The paint by number picture about which I speak tonight has to do with fundamental constitutional powers such as separation of powers and other very clear concepts and philosophy and powers designated explicitly or implicitly in our Constitution, in other words, very, very grave issues of high national importance.

The picture being painted by the administration is not one that is being painted directly through the normal time honored and constitutionally sound process of proposing legislation, fully debating that legislation, holding

hearings on that legislation, making changes to that legislation, further debating that legislation, allowing Members and, indirectly, the American people to vote on that proposed legislation, reflecting their will, their desires, their needs, that is the will, the desire, and the needs of the American people, and then having a similar process of public vetting, as it were, take place in the Senate.

Then and only then would the President as the Chief Executive Officer of this country either approve or veto that legislation at which time, if it is signed reflecting, one presumes, the desires of the Chief Executive would it become the law of the land.

□ 2330

It would be, thereafter, subject to whatever scrutiny those who object to it, who might object to it, would raise through our court system.

That is how the system ought to operate. And whether each one of us agrees or disagrees with any particular laws so passed and so signed by the President, at least we have had the opportunity and the American people have had the opportunity through their representatives in this representative democracy to have input, to have an impact, and to understand what it is that is being proposed to ensure to the greatest extent possible that it reflects their views, their needs and their desires. That is the way it ought to be. That is the way normally it is.

Over the course of our Nation's history, we have had dozens of presidents. By and large, each one of them has respected that process. They understand that process, and they abide by that process, because they know it is essential to the fabric and the continuing of this great country.

Unfortunately, Mr. Speaker, what we have currently is something quite different. We have an administration that is attempting to govern by executive order and rules and regulations; attempting to come in through the back door, as it were, when the front door has either not yet been opened or deliberately closed shut by the people's representatives in this great body.

When you see these numbers being filled in, Executive Order 13083, for example, it does become frighteningly clear what is happening in America through essentially a subversion of the process of governing laid out in our Constitution. I would like to mention briefly, Mr. Speaker, just a few examples of this process, or lack of process, this evening.

Let us start with the big picture. Federalism, that concept embodied in our Constitution and honed to a fine art through decades upon decades of activities here in this body and our sister body across the Capitol and at the other end of Pennsylvania Avenue and, indeed, as well through the court system.

On May 14, 1998, perhaps just by coincidence while he was outside the continental United States of America in England, President Clinton signed Executive Order 13083, on May 14, 1998. This is an Executive Order entitled simply "Federalism," similar in its title and in its prefatory language to an Executive Order issued 11 years ago, in 1987, by President Reagan.

There the similarity ends. The Executive Order on Federalism issued in 1987 by President Reagan was a blueprint that was consistent in every respect with the concepts of Federalism embodied in and contemplated by the founders of our Constitution, our Founding Fathers.

It basically served over the course of the last 11 years to set forth a policy of the Executive Branch of government that unless there was a specific power on which any and all Federal agencies or departments could base prospective action involving powers normally granted to, subsumed by or exercised by state or local governments, then, in the absence of such clear express authority, President Reagan's Executive Order directed that the agency or the department contemplating such action should not and would not move forward with it. In other words, it was a limiting Executive Order.

What we have, Mr. Speaker, in Executive Order 13083, signed on May 14, 1998, by President Clinton, is an Executive Order that, while it purports to embody concepts of Federalism similar to that put forth by President Reagan, it does exactly the opposite.

Executive Order 13083 is a blueprint providing justification for any agency or department of the Executive Branch to involve itself in any activity, particularly those normally subsumed by or exercised by state or local governments, so long as that proposed activity falls into one of nine categories of activities that are so broad as to encompass virtually any activity any administration would want to involve itself in.

For example, number one, when the matter to be addressed by Federal action occurs interstate; two, when the source of the matter to be addressed occurs in a state different from the state or states where a significant amount of the harm occurs; three, when there is a need for uniform national standards; four, when decentralization increases the costs of government; five, when states have not adequately protected individual rights and liberties; six, when states would be reluctant to impose necessary regulations because of fears that the regulated business activity will relocate to other states; seven, when action would undermine regulatory goals; eight, when the matter relates to international obligations; and, nine, when the matter to be regulated significantly or uniquely affects Indian tribal governments.

One does not have to be either a rocket scientist or a learned constitutional scholar to conclude very quickly that this list of nine categories of proposed Federal activity would encompass anything any administration would want to encompass. It goes far beyond, both in its express terms as well as in its implicit powers, beyond any powers contemplated to be granted to the Federal Government in the Constitution, far beyond even the very expansive notions of interstate commerce that have been used as an almost universal hook on which to impose Federal action in recent decades.

This Executive Order, unless stopped by the courts or by Congress, goes into effect August 12, 1998. Legislation though has been introduced by myself and others, H.R. 4196, the State Sovereignty Act of 1998, that would stop this Executive Order.

Let us erase at least those numbers "13083" from this paint-by-number process that we see this administration trying to sneak through on to the American people, our states and our local governments.

There is another Executive Order to which I would draw the Speaker's attention, signed exactly two weeks after the Federalism Executive Order. This one was signed by the President, numbered 13087, on May 28, 1998.

While this one is much shorter and more direct and limited in its scope, it reflects either a gross misunderstanding of the purpose and proper role of an Executive Order, or, again, a back door effort to subvert the normal process of legislating and governing in America.

This Executive Order, 13087, provides that sexual orientation shall be for Federal employment purposes and all other activities of Federal agencies or departments a protected category of activity.

□ 2340

It does this by amending Executive order number 11478 signed in August of 1969 by former President Nixon, which had to do with affirmative action in Federal agencies and departments. Therefore, through the Executive order signed by President Clinton on May 28, 1998, providing for sexual orientation as a protected category of activity for all Federal purposes by inserting that provision into the prior Executive order signed by President Nixon under this new Executive order, there will be an affirmative action program for sexual orientation in Federal agencies and departments.

This, despite an expressed decision by the Congress of the United States not to pass legislation that would purport to make sexual orientation a protected category activity, and despite the fact that the Supreme Court of the United States has consistently refused to find or to grant a protected category for sexual orientation.

Those who support this Executive order claim it does not mandate an affirmative action policy, but it does. The expressed terms of the Nixon Executive order, for example, and I quote, "To promote a continuing affirmative program in each executive department and agency." And further, in its section 2, quote: "The head of each executive department and agency shall establish and maintain an affirmative program of equal employment opportunity for all civilian employees and applicants for employment within his jurisdiction."

That was the affirmative action Executive order which now, by virtue of a stroke of the pen by President Clinton, includes and mandates sexual orientation as among its protected class of activity.

Further, and even more unfortunately perhaps, Mr. Speaker, is the fact that this latest Executive order is poorly crafted, perhaps on purpose, perhaps simply by haste. Regardless of why, it is a very poorly crafted Executive order, because although its subject matter is sexual orientation as a protected class of activity, nowhere in it does it define what sexual orientation is. Nowhere in the United States code is there a definition of sexual orientation.

One week ago, Mr. Speaker, when we had the opportunity to talk with the acting Assistant Attorney General for Civil Rights, Mr. Bill Lann Lee, I asked him if he could define for us sexual orientation in the context of this Executive order or other matters within the jurisdiction of the Department of Justice. He could not. I asked him again today in hearings before the Subcommittee on Crime of the Committee on the Judiciary in the context of the next matter I will speak about if he could define sexual orientation. He made a stab at it, but he could not. Yet, we now have an Executive order that mandates sexual orientation as a class of activity for all Federal purposes and makes it a requirement that every Federal agency or department establish and maintain an affirmative action policy relating to that protected category of activity, yet it does not define what it is. Is this a recipe for mischief, or what? Yet Congress has had no say-so, nor have the American people had any input, into this legislation by Executive order.

Let us, however, assert our proper responsibility role, power and jurisdiction under the Constitution, and by legislation mandate that this Executive order not go into effect. Let us at least erase those colors from the paint-by-number drawing that this administration is forcing on the American people.

Thirdly, and related to that prior Executive order on sexual orientation affirmative action, Mr. Speaker, is legislation being supported without any hesitancy whatsoever, in the words of acting Assistant Attorney General Bill Lann Lee today, that would establish a new category of Federal crime, so-called hate crimes, which would include as a Federal hate crime harming somebody because of their actual or perceived gender or sexual orientation. Nowhere in the legislation or in the code is there a definition of either of those terms. Yet, this administration would saddle United States Attorneys all across this country, and certain Federal agencies all across this country, already overburdened in their efforts to protect the American people from legitimate crime, to now take from their precious resources and overburdened staffs personnel and resources and time to try and figure out what is a crime involving activity based on perceived sexual orientation.

This legislation should be defeated. If we do not, then I feel fairly confident the courts will, because of vagueness and other infirmities in its terms, but here again, Congress has expressly refused to recognize, as have the courts, so-called sexual orientation as a protected category of activity, and this administration should not be allowed to move forward in this backhanded, back-door way of subverting the will of the people of this country.

The gentleman from Arizona has joined us.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Georgia for the concerns he has brought to light this evening. As I watched on our television system while I was making calls to constituents in the 6th district of Arizona, I could not help but note that the very concerns the gentleman from Georgia outlines were raised with me this past weekend back in the 6th district.

I had occasion to visit Arizona's pleasant valley, the small town of Young, Arizona for their annual Pleasant Valley Days parade, and then Saturday evening in a neighborhood townhall meeting in Mesa. Many citizens of the 6th district raised these precise concerns. And regardless of philosophical orientation, what the gentleman from Georgia points out tonight is absolutely correct, because in this Chamber and indeed, Mr. Speaker, throughout this government, there needs to be a reverence for and an adherence to the Constitution of the United States, which properly notes that the powers this government derives is conferred upon it by the people, and accordingly states that it is the legislative branch which has lawmaking authority, and the executive branch the responsibility to execute the law.

So this transcends political philosophy, for it is a question of constitutionality, and those who would seek to usurp in the executive branch the powers rightly conferred by the people on the legislative branch of government are treading on dangerous ground.

□ 2350

I almost hesitate to use the term, for it sounds very strong. And yet this is what it in effect is. It is a subversion of the intent of our Founders to have those in the Executive Branch attempt to legislate by Executive order.

I would say, Mr. Speaker, this holds true regardless of party affiliation. For whatever reasons, those tempted in the Executive Branch to attempt to subjugate the American people to their visions and designs, independent of what the Congress of the United States says, and indeed in direct opposition to what the Congress has specified through the votes of the duly elected constitutional officers in this body and in the Chamber opposite who serve in the legislative branch.

So, Mr. Speaker, on behalf of many citizens of the Sixth District of Arizona, I rise to take to the well of the House to commend the gentleman from Georgia for properly pointing out that there are serious questions about the entire notion of Executive orders, and especially those which he has outlined here this evening. Again, concerns that transcend philosophical differences and go to the very fabric of our constitutional republic and the powers conferred upon us by the people through their expressions at the ballot box.

That is why I look forward to joining with my colleague from Georgia and others in this body to reaffirm what the Constitution sets up. That this body is set aside to deal with legislative remedies and law making. And that the Executive Branch exists to execute the laws passed in the Legislative Branch. And that, of course, our friends in the Judiciary, in that third separate but coequal branch of government, have the right to interpret and through judicial review determine the constitutionality of many different actions.

I share the concern of the gentleman from Georgia that the propensity for and the temptation of Executive orders seems to have run rife through this administration. That in the wake of the ground swell of popular support for a new conservative majority, there seem to be those in this city, located at the other end of Pennsylvania Avenue, who would move to ignore the will of the people as expressed by the duly elected constitutional officers.

So, again, just as I heard Saturday afternoon in Young, Arizona, and Saturday evening in Mesa, Arizona, I rise to compliment the gentleman from Georgia, to pledge publicly that I will work with him because the people have this concern. And as Dr. Franklin said to a bystander, "Here, sir, the people govern."

Not the executive, but the people working their will through their duly elected constitutional representatives.

Mr. BARR of Georgia. Mr. Speaker, reclaiming my time, I thank the gentleman from Arizona, although his presence here this evening and his words are not surprising to me. He is say well-known champion of the Constitution and is a tireless and very eloquent advocate for its principles. I appreciate his support and his words which he speaks many times from the well of this House, and in his district.

If I might, Mr. Speaker, two other quick examples, and there will be more to be sure in succeeding hours here on the floor of this House, because the issues are more important, much more important than can be dealt with in one evening's discussion.

Many of us have heard for quite some time, I know the gentleman from Arizona has as well, of a national ID, a national identification card. "May we see your papers, please?" Yet up to this point, that really has been a theoretical discussion.

Well, it is theoretical no longer. By rules proposed in the Federal Register on June 17, 1998, the public comment period for which will end on August 3, 1998, the Federal Government is setting in motion a comprehensive and very proactive policy and mechanism for the establishment of a single national identification card.

Now, one might think, well, that would be something that would be subject to great discussion and debate and would certainly be something, because of its importance and its legal ramifications, something that would be sponsored by the Department of Justice or the FBI. Not so. It is being sponsored and implemented by an agency well-known to everybody with clear jurisdiction over such key judicial and constitutional matters as this, by the National Highway Traffic Safety Administration.

Time will not permit, Mr. Speaker, to go into all of the details of this. I will at a future date. Suffice to say that in the numerous pages promulgated in the Federal Register on June 17 of this year by the National Highway Traffic Safety Administration, is a comprehensive laundry list of all of the specific information and indeed the format in which that specific information shall be included in a national identification card. At its core will be the Social Security number.

This has been followed up already, Mr. Speaker, by another proposal which is becoming known to those citizens, such as the gentleman from Arizona, who are concerned about privacy rights, separation of powers and other constitutional principles, the national health identification card or health identifier.

We do not need to use our imagination to know exactly where this leads us. We need only to look at our friends across the Atlantic Ocean, Great Britain. During the Christmas holidays this past Christmas, Prime Minister Tony Blair instituted by executive fiat, similar to his friend here in Washington, the President of the United States, a national identification card which is called, oh, so benignly, a Smart Card. And this is simply a prelude to a European identification card for the European Union, which will then become part of what many would hope and envisage as an international identification card.

Lastly, the Second Amendment well-known to at least most of us in this Chamber preserves for the American people expressly in our Constitution the right to keep and bear arms. Also expressly embodied in our Constitution is the principle that only the House of Representatives shall have the power to levy taxes. Yet what the FBI has proposed again in proposed rules and regulation, not legislation subject to full, open, and fair debate and voting by the American people through their representatives, but through rules and regulations, the FBI is proposing a gun transfer tax.

Moreover, Mr. Speaker, and I know this is of concern to the gentleman from Arizona whose citizens cherish not only the Second Amendment but the entire Constitution, the FBI is also proposing to begin and maintain a registry of all law-abiding gun owners in this country.

We have legislation, H.R. 3949, that would strike the proper balance and rescind and stop this unconstitutional power grab. I urge, as I know the gentleman from Arizona will, support for this so that here again we do not allow those numbers to be painted in through the unconstitutional colors of this administration.

In closing, if I have any time I will yield to the gentleman from Arizona, but in closing, let me do something that I purposefully did not do at the beginning of this discussion about paint by numbers. Let the American people understand and know what the title is of this paint by numbers being proposed by the Clinton administration. It is abuse of power.

There is a remedy for that, which we may indeed get to in this Congress. But let us begin now through legislation and the light of day and stopping these unconstitutional moves by this administration.

Mr. Speaker, I yield to the gentleman from Arizona.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Georgia, and again it is almost as if my friend joined me in Arizona this past weekend, because these exact concerns, enumerated here on the floor by the gentleman from Georgia, were exactly the concerns I heard not only from the two groups with whom I met personally, but on talk radio in the Phoenix market and in a variety of different venues.

I would certainly commend the comments of the gentleman from Georgia, and also point out to the gentleman and to our other colleagues, Mr. Speaker, that the gentleman from Pennsylvania (Mr. GEKAS) and I have prepared legislation that again amplifies the Constitution, that the sole power to tax resides here in the House of Representatives, not with any bureaucratic organization or organization of the administrative branch.

Mr. Speaker, I yield back to gentleman from Georgia.

Mr. BARR of Georgia. Mr. Speaker, I thank the gentleman from Arizona and look forward to further discussions on these very important matters.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YOUNG of Florida (at the request of Mr. ARMEY) for from noon on July 21, and for today and July 23 and 24, on account of personal reasons.

Mr. SERRANO (at the request of Mr. GEPHARDT) for Thursday, July 23, on account of family business.

Mr. FORD (at the request of Mr. GEPHARDT) for today on account of personal business.

Mr. GREEN (at the request of Mr. GEPHARDT) for after 4:30 p.m. today.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PAPPAS) to revise and extend their remarks and include extraneous material:)

Mr. CONYERS, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Ms. ROS-LEHTINEN) to revise and extend their remarks and include extraneous material:)

Mr. GUTKNECHT, for 5 minutes, today.

Mr. KASICH, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PAPPAS) and to include extraneous material:)

Mr. HAMILTON.

Mr. KIND.

Ms. PELOSI.

Mr. MURTHA.

Mrs. CAPPS.

Mr. KANJORSKI.

Mr. ORTIZ.

Mr. BARCIA.
Mr. BLAGOJEVICH.
Mr. TRAFICANT.
Mr. STARK.
Mr. SANDERS.
Ms. HOOLEY of Oregon.
Mr. LIPINSKI.
Ms. JACKSON-LEE of Texas.
Mr. CONYERS.
Mr. VISCLOSKY.
Mr. MCDERMOTT.

(The following Members (at the request of Ms. ROS-LEHTINEN) and to include extraneous material:)

Mr. HAYWORTH.
Mr. ENSIGN.
Mr. LEWIS of Georgia.
Mr. DUNCAN.
Mr. WELLER.
Mr. MCCOLLUM.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following date present to the President, for his approval, bills of the House of the following titles:

On July 21, 1998:

H.R. 2676. An act to amend the Internal Revenue Code of 1986 to restructure and reform the Internal Revenue Service, and for other purposes.

H.R. 1439. An act to facilitate the sale of certain land in Tahoe National Forest in the State of California to Placer County, California.

H.R. 1460. An act to allow for election of the Delegate from Guam by other than separate ballot, and for other purposes.

H.R. 1779. An act to make a minor adjustment in the exterior boundary of the Devils Backbone Wilderness in the Mark Twain National Forest, Missouri, to exclude a small parcel of land containing improvements.

H.R. 2165. An act to extend the deadline under the Federal Power Act applicable to the construction of FERC Project Number 3862 in the State of Iowa, and for other purposes.

H.R. 2217. An act to extend the deadline under the Federal Power Act applicable to the construction of FERC Project Number 9248 in the State of Colorado, and for other purposes.

H.R. 2841. An act to extend the time required for the construction of a hydroelectric project.

ADJOURNMENT

Mr. BARR of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 59 minutes p.m.), the House adjourned until tomorrow, Thursday, July 24, 1998, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized for official foreign travel during the first and second quarters of 1998 by Committees of the U.S. House of Representatives, as well as a consolidated report of foreign currencies and U.S. dollars utilized for speaker-authorized official travel during second quarter of 1998, pursuant to Public Law 95–384, and for miscellaneous groups in connection with official foreign travel during the calendar year 1997 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Daniel J. Bryant	1/28	1/31	Mexico		992.00		555.27				1,547.27
Committee total					992.00		555.27				1,547.27

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

HENRY J. HYDE, Chairman, June 16, 1998.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at the right to so indicate and return ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN R. KASICH, Chairman, July 7, 1998.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 7 AND JUNE 1, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Lincoln Diaz-Balart	5/7	5/9	Costa Rica		468.00		(3)				468.00
Hon. Tony Hall	5/25	5/26	Kenya		244.00						244.00
	5/27	5/30	Sudan		560.00						560.00
	5/31	5/31	Kenya		168.00						168.00
Commercial airfare							6,955.57				6,955.57
Hon. Gerald B.H. Solomon	5/26	5/27	Netherlands		507.00		(3)				507.00
	5/28	5/29	Italy		702.00		(3)				702.00
	5/30	5/31	Ireland		719.77		(3)				719.77
Committee total					3,368.77		6,955.57				10,324.34

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

JERRY SOLOMON, Chairman, July 15, 1998.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAR. 1 AND JUNE 30, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Tim Holden	4/4	4/6	Italy		516.00		(3)				516.00
	4/6	4/10	Uzbekistan		1,376.00		(3)				1,376.00
	4/10	4/12	Turkey		620.00		(3)				620.00
	4/12	4/14	United Kingdom		280.00		(3)				280.00
Hon. Wayne Gilchrest	5/10	5/13	United Kingdom		1,460.00		581.33				2,041.33
Commercial airfare											
Committee total					4,252.00		581.33				4,833.33

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

BUD SHUSTER, Chairman, July 16, 1998.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON TAXATION, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL ARCHER, Vice Chairman, July 15, 1998.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HOUSE DELEGATION TO ISRAEL, JORDAN, AND ROME, EXPENDED BETWEEN MAY 28 AND JUNE 1, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Newt Gingrich	5/23	5/27	Israel								
Hon. Richard Gephardt	5/23	5/27	Israel								
Hon. Robert Livingston	5/23	5/27	Israel								
Hon. Henry Waxman	5/23	5/27	Israel								
Hon. Tom Lantos	5/23	5/27	Israel								
Hon. Dennis Hastert	5/23	5/27	Israel								
Hon. John Linder	5/23	5/27	Israel								
Hon. Ray Granger	5/23	5/27	Israel								
Bill Livingood	5/23	5/27	Israel								
Arne Christenson	5/23	5/27	Israel								
Gardner Peckham	5/23	5/27	Israel								
Steve Elemendorf	5/23	5/27	Israel								
Brett O'Brien	5/23	5/27	Israel								
Christy Suprenant	5/23	5/27	Israel								
Christina Martin	5/23	5/27	Israel								
Mark Peterson	5/23	5/27	Israel								
Dwight Comedy	5/23	5/27	Israel								
John Eisold	5/23	5/27	Israel								
Hon. Newt Gingrich	5/27	5/28	Jordan		371.00						371.00
Hon. Richard Gephardt	5/27	5/28	Jordan		371.00						371.00
Hon. Robert Livingston	5/27	5/28	Jordan		371.00						371.00
Hon. Henry Waxman	5/27	5/28	Jordan		371.00						371.00
Hon. Tom Lantos	5/27	5/28	Jordan		371.00						371.00
Hon. Dennis Hastert	5/27	5/28	Jordan		371.00						371.00
Hon. John Linder	5/27	5/28	Jordan		371.00						371.00
Hon. Ray Granger	5/27	5/28	Jordan		371.00						371.00
Bill Livingood	5/27	5/28	Jordan		371.00						371.00
Arne Christenson	5/27	5/28	Jordan		371.00						371.00
Gardner Peckham	5/27	5/28	Jordan		371.00						371.00
Steve Elemendorf	5/27	5/28	Jordan		371.00						371.00
Brett O'Brien	5/27	5/28	Jordan		371.00						371.00
Christy Surprenant	5/27	5/28	Jordan		371.00						371.00
Christina Martin	5/27	5/28	Jordan		371.00						371.00
Mark Peterson	5/27	5/28	Jordan		371.00						371.00
Dwight Camedy	5/27	5/28	Jordan		371.00						371.00
John Eisold	5/27	5/28	Jordan		371.00						371.00
Hon. Newt Gingrich	5/28	6/1	Italy								
Hon. Richard Gephardt	5/28	6/1	Italy								
Hon. Robert Livingston	5/28	6/1	Italy								
Hon. Henry Waxman	5/28	6/1	Italy								
Hon. Tom Lantos	5/28	6/1	Italy								
Hon. Dennis Hastert	5/28	6/1	Italy								
Hon. John Linder	5/28	6/1	Italy								
Hon. Ray Granger	5/28	6/1	Italy								
Bill Livingood	5/28	6/1	Italy								
Arne Christenson	5/28	6/1	Italy								
Gardner Peckham	5/28	6/1	Italy								
Steve Elemendorf	5/28	6/1	Italy								
Brett O'Brien	5/28	6/1	Italy								
Christy Surprenant	5/28	6/1	Italy								
Christina Martin	5/28	6/1	Italy								
Mark Peterson	5/28	6/1	Italy								
Dwight Comedy	5/28	6/1	Italy								
Committee total					6,678.00						6,678.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

NEWT GINGRICH, July 1, 1998.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HOUSE DELEGATION TO THE NORTH ATLANTIC ASSEMBLY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 22 AND MAY 26, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Doug Bereuter	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Gerald Solomon	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Tom Bliley	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Porter Goss	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Sherwood Roehlert	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Floyd Spence	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Cass Ballenger	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Mike Bilirakis	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Paul Gillmor	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Vernon Ehlers	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Nancy Pelosi	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Owen Pickett	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Robert Wise	5/23	5/26	Spain		965.00		(3)				965.00
Hon. Pat Danner	5/23	5/26	Spain		965.00		(3)				965.00
Hon. John Tanner	5/23	5/26	Spain		965.00		(3)				965.00
Susan Olson	5/22	5/26	Spain		1,112.00		(3)				1,112.00
Jo Weber	5/22	5/26	Spain		1,112.00		(3)				1,112.00
Robin Evans	5/22	5/26	Spain		965.00		(3)				965.00
Ron Lasch	5/22	5/26	Spain		1,112.00		(3)				1,112.00
Carol Doherty	5/22	5/26	Spain		1,112.00		(3)				1,112.00
Michael Ennis	5/23	5/26	Spain		965.00		(3)				965.00
Denis McDonough	5/23	5/26	Spain		965.00		(3)				965.00
Linda Pedigo	5/23	5/26	Spain		965.00		(3)				965.00
David Goldston	5/23	5/26	Spain		965.00		(3)				965.00
Scott Palmer	5/23	5/26	Spain		965.00		(3)				965.00
Tom Newcomb	5/23	5/26	Spain		965.00		(3)				965.00
Committee total					25,825.000						25,825.000

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

DOUG BEREUTER, July 14, 1998.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, TRAVEL TO HAITI, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUNE 30 AND JULY 2, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
A. Carl Le Van	6/30	7/2	Haiti								414.00
Committee total											414.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

A. CARL LE VAN, July 7, 1998.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, TRAVEL TO FRANCE, ALGERIA, EGYPT, AND GERMANY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 5 AND JULY 10, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Charles E. White	7/6	7/6	France				4,776.33				4,776.33
	7/6	7/6	Algeria								
	7/8	7/10	Egypt								
	7/10	7/10	Germany	782.73	228.72					782.23	228.72
Committee total					228.72		4,776.33				5,005.05

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CHARLES E. WHITE, July 15, 1998.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

10148. A letter from the Manager, Federal Crop Insurance Corporation, Department of Agriculture, transmitting the Department's final rule—Tobacco (Quota Plan) Crop Insurance Regulations; and Common Crop Insurance (RIN: 0563–AB47) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

10149. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Gypsy Moth Generally Infested Areas [Docket No. 98–072–1] received July 14, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

10150. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule—Limes and Avocados Grown in Florida; Relaxation of Container Dimension, Weight, and Marking Requirements [Docket No. FV98–911–2 IFR] received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

10151. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Imported Fire Ant Quarantined Areas [Docket No. 97–101–2] received July 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

10152. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Capsaicin; Exemption from the Requirement of a Tolerance (RIN: 2070–AB78) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

10153. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Tebuconazole;

Extension of Tolerances for Emergency Exemptions [OPP-300679; FRL-6015-9] (RIN: 2070-AB78) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

10154. A letter from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting the Administration's final rule—Organization; Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations; Disclosure to Shareholders; Title V Conservators and Receivers; Capital Provisions (RIN: 3052-AB58) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

10155. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Central Liquidity Facility [12 CFR Part 725] received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

10156. A letter from the Federal Register Liaison Officer, Office of Thrift Supervision, transmitting the Department's final rule—Disclosure for Adjustable-Rate Mortgage Loans [No. 98-70] (RIN: 1550-AB12) received July 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

10157. A letter from the Acting Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—William D. FORD Federal Direct Loan Program [34 CFR Part 685] received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

10158. A letter from the Assistant Secretary for Employment Standards, Department of Labor, transmitting the Department's final rule—Office of Labor-Management Standards, Technical Amendments of Rules Relating to Labor-Management Standards and Standards of Conduct for Federal Sector Labor Organizations (RIN: 1215-AB22) received July 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

10159. A letter from the Secretary of Education, transmitting the Department's final rule—William D. FORD Federal Direct Loan Program [34 CFR Part 685] received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

10160. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Emission Standards for Hazardous Air Pollutants for Industrial Process Cooling Towers [AD-FRL-6112-7] received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10161. A letter from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Section 304 of the Telecommunications Act of 1996 and Commercial Availability of Navigation Devices [CS Docket No. 97-80] received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10162. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—1998 Biennial Regulatory Review——Streamlining of Radio Technical Rules in Parts 73 and 74 of the Commission's Rules [MM Docket No. 98-93] received July 14, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10163. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Food Labeling: Warning and Notice Statement; Labeling of Juice Products [Docket No. 97N-0524] (RIN: 0910-AA43) received July 14, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10164. A letter from the Secretary, Securities and Exchange Commission, transmitting the Commission's final rule—Exemption To Allow Investment Advisors To Charge Fees Based Upon a Share of Capital Gains Upon or Capital Appreciation of a Client's Account [Release No. IA-1731, File No. S7-29-97] (RIN: 3235-AH25) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10165. A letter from the Director, Defense Security Agency, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Saudi Arabia (Transmittal No. DTC-98-50), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

10166. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Japan (Transmittal No. DTC-59-98), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

10167. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Japan (Transmittal No. DTC-92-98), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

10168. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Greece (Transmittal No. DTC-82-98), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

10169. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Germany (Transmittal No. DTC-74-98), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

10170. A letter from the Chief Counsel, Office of Foreign Assets Control, Department of Treasury, transmitting the Department's final rule—Cuban Assets Control Regulations; Iranian Transactions Regulations; Reporting and Procedures Regulations: Corrections [31 CFR Parts 501, 515 and 560] received July 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

10171. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—General Services Administration Acquisition Regulation; 10 Day Payment Clause For Certain Federal Supply Service Contracts And Authorized Price Lists Under Federal Supply Service Schedule Contracts [APD 2800.12A, CHGE 80] (RIN: 3090-AG47) received July 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

10172. A letter from the Chief of Staff, Social Security Administration, transmitting the Administration's final rule—Electronic Freedom of Information Act Amendments of 1996 (RIN: 0960-AE68) received July 9, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

10173. A letter from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1997, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

10174. A letter from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting the Department's final rule—Update of Documents Incorporated by Reference (RIN: 1010-AC46) received July 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

10175. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Eastern Aleutian District of the Bering Sea and Aleutian Islands [Docket No. 971208298-8055-02; I.D. 070798E] received July 14, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

10176. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Security Zone; Coast Waters Adjacent to Florida [CGD07-98-006] (RIN: 2115-AE46) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10177. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Cross River Swim Paducah Summerfest, Ohio River mile 934.5 to 936.0, Paducah, Kentucky [CGD08 98-040] (RIN: 2115-AE46) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10178. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations for Marine Events; New Jersey Offshore Grand Prix [CGD 05-98-006] (RIN: 2115-AE46) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10179. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Beverly Homecoming Fireworks Display, Beverly [CGD01-98-082] (RIN: 2115-AA97) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10180. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Parade of Lights Fireworks Display, Boston Harbor, Boston, MA [CGD01-98-083] (RIN: 2115-AA97) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10181. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety/Security Zone; San Francisco Bay, San Pablo Bay, Carquinez Strait, and Suisun Bay, CA [CGD11-98-005] (RIN: 2115-AA97) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10182. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Empresa Brasileira de

Aeronautica S.A. (EMBRAER) Model EMB-145 Series Airplanes [Docket No. 98-NM-41-AD; Amendment 39-10651; AD 98-15-01] (RIN: 2120-AA64) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10183. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320 Series Airplanes [Docket No. 97-NM-197-AD; Amendment 39-10655; AD 98-15-04](RIN: 2120-AA64) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10184. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace Model BAe 146-200A Series Airplanes [Docket No. 98-NM-87-AD; Amendment 39-10656; AD 98-15-05] (RIN: 2120-AA64) received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10185. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—IFR Altitudes; Miscellaneous Amendments [Docket No. 29265; Amdt. No. 410] received July 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10186. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Last-in, First-out Inventories [Revenue Ruling 98-35] received July 14, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

10187. A letter from the Principal Deputy, Under Secretary for Acquisition and Technology, Department of Defense, transmitting the report to Congress for Department of Defense purchases from foreign entities in fiscal year 1997, pursuant to Public Law 104-201, section 827 (110 Stat. 2611); jointly to the Committees on National Security and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLILEY: Committee on Commerce. H.R. 2281. A bill to amend title 17, United States Code, to implement the World Intellectual Property Organization Copyright Treaty and Performances and Phonograms Treaty; with an amendment (Rept. 105-551 Pt. 2). Ordered to be printed.

Mr. LINDER: Committee on Rules. House Resolution 508. Resolution providing for consideration of the bill (H.R. 4276) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105-641). Referred to the House Calendar.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committee on Ways and Means discharged from further consideration. H.R. 2281 referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BURTON of Indiana (for himself, Mr. HORN, and Mr. SESSIONS):

H.R. 4296. A bill to amend title 31, United States Code, to provide for the appointment of the Comptroller General and the Deputy Comptroller General by a commission of Members of Congress; to the Committee on Government Reform and Oversight.

By Mr. MCINTOSH:

H.R. 4297. A bill to amend chapter 8 of title 5, United States Code, popularly know as the Congressional Review Act, to treat as major rules certain rules promulgated by the Internal Revenue Service that result in increases in Federal revenues; to the Committee on the Judiciary.

By Mr. BACHUS (for himself, Mr. YOUNG of Alaska, Mr. CRAMER, Mr. RILEY, Mr. ADERHOLT, Mr. EVERETT, Mr. MICA, Mr. OXLEY, Mr. MCCOLLUM, and Mr. LATOURETTE):

H.R. 4298. A bill to amend the Internal Revenue Code of 1986 to provide that distributions from qualified State tuition programs which are used to pay educational expenses shall not be includible in gross income and to include as such expenses the cost of room and board; to the Committee on Ways and Means.

By Mr. DAVIS of Virginia:

H.R. 4299. A bill to provide that the provisions of subchapter III of chapter 83 and chapter 84 of title 5, United States Code, that apply with respect to law enforcement officers be made applicable with respect to Assistant United States Attorneys; to the Committee on Government Reform and Oversight.

By Mr. MCCOLLUM (for himself, Mr. HASTERT, Mr. RANGEL, Mr. GOSS, Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, Mr. PORTMAN, Mr. HYDE, Mr. GILMAN, Mr. KOLBE, Mr. ROGERS, Mr. ADERHOLT, Ms. GRANGER, Mr. HUTCHINSON, Mr. KINGSTON, Mr. LATHAM, Mr. LEWIS of Kentucky, Mr. MICA, Mrs. MYRICK, Mr. NETHERCUTT, Mrs. NORTHUP, Mr. PAPPAS, Mr. ROGAN, Mr. SESSIONS, Mr. SOUDER, Mr. WAMP, Mr. WATTS of Oklahoma, Mr. BALLENGER, Mr. BARR of Georgia, Mr. CALVERT, Mr. ENGLISH of Pennsylvania, Mr. GALLEGLY, Mr. LEACH, Mr. SHUSTER, Ms. DUNN of Washington, Mr. DUNCAN, Mr. SNOWBARGER, Mr. KASICH, Mr. DOOLITTLE, Mr. WICKER, Mr. BLUNT, and Mr. GILCHREST):

H.R. 4300. A bill to support enhanced drug interdiction efforts in the major transit countries and support a comprehensive supply eradication and crop substitution program in source countries; to the Committee on International Relations, and in addition to the Committees on Ways and Means, the Judiciary, National Security, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. DUNN of Washington (for herself and Mr. TANNER):

H.R. 4301. A bill to amend the Internal Revenue Code of 1986 to modify the treatment of bonds issued to acquire renewable resources on land subject to conservation easement; to the Committee on Ways and Means.

By Mr. GREENWOOD (for himself, Mr. MANTON, Mr. BOEHLERT, Mr. DINGELL, Mr. GUTIERREZ, Mr. OBERSTAR, Mr. MILLER of California, Mrs. JOHNSON of Connecticut, Mr. SHAYS, Mr. HORN, and Mr. EHLERS):

H.R. 4302. A bill to require the Secretary of the Interior to establish a program to provide assistance in the conservation of neotropical migratory birds; to the Committee on Resources.

By Mr. HUNTER (for himself, Mr. COBURN, Mrs. EMERSON, Mr. ENGLISH of Pennsylvania, Mr. GALLEGLY, Mr. HERGER, Mr. NETHERCUTT, Mr. MCKEON, Mr. SKEEN, and Mr. STUMP):

H.R. 4303. A bill to amend the Act popularly known as the Declaration of Taking Act to require that all condemnations of property by the Government proceed under that Act; to the Committee on the Judiciary.

By Mr. MILLER of Florida:

H.R. 4304. A bill to extend the authority of the Secretary of Commerce to conduct the quarterly financial report program under section 91 of title 13, United States Code; to the Committee on Government Reform and Oversight.

By Ms. RIVERS:

H.R. 4305. A bill to amend the Communications Act of 1934 to require telephone carriers to completely and accurately itemize charges and taxes collected with telephone bills; to the Committee on Commerce.

By Mr. SANFORD:

H.R. 4306. A bill to eliminate the spending cap adjustments for International Monetary Fund funding increases; to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of Michigan:

H.R. 4307. A bill to amend the Elementary and Secondary Education Act of 1965 and the Head Start Act to promote high-quality family literacy programs and train parents effectively to teach their children, and for other purposes; to the Committee on Education and the Workforce.

By Mr. SMITH of New Jersey (for himself, Mr. LANTOS, Mrs. MALONEY of New York, Ms. NORTON, Mr. OBERSTAR, Mr. MINGE, Ms. WOOLSEY, Mrs. MORELLA, Mr. LEWIS of Georgia, Mr. DIAZ-BALART, Mr. SABO, Mr. RAMSTAD, Mr. BROWN of Ohio, and Mr. ENGEL):

H.R. 4308. A bill to fully implement the Convention Against Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey (for himself, Mr. LANTOS, Mrs. MALONEY of New York, Ms. NORTON, Mr. OBERSTAR, Mr. MINGE, Ms. WOOLSEY, Mrs. MORELLA, Mr. LEWIS of Georgia, Mr. DIAZ-BALART, Mr. SABO, Mr. RAMSTAD, Mr. BROWN of Ohio, Mr. ENGEL, Mr. PORTER, and Mr. SHERMAN):

H.R. 4309. A bill to provide a comprehensive program of support for victims of torture; to the Committee on International Relations, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TRAFICANT:

H.R. 4310. A bill to amend the Federal Election Campaign Act of 1971 to permit a corporation or labor organization to expend or donate funds for staging public debates between presidential candidates only if the organization staging the debate invites each

candidate who is eligible for matching payments from the Presidential Election Campaign Fund and qualified for the ballot in a number of States such that the candidate is eligible to receive the minimum number of electoral votes necessary for election; to the Committee on House Oversight.

By Mr. VENTO:

H.R. 4311. A bill to amend title 31, United States Code, to establish protections for recipients of Federal payments made by electronic funds transfer, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. BARR of Georgia:

H.R. 4312. A bill to repeal sections 1173(b) and 1177(a)(1) of the Social Security Act, to prohibit Federal agencies from constructing Federal law as authorizing the establishment of a national medical identification card, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BROWN of Ohio (for himself, Mr. SOLOMON, Mr. STRICKLAND, Mr. COOKSEY, Mr. COBURN, Mr. KING of New York, Mr. WYNN, Mr. DEUTSCH, Mr. CHABOT, Mr. MILLER of Florida, Mr. GREEN, Mrs. LOWEY, Mr. GALLEGLY, Mr. ROHRABACHER, Mr. BILIRAKIS, Mr. BERMAN, Mr. WAXMAN, Mr. LANTOS, Mr. BONIOR, Mr. HALL of Texas, Mr. CUNNINGHAM, Ms. RIVERS, Mr. SHERMAN, Mr. BILBRAY, Ms. DEGETTE, Mr. WATTS of Oklahoma, Mr. MORAN of Virginia, Mr. CALVERT, Mr. WEXLER, Mr. FOLEY, Mr. LIPINSKI, Mr. HINCHEY, Mr. BOUCHER, Mr. CLEMENT, Mr. BARTON of Texas, Mr. BURTON of Indiana, Mr. BAKER, Mr. STUPAK, Mrs. LINDA SMITH of Washington, Mr. KENNEDY of Rhode Island, Mr. ANDREWS, Mr. DEFAZIO, Mr. PAYNE, Ms. PRYCE of Ohio, Mr. GOODE, Mr. WELDON of Florida, Mr. COX of California, Mr. MENENDEZ, Mr. MARTINEZ, Mr. TOWNS, Mr. DELAY, Mr. STARK, and Mr. SCARBOROUGH):

H.J. Res. 126. A joint resolution relating to Taiwan's participation in the World Health Organization; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 339: Mr. BILIRAKIS.
H.R. 414: Mr. CRAMER.
H.R. 535: Mrs. THURMAN.
H.R. 536: Mr. HILLIARD.
H.R. 611: Mr. LANTOS and Mrs. ROUKEMA.
H.R. 1050: Mr. ENGEL and Mr. THOMPSON.
H.R. 1126: Mrs. CLAYTON, Mr. BRADY of Pennsylvania, Mr. BOSWELL, Mr. ENGLISH of Pennsylvania, and Mr. OBEY.
H.R. 1147: Mr. HOSTETTLER.
H.R. 1165: Mr. QUINN.
H.R. 1234: Ms. ROYBAL-ALLARD.
H.R. 1321: Mr. HOYER.
H.R. 1415: Mr. PARKER and Mr. PAPPAS.
H.R. 1500: Mr. SAXTON.
H.R. 1524: Mr. STUPAK.
H.R. 1560: Mr. POMEROY.
H.R. 1814: Mr. BLUMENAUER.
H.R. 1883: Mr. HILLIARD.
H.R. 1995: Mr. BARCIA of Michigan, Mr. WATT of North Carolina, and Mr. KING of New York.
H.R. 2120: Ms. HOOLEY of Oregon.
H.R. 2420: Mr. ENGLISH of Pennsylvania.
H.R. 2451: Mr. MILLER of California.
H.R. 2721: Mr. DELAY.
H.R. 2800: Ms. SLAUGHTER.
H.R. 2804: Ms. LEE.
H.R. 2938: Mr. LAMPSON.
H.R. 2960: Mr. BARTON of Texas.
H.R. 3008: Mr. STUPAK.
H.R. 3010: Ms. LOFGREN.
H.R. 3166: Mr. LARGENT.
H.R. 3248: Mr. BLILEY, Mr. DREIER, and Mr. HILL.
H.R. 3396: Ms. MILLENDER-MCDONALD, Mr. MCKEON, Mr. NEAL of Massachusetts, Mr. GIBBONS, and Ms. SÁNCHEZ.
H.R. 3514: Mr. CLYBURN and Mr. DEFAZIO.
H.R. 3524: Mr. ADAM SMITH of Washington, Mr. MINGE, and Ms. STABENOW.
H.R. 3610: Mr. SCOTT.
H.R. 3613: Mr. GONZALEZ and Mr. BRADY of Texas.
H.R. 3622: Mr. COYNE, Mrs. KENNELLY of Connecticut, and Mr. CUMMINGS.
H.R. 3634: Mr. COOK, Mr. BARTON of Texas, Mr. NORWOOD, Mr. BALLENGER, Mr. WHITFIELD, Mr. HOBSON, Mr. WISE, Ms. CARSON, Ms. BROWN of Florida, Mrs. ROUKEMA, Mr. SNOWBARGER, Mr. KOLBE, Mr. SPENCE, Mr. BERRY, Mrs. NORTHUP, and Mr. HEFLEY.
H.R. 3636: Mr. MANTON, Mrs. MINK of Hawaii, and Mr. BISHOP.
H.R. 3684: Mr. SKEEN.
H.R. 3779: Mr. SCHUMER and Ms. SÁNCHEZ.
H.R. 3792: Mr. DAN SCHAEFER of Colorado, Mr. DEAL of Georgia, Mr. LAZIO of New York, and Mrs. KELLY.
H.R. 3812: Mr. LARGENT.
H.R. 3821: Mr. CARDIN, Mr. SHAW, Mr. BATEMAN, Mr. LOBIONDO, Mr. DEAL of Georgia, Mr. KNOLLENBERG, Mr. MILLER of Florida, Mr. HORN, Mrs. JOHNSON of Connecticut, and Mr. KASICH.
H.R. 3855: Mr. HILLIARD and Mr. YOUNG of Florida.
H.R. 3877: Mr. ENSIGN.
H.R. 3879: Mr. MCINNIS, Mr. BOUCHER, Mr. CONDIT, and Mr. JENKINS.
H.R. 3949: Mr. SCARBOROUGH, Mr. DAN SCHAEFER of Colorado, Mr. SENSENBRENNER, Mr. WHITFIELD, Mr. TAYLOR of North Carolina, Mr. LAHOOD, Mr. WHITE, Mr. EVERETT, Mr. SALMON, Mrs. MYRICK, Mr. CHABOT, Mr. MORAN of Kansas, Mr. BOEHNER, and Mr. WAMP.
H.R. 3954: Mr. TALENT.
H.R. 4031: Mr. FRANK of Massachusetts.
H.R. 4034: Mr. MANTON.
H.R. 4062: Mr. BACHUS and Mr. SNOWBARGER.
H.R. 4119: Mr. KILDEE.
H.R. 4125: Mrs. EMERSON.
H.R. 4126: Mr. SMITH of Oregon.
H.R. 4151: Mr. NETHERCUTT and Mr. GOODLATTE.
H.R. 4152: Mr. KUCINICH.
H.R. 4155: Mr. CASTLE.
H.R. 4157: Mr. HAYWORTH and Mr. BACHUS.
H.R. 4189: Mr. WATT of North Carolina, Mr. ABERCROMBIE, Ms. MCKINNEY, and Mr. MCGOVERN.
H.R. 4213: Mr. FRELINGHUYSEN.
H.R. 4214: Mr. KANJORSKI, Mr. FRANK of Massachusetts, Mr. GUTIERREZ, and Ms. ROYBAL-ALLARD.
H.R. 4220: Mr. FOX of Pennsylvania and Mr. GILMAN.
H.R. 4224: Mr. LAFALCE and Ms. FURSE.
H.R. 4232: Mr. DREIER, Mr. BARTLETT of Maryland, and Mr. HAYWORTH.
H.R. 4235: Mr. ADAM SMITH of Washington.
H.R. 4242: Mr. DICKS.
H.R. 4259: Ms. WILSON and Mr. TIAHRT.
H.R. 4280: Ms. NORTON.
H.R. 4281: Mr. KLECZKA.
H.R. 4293: Mr. COYNE, Mr. KUCINICH, and Mr. SMITH of New Jersey.
H. Con. Res. 19: Mr. THOMPSON.
H. Con. Res. 24: Mr. FRELINGHUYSEN.
H. Con. Res. 277: Mr. SHERMAN.
H. Con. Res. 287: Ms. CHRISTIAN-GREEN and Mr. LAMPSON.
H. Con. Res. 299: Mr. HAYWORTH, Mr. GIBBONS, Mr. KIM, and Mr. CHAMBLISS.
H. Con. Res. 303: Mr. RODRIGUEZ.
H. Res. 37: Mr. TOWNS, Mr. DICKEY, Mr. MASCARA, Mr. SALMON, and Mr. JACKSON.
H. Res. 460: Mr. ENGLISH of Pennsylvania, Mr. MCHALE, Mr. CRAMER, Mr. PETERSON of Pennsylvania, Mr. LUTHER, Mr. MCGOVERN, Mr. CLEMENT, Mr. BLUMENAUER, and Mr. JOHNSON of Wisconsin.
H. Res. 475: Mr. VENTO, Mr. RUSH, Mr. THOMPSON, Mr. SHERMAN, Mr. LANTOS, and Mr. DOOLITTLE.
H. Res. 503: Mr. COBURN, Mrs. NORTHUP, Mr. TAYLOR of Mississippi, Mr. SESSIONS, Mrs. MYRICK, Mr. PORTMAN, and Mr. LATHAM.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4194

OFFERED BY MR. RIGGS

AMENDMENT NO. 31: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. ___. None of the funds appropriated by this Act may be used to implement section 12B.2(b) of the Administrative Code of San Francisco, California.

H.R. 4250

OFFERED BY MR. TRAFICANT

AMENDMENT NO. 1: Page 38, beginning on line 15, strike "a physician" and all that follows through line 17 and insert the following: "independent medical expert (as defined in paragraph (4)(E))".

Page 42, line 2, insert "and" after "record,".

Page 42, strike lines 3 through 21 and insert the following:

"(iii) such expert or experts will reconsider the initial review decision, based on the determination made under clause (i), and will issue a written decision affirming, modifying, or reversing the initial review decision, so as to ensure that the final decision of the plan is consistent with the terms of the plan and this title.

H.R. 4276

OFFERED BY MR. BARTLETT OF MARYLAND

AMENDMENT NO. 3: Page 78, strike line 15, and all that follows through line 6 on page 79.

H.R. 4276

OFFERED BY MR. KUCINICH

AMENDMENT NO. 4: At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE IX—ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act may be used for any legal action that challenges any State, local, or tribal law on the grounds that the law is inconsistent with an international commercial agreement, including any trade or investment agreement.

H.R. 4276

OFFERED BY: MRS. MINK OF HAWAII

AMENDMENT NO. 5: Page 2, line 7 insert "(Reduced by $260,000)" after the 1st dollar figure.

Page 3, line 25 insert "(reduced by $500,000)" after the 1st dollar figure.

Page 12, line 9, insert "(reduced by $2,260,000)" after the 1st dollar figure.

Page 21, line 18 insert "(reduced by $500,000)" after the 1st dollar figure.

Page 94, line 16, insert "(increased by $2,260,000)" after the 1st dollar figure.

H.R. 4276

OFFERED BY: MRS. MINK OF HAWAII

AMENDMENT NO. 6: Page 12, line 9, insert "(reduced by $2,260,000)" after the 1st dollar figure.

Page 94, line 16, insert "(increased by $1,000,000)" after the 1st dollar figure.

H.R. 4276

OFFERED BY: MR. ROEMER

AMENDMENT NO. 7: Page 115, after line 8, add the following new section:

SEC. 620. (a) DESIGNATION.—The Federal building located at 10th Street and Constitution Avenue, N.W. in Washington, D.C., shall be known and designated as the "Robert F. Kennedy Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in subsection (a) shall be deemed to be a reference to the "Robert F. Kennedy Building".

H.R. 4276

OFFERED BY: MR. TALENT

AMENDMENT NO. 8: Page 102, line 15 insert "(increased by $7,090,000)" after the dollar amount.

Page 103, line 7 insert "(decreased by $7,090,000)" after the dollar amount.

H.R. 4276

OFFERED BY: MR. SCOTT

AMENDMENT NO. 9: Page 28, line 5, insert after the amount '(reduced by $105,000,000)' and insert as follows:

Page 27, line 8, after the amount insert '(increased by $36,500,000)';

Page 28, line 14, after the amount insert '(increased by $13,000,000)' and on line 16 after the amount insert '(increased by $8,000,000)';

Page 29, line 17, after the amount insert '(increased by $12,000,000)'; and

Page 30, line 3, after the amount insert '(increased by $35,000,000)' and on line 4 after the amount insert '(increased by $500,000)':

EXTENSIONS OF REMARKS

APPOINTMENT OF THE COMPTROLLER GENERAL AND DEPUTY

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. BURTON of Indiana. Mr. Speaker, today I am introducing legislation to change the appointment process for the Comptroller General and Deputy Comptroller General. These officials are now Presidential appointees even though they are part of the Legislative branch, not the Executive branch. Consistent with their status as Legislative branch officials, my bill provides for their appointment by the Congress. The bill would not alter in any way the independence and non-partisanship of these officials or of the agency they head, the General Accounting Office.

Under current law, the Comptroller General is appointed by the President, with the advice and consent of the Senate, to a 15-year term of office. The law provides for a bipartisan, bicameral Congressional commission to recommend individuals to the President as potential appointees for Comptroller General. The commission is composed of the Speaker of the House, the President pro tempore of the Senate, the majority and minority leaders of the House and Senate, and the chairs and ranking minority members of the House Committee on Government Reform and Oversight and the Senate Committee on Governmental Affairs. The same commission, with the Comptroller General as an additional member, makes recommendations to the President for Deputy Comptroller General.

When the General Accounting Office was created in 1921, the Comptroller General was made a Presidential appointee. This was because GAO's original functions were almost entirely "executive" in nature and, therefore, had to be vested in an "officer of the United States" appointed by the President. However, GAO's functions have completely changed since 1921. Over the years, its preeminent role as a Legislative branch agency providing direct support to Congress emerged. At the same time, its "executive" functions virtually disappeared. Indeed, the Supreme Court's 1986 decision in *Bowsher* v. *Synar*, 478 U.S. 714, held that GAO cannot perform "executive" functions.

Mr. Speaker, the idea that Congress should appoint the leaders of its own Congressional "watchdog" agency is not new. During the mid 1970's, Senator Lee Metcalf and Congressman Jack Brooks sponsored legislation to provide for Congressional appointment of the Comptroller General. This legislation was not enacted due to concern that it could jeopardize GAO's ability to perform the limited "executive" functions it retained at that time. As a compromise, the current appointment process was enacted in 1980 to retain Presidential appointment but establish the bipartisan, bicameral Congressional commission to recommend names to the President.

Congress would have made the Comptroller General a Congressional appointee in 1980 were it not for the lingering concerns about the agency "executive" functions. The Supreme Court's subsequent decision in *Bowsher v. Synar* laid these concerns to rest once and for all, and thereby removed the last vestige of the original rationale for Presidential appointment of the Comptroller General and Deputy Comptroller General.

The time has come to complete the task Congress began years ago. GAO is now firmly established in law and practice as a Congressional support agency that Congress relies upon every day for a wide range of information and advice. It makes no more sense for the President to appoint the leaders of the GAO than it would for Congress to appoint the Director and Deputy Director of OMB. It is particularly incongruous that the President should appoint Congressional officials whose fundamental mission is to support oversight of the very branch of government that the President heads.

As my predecessors recognized, Congress has a strong institutional interest in appointing the Comptroller General. Senator Metcalf described this as "a congressional declaration of independence from the White House." Congressman Brooks said that it "would go a long way toward restoring to Congress some of the power and prestige that have slipped away to the executive branch over the years."

In addition to being sound in concept, changing the appointment process has become a practical necessity since the current process is broken. The term of the last Comptroller General, Charles A. Bowsher, expired on September 30, 1996. Thereafter, in accordance with the current law, the Congressional commission interviewed a number of candidates for Comptroller General and, by majority vote, recommended 3 names to the President. However, the President rejected the commission's recommendations out of hand and with no stated reasons. Unfortunately, the process now appears to be stalemated with no end in sight, and GAO has been without permanent leadership for over 1½ years. Moreover, the current process has never successfully led to the appointment of a Deputy Comptroller General. Due to a series of impasses involving different Congresses and Presidents spanning many years, Mr. Bowsher remained without a Deputy for his entire 15-year term of office.

Finally, I want to reiterate that enactment of this bill will not affect the independence, nonpartisanship, and objectivity of the GAO. These attributes are, of course, essential to maintaining the agency's credibility and, therefore, its usefulness to the Congress. It would be self-defeating for Congress to do anything to undercut them, and, indeed, the bill carefully preserves them. The bill retains the current Congressional commission now provided by law and makes it the appointing authority. This ensures bipartisan participation in the appointment process. The bill also retains the current provisions governing the terms of office of the Comptroller General and the Deputy and severely limiting the means and grounds for their removal from office.

Mr. Speaker, I urge prompt action on this important legislation. The GAO provides invaluable assistance and support to the Congress. We need to provide GAO with the permanent leadership it needs to do its work and serve all of the Congress most effectively. I have attached a series of questions and answers that provide additional background.

QUESTIONS AND ANSWERS ON H.R. 4296

Q. What does the bill do?

A. Current law provides for appointment of the Comptroller General and Deputy Comptroller General by the President, with the advice and consent of the Senate. Under the current law, which was last amended in 1980, a bipartisan, bicameral Congressional commission recommends names to the President as potential appointees for Comptroller General and Deputy. The commission is composed of the Speaker of the House, the President pro tempore of the Senate, the majority and minority leaders of the House and Senate, and the chairs and ranking minority members of the House Committee on Government Reform and Oversight and the Senate Committee on Governmental Affairs. The commission must submit at least 3 names to the President for Comptroller General. While the President is expected to "give great weight" to the commission's recommendations, he is not bound by them. The President may request additional names, or he may nominate someone not recommended by the commission.

The bill makes the existing bipartisan, bicameral Congressional commission the appointing authority for the comptroller General and the Deputy.

Q. Why is the Comptroller General a Presidential appointee in the first place?

A. When GAO was established in 1921, its core mission was to perform Executive branch auditing and accounting functions that were transferred to GAO from the Treasury Department. Under the Constitution, such "executive" functions can only be vested in an agency headed by an "officer of the United States" appointed in accordance with the Constitution's "appointments cause." Therefore, the Comptroller General had to be a Presidential appointee. This is no longer the case since GAO no longer performs "executive" functions. It is now firmly established in law and practice that the Comptroller General and GAO are part of the Legislative branch and that they can perform only "legislative" functions in support of Congress.

Q. Does shifting appointment of the Comptroller General from the President to Congress pose any legal problems?

A. No. In 1977 testimony addressing Congressional involvement in the Comptroller

General's appointment, a Justice Department official stated that—"so long as the Comptroller General is performing functions that are of a legislative nature such as investigating and disseminating information . . . it seems to us pretty clear that . . . his appointment may be handled in whatever manner Congress deems appropriate."

There were concerns over changing the appointment process at that time since GAO still performed some "executive" functions. However, the Supreme Court subsequently held in *Bowsher* v. *Synar*, 478 U.S. 714 (1986), that the Comptroller General could not constitutionally perform "executive" functions *notwithstanding his appointment by the President*. The Court reasoned that the statutory provisions governing *removal* of the Comptroller General, which vest removal authority in Congress instead of the President, prevented the Comptroller from being an "officer of the United States" and thereby performing "executive" functions regardless of how he was appointed. Thus, the Comptroller General's status as a Presidential appointee has no legal significance today.

Q. Why change the Comptroller General appointment process now?

A. There are three main reasons to change the appointment process:

(1) The only reason for making the Comptroller General a Presidential appointee in the first place and the only reason Congress has retained the Presidential appointment thus far—to preserve GAO's ability to perform "executive" functions—was eliminated by the Supreme Court's decision in *Bowsher* v. *Synar*. Following this decision, Congress enacted legislation repealing, modifying, or transferring to the Executive branch virtually all of GAO's remaining "executive" functions. Now is the first opportunity Congress has to complete the task by changing the appointment process.

(2) Given GAO's role as Congress' "watchdog" agency over the Executive branch, it makes no sense for the President to appoint the Comptroller General and it is only natural to shift this responsibility to Congress. On a daily basis, GAO provides information and advice to Congress covering the full range of legislative and oversight issues that Congress faces. Given Congress' reliance on GAO and its close working relationship with GAO, Congress should appoint the head of this agency. Having the President continue to appoint the Comptroller General makes as much sense as it would for Congress to appoint the Director of OMB. It is particularly incongruous for the President to appoint the head of an agency whose exclusive mission is supporting Congressional oversight of the branch of government that the President heads.

(3) The current appointment process is broken and needs repair. Following expiration of former Comptroller General Charles Bowsher's term on September 30, 1996, the Congressional commission was established as provided by law. Working on a bipartisan basis, the commission developed, screened, and interviewed a number of candidates for Comptroller General. By majority vote and in accordance with the current law, the commission recommended 3 names to the President. However, the President rejected the commission's recommendations out of hand and with no stated reasons. As a result, the appointment process appears to be stalemated with no end in sight and GAO has been without permanent leadership for well over 1½ years. Further, the current process has never led to the appointment of a Deputy Comptroller General. Due to a series of impasses involving different Congresses and Presidents spanning many years, Mr. Bowsher remained without a Deputy for his entire 15-year term of office.

Q. Will making the Comptroller General a Congressional appointee detract from GAO's independence and non-partisanship?

A. No. GAO's independence and non-partisanship are, of course, essential to maintaining the agency's credibility and, hence, its usefulness to the Congress. It would be foolish and self-defeating for Congress to do anything to undercut these attributes. There is no reason to think that eliminating the Presidential appointment would have this effect. The current commission process ensures bipartisan participation in the appointment. The Comptroller's fixed term of office, combined with the severe statutory limits on removal of the Comptroller, provide more than adequate assurance of independence.

Q. Will making the Comptroller General a Congressional appointee politicize the appointment process?

A. No. Congress has a strong institutional interest in making the Comptroller General a Congressional appointee that should transcend politics. In fact, the leading proponents of Congressional appointment of the Comptroller General have been prominent Democratic Members of Congress.

In 1975, Senator Lee Metcalf, then a senior member of the Senate Governmental Affairs Committee and Vice Chairman of the Joint Committee on Congressional Operations, introduced legislation to provide for Congressional appointment of the Comptroller General as well as other Legislative branch officials. Senator Metcalf described his legislation as "a congressional declaration of administrative independence from the White House" and noted that "there are compelling reasons from an institutional perspective why we should take a hard look at the manner in which [these officials] are appointed." He concluded that "the time has come to provide for their appointment by and for the Congress of which they are a part."

Congressman Jack Brooks, then Chairman of the Government Operations Committee, introduced similar legislation on the House side. Chairman Brooks also stressed the importance of his bill from an institutional perspective, noting that the bill "would go a long way toward restoring to Congress some of the power and prestige that have slipped away to the executive branch over the years." He added: ". . . The doctrine of separation of powers is basic to our system of government and Congress contributes to the weakening of that system when it permits the President to exercise authority in the legislative domain."

When both GAO and the Justice Department resisted direct Congressional appointment of the Comptroller General based on the then-existing concerns about GAO's ability to retain "executive" functions, Chairman Brooks sought to require the President to appoint a Comptroller General from names recommended by the Congressional commission. GAO supported this approach, but Justice objected that even this limitation on the President's appointment authority would be unconstitutional. Chairman Brooks finally had to settle for the current process, whereby a Congressional commission submits nonbinding recommendations to the President but the President remains free to nominate whomever he wishes.

Q. Since some other Congressional officials are appointed by the President, why not the Comptroller General?

A. The Librarian of Congress probably needs to be a Presidential appointee since the Library performs "executive" functions under the copyright laws. Similarly, the Public Printer performs functions that could be considered "executive" in nature. One could question the current status of the Architect of the Capitol. In any event, however, the Architect's functions are not at all analogous to those of the Comptroller General and GAO. The Congressional agency that is most analogous to GAO is the Congressional Budget Office, whose head is appointed by Congress.

IN RECOGNITION OF THE GSS FAMILY THRIFT STORE

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mrs. CAPPS. Mr. Speaker, I rise to bring to the attention of my colleagues the remarkable work of Curtis Foreman, John Carnell, and the GSS Family Thrift Store. Since it opened in October of 1989, the thrift store has raised three-quarters of a million dollars to help support a local homeless shelter in Santa Maria, California.

All of the merchandise in the store is available to residents of the shelter. Free clothes, furniture, and household goods are made accessible to those who do not have these essential items. In addition, shelter residents are employed at GSS Family Thrift Store when possible. There are currently three shelter residents employed as full-time workers.

I ask my colleagues to join with me, the county of Santa Barbara, and the city of Santa Maria in commending the work of Mr. Foreman and Mr. Carnell. The GSS Family Thrift Store is truly a model for this community and the entire nation. I commend the noble work of this unique establishment.

AIDS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 22, 1998 into the CONGRESSIONAL RECORD.

AIDS IN AMERICA

Recent legal and medical developments concerning the Acquired Immune Deficiency Syndrome (AIDS) have renewed interest in the disease around the world. Since the discovery of the disease in 1981, much has changed. Here are some frequently asked questions regarding AIDS:

What is AIDS? AIDS is a fatal disease that attacks the immune system, destroying the body's ability to fight off infections and cancers. The disease is believed to be caused by a virus called human immunodeficiency virus (HIV) which is spread through bodily fluids. AIDS is the syndrome that develops after someone is infected with HIV and the immune system is unable to fight off common infections. After initial infection with HIV, it takes an average of eight to ten years for the virus to develop into full-blown

AIDS. The life expectancy of AIDS victims varies in accordance with availability of various drug therapies, but typically ranges from one to four years. No cure currently exists for HIV/AIDS.

What is the extent of the problem? HIV/AIDS is one of the greatest threats to public health in America, especially among youth. AIDS is currently the second leading cause of death among Americans between the ages of 25 and 44. The greatest threat can be seen in the rising HIV infection rates among minorities, women, and teenagers.

Nearly 370,000 Americans have died from AIDS-related illnesses. An estimated 650,000 to 900,000 Americans have been infected with HIV since 1981. Approximately 5,200 cases of AIDS have been reported in Indiana since 1982. As of April 1998, 2,955 Hoosiers have died from AIDS.

AIDS is certainly a global crisis, as almost every country has reported cases. The problem is particularly bad in developing nations. In certain regions of Africa and India, one out of four adults in infected. Lack of medical facilities and AIDS education make it unlikely that the rapid rate of infection will curb within the near future.

Can AIDS be prevented? According to the Surgeon General, the most certain way to control the AIDS epidemic is through using condoms, monogamous sexual relationships, and avoiding illegal intravenous drug use. There is no evidence that HIV can be transmitted through casual contact. With no cure for AIDS, educating those at risk of infection is currently the only way to halt the spread of the disease. Because needle sharing among intravenous drug users leads to the spread of HIV, some public health officials advocate the distribution of clean needles as part of drug abuse treatment programs.

What is the government doing? Since the 1980s, Congress has steadily increased funding for research, improving access to health care for AIDS patients and supporting public education initiatives. In 1998, the federal government will spend close to $9 billion on HIV/AIDS programs, compared to the $22 billion spent on cancer programs and the $43 billion for heart disease.

State and local governments are also fighting the epidemic. Indiana will spend approximately $1.2 million in state tax dollars on HIV/AIDS related prevention and health care services in 1998.

How are HIV/AIDS cost financed? HIV/AIDS cases are an enormous financial strain for individuals, insurance companies, and the government. The average cost of caring for an HIV/AIDS patient from infection to death is approximately $150,000 or an average $12,000 per year, largely spent on costly new drugs.

Private health insurance covers an average of 50% of the cost for caring for persons with HIV/AIDS. Medicaid also covers a sizeable amount of the cost of patient care. The Ryan White Comprehensive AIDS Resources Emergency (CARE) Act is the centerpiece of federal programs serving AIDS-related health care needs. CARE Act programs, implemented through public-private coalitions, are aimed at cutting the cost of care, reducing the need for expensive hospitalization, and developing support services across the nation.

Should there be mandatory testing? All donated blood is now screened for HIV, and testing is mandatory for military personnel and federal prisoners. There is broad agreement that individuals at high risk of contracting HIV should seek testing.

Due to costs, it is unlikely that sweeping mandatory tests, such as for medical practitioners, will be implemented. A preliminary HIV screening costs approximately five dollars per person. Each person who tests positive would require a follow-up test which would cost approximately fifty dollars. To implement nationwide tests would place a significant strain on government resources.

How are HIV/AIDS victims treated under the law? Americans with HIV/AIDS have often been targets of various forms of discrimination, although laws have been established to protect against discrimination. Under the Americans with Disabilities Act of 1990, HIV/AIDS is considered a handicap, therefore making it illegal to discriminate against HIV/AIDS victims in hiring practices and in providing access to public facilities.

A recent Supreme Court decision declared that HIV infection without present symptoms is a disability due to the fatal nature of the disease. Thus, it is illegal for medical providers to refuse treatment to HIV-infected individuals on the basis of their medical condition.

What progress has been made? A great deal of progress has been made on AIDS research in the past decade. For example, drug "cocktails", which involve a combination of as many as ten different medications, are allowing HIV-infected people to live longer with a higher quality of life.

In June, the first human trials were begun in the study for an AIDS vaccine. However, experts still have serious concerns as to the effectiveness of any vaccine in stopping the spread of the disease.

Conclusion: Much still needs to be learned and done about HIV and AIDS. An aggressive strategy to combat the disease is urgently needed. A heavy emphasis must be placed on prevention through grassroots education. Research to develop treatment, cures and vaccines must be continued and expanded. Help must be given to developing countries where HIV/AIDS is spreading at a staggering rate. All of this could save millions of dollars and millions of lives. It is a battle worth fighting.

THE ReNO$_X$ '98 CONFERENCE IN RENO, NEVADA

HON. JOHN E. ENSIGN

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. ENSIGN. Mr. Speaker, rarely have policy-makers been able to agree on approaches to attack our environmental problems. Both sides of the aisle seem to muddy the waters with rhetoric that does nothing more than to exacerbate emotionalism and further ignore scientific reality. It is for this very reason that I am proud to announce an event being held later this month in my home state of Nevada. This event is specifically designed to cut through such rhetoric and provide real solutions to fight one of our most pressing environmental problems—the control of oxides of nitrogen or NO_X, one of the most pervasive air pollutants.

The Gunnerman Foundation and numerous other federal, state, and industry organizations are sponsoring The ReNO$_X$ '98 Conference in Reno from July 26th through July 28th. Developing solutions to NO_X is just yet another in a long line of success stories for Gunnerman Foundation Chairman Rudy Gunnerman. Ten years ago, Mr. Gunnerman was called an alarmist for bringing to light critical air pollution problems. I call him a pioneer. His leadership has spurred technology and policy innovations on air pollution issues for over two decades.

Similarly, this conference will stimulate action on the issue NO_X. This conference will bring together industry, government and community interests to address barriers and develop policy recommendations that will benefit NO_X reduction strategies.

NO_X emissions come from cars and trucks, coal-burning power plants, and industrial combustion and waste disposal operations. NO_X emissions increased over 220 percent between 1940 and 1996, with a 9 percent rise from 1970 to 1996.

NO_X interacts with other compounds in the air to form ground-level ozone and acid rain—primary threats to human health and the environment. These critical air pollution problems have levied serious costs on our society, which range from asthma and other respiratory illnesses to the deterioration of our lakes, forests, soils, and our national monuments.

Therefore, I would like to take this opportunity to commend the Gunnerman Foundation and Rudy Gunnerman for sponsoring this worthwhile forum. I invite my colleagues to join this effort to develop real solutions to an environmental problem that deserves our attention and commitment.

HONORING JOHN KORREY

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to recognize John Korrey of Iliff, Colorado who recently earned first place at the International Livestock Auctioneer Championship held in Calgary, Alberta, Canada. Along with farming and ranching, Mr. Korrey and his wife, Janna, own Korrey Auction Services and co-run Primary Livestock Sales Management in Iliff.

John Korrey decided to be an auctioneer when his father, a produce farmer, took him to livestock sales. He listened and watched the auctioneers and adopted each trait that appealed to him. When describing his auctioneering experiences, Mr. Korrey stated, "I didn't become a quality auctioneer overnight. It takes years of practice and learning. I learn everyday. Sales or mistakes, I always learn. If you are too old to learn, you are in major trouble."

With that energetic attitude, Mr. Korrey found himself competing in the International Livestock Auctioneer Championship. In the International competition 30 competitors auctioned cattle at the Alberta Fed Beef Expo in Strathmore, Alberta on the first day. On the second day, the top 10 auctioneers auctioned 3,000 cattle at the Calgary Fair.

Five judges measured competitors on appearance, mannerisms, and deportment, worth 20 points; spotting bids, repartee and time; worth 40 points. Each judge could award 100 points to each competitor. The competitors

score was averaged over the two days with the high and low score tossed out. Korrey walked away from the competition with the top prize including $5000, a custom designed silver belt buckle, and an invitation to Jones and Vold Auction Company in Ponoka, Alberta.

Korrey's daughters, Heidi and Lacey, were at the auction cheering him on and had eight of the 10 winners placed correctly. When asked if his daughters placed him first, Korrey laughed and said, "They better. It was special to have them here."

This was Korrey's sixth year at the championship and he always finished in the top five. Although he will not be eligible to compete in next year's competition, Korrey can look forward to his new role as the contest's master of ceremonies. He will introduce all the competitors and conduct the auction at the Calgary Fair's champion livestock pens.

As a member of Congress representing Colorado's Fourth District where John Korrey lives, works, and shares his passion for auctioneering with his community, I am proud to honor this talented man. I congratulate him on this tremendous achievement. I also thank him for demonstrating excellence in a field which is so vital to this nation's ranching heritage and to rural Colorado.

IN CELEBRATION OF THE PRESENTATION OF THE AIR FORCE AIRMAN'S MEDAL

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mrs. CAPPS. Mr. Speaker, I rise to bring to the attention of my colleagues the awarding of the Air Force Airman's Medal to Master Sergeant Tim Brown. Sergeant Brown is a member of the 30th Security Forces Squadron at Vandenberg Air Force Base, located in my district, on June 26th. The Airman's Medal is the highest award for heroism given during peacetime.

Master Sergeant Brown saved three people in the waters off Wall Beach, California on Christmas Day, 1997. Strong undertows pulled thirteen-year-old Melissa Woodward out to sea. Her father, Mark Woodward, and her uncle, Staff Sergeant Randy Sexton, were also caught by the undertow when they went to help the young girl. Colonel Paul Sowada heard their call for help from shore and radioed for assistance. Master Sergeant Brown responded to Colonel Sowada's call. None of the victims were seriously injured. Colonel Sowada also received the Airman Medal in a ceremony on June 12th.

I ask my colleagues to join me in congratulating these two brave men on the awarding of such a special medal. They are to be commended for their noble efforts.

TRIBUTE TO COL. JIMMY JACOBS

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. SPRATT. Mr. Speaker, I would like to pay tribute to an outstanding American, an outstanding soldier, and an outstanding officer of the U.S. Army on the occasion of his retirement from active service. Col. Jimmy O. Jacobs retires after more than 28 years of dedicated service to this great Nation. Throughout his service Colonel Jacobs has provided tremendous leadership, guidance and counsel at all levels, from unit to the Office of the Secretary of Defense. He has consistently provided frank, thoughtful and deliberate advice to the high ranking Presidential appointees whom he has served both for the Office of the Secretary of the Army and the Office of the Secretary of Defense. Colonel Jacobs has over the years become recognized inside the Pentagon as the expert when an issue had to be worked quickly and correctly. His first and foremost concerns have always been what is best for soldiers, the U.S. Army, and our Nation. His brand of selfless service will stand for years to come as the standard for others to emulate.

Colonel Jacobs' illustrious career that began in 1970 culminates as the Executive Officer to the Deputy Chief of Staff for Personnel, Headquarters, Department of the Army. It is in this position that he has been able to directly influence the lives of our young soldiers and their families. For it is in the Office of the Deputy Chief of Staff for Personnel (DCSPER) where decisions are made affecting a soldier's wallet, housing assignment, points for promotion, and next assignment, among many others. Colonel Jacobs has been on hand to ensure that, when others might lose sight of that soldier on the ground, the correct decisions are made. He is the one who has ensured that the DCSPER hears those honest, frank opinions that he needs to hear before making life altering decisions. And on many occasions it was Colonel Jacobs himself providing those opinions.

Colonel Jimmy Jacobs was born in Bennettsville, South Carolina and graduated from Wofford College in Spartanburg, South Carolina. Colonel Jacobs was commissioned a second lieutenant through the Reserve Officers' Training Corps program in 1969. The unfortunate and untimely loss of both parents while attending college prompted his request for a one-year deferment from active duty to ensure his two younger brothers graduated from high school. For that year he taught high school biology and coached football, reporting in 1970 to his first duty station in Cam Rahn Bay, Vietnam. After Vietnam, then Lieutenant Jacobs spent the following 10 years overseas serving selflessly in a wide variety of personnel positions at Headquarters, 6th U.S. Army, Europe, the Berlin Brigade, and the European Military Personnel Center. In 1981, the newly promoted Major Jacobs was assigned to Headquarters, 6th U.S. Army at the Presidio at San Francisco, to serve for three years in his functional area of public affairs. Following his assignment as Chief, Media Operations and Public Information, Major Jacobs was selected to attend Command and General Staff College at Fort Leavenworth, Kansas. Upon graduation he found himself being assigned once again to another overseas tour with the Military Personnel Center, Europe, in Schwetzingen, Germany.

After serving as Chief Officer Assignments and the Assistant Chief of Staff for Operations, the newly promoted Lieutenant Colonel Jacobs was reassigned to the Pentagon, Washington, D.C., in May 1988. For the next ten years, Lieutenant Colonel Jacobs served in alternating assignments between the Office, Secretary of Defense and the Office, Under Secretary of the Army as a Senior Military Assistant, Executive Officer, and Senior Military Deputy. During this period he was deservedly promoted to Colonel and subsequently assigned to his current position as the Executive Officer to the Army's Deputy Chief of Staff for personnel. In all these assignments, Colonel Jacobs has served with distinction and has earned our respect and gratitude for his many years of unselfish service to our Nation's defense.

It is with great pride that I congratulate Colonel Jacobs upon his retirement and wish him and his wife, Deborah, all the best as they move on to face new challenges and rewards in the next exciting chapter of their lives. I ask my colleagues to join me in heartfelt appreciation to a soldier whose selfless service has truly made a difference.

PERSONAL EXPLANATION

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. ORTIZ. Mr. Speaker, because of official business in my District (27th Congressional District of Texas) I was absent for rollcall votes 288 to 309. If I had been present for these votes, I would have voted as follows: 288, no; 289, no; 290, no; 291, no; 292, yes; 293, yes; 294, yes; 295, yes; 296, no; 297, yes; 298, yes; 299, yes; 300, yes; 301, yes; 302, yes; 303, yes; 304, yes; 305, yes; 306, no; 307, no; 308, yes; 309, no; 310, no; and 311, no.

NATIONAL RIGHT TO WORK BILL

SPEECH OF

HON. JAY DICKEY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1998

Mr. DICKEY. Mr. Speaker, I rise in strong support of H.R. 59, the National Right to Work Act.

No American should be forced to join or pay dues to a labor union just to get or keep a job.

H.R. 59 would free millions of Americans from coercion in the workplace by simply removing the forced union dues provisions of the National Labor Relations Act and Railway Labor Act.

Mr. Speaker, a vote on the National Right to Work Act is long overdue. I urge you to schedule a vote without delay.

CHILD CUSTODY PROTECTION ACT

SPEECH OF

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1998

Ms. PELOSI. Mr. Speaker, I rise today in opposition to the Child Custody Protection Act. This bill is yet another attack in the ongoing attempt by conservative Members of this House to deny reproductive choice to women.

When faced with a difficult choice, teenage girls should be encouraged to seek the advice and counsel from their elders and not be concerned with criminal consequences.

If passed in its current form, this bill would criminalize the conduct of a grandmother who helps her granddaughter in a time of need. This bill will not lead to better family communication where it does not already exist. This bill is invasive and intrusive and denies a young woman the right to face a difficult choice with safety and dignity.

Furthermore, H.R. 3682 raises important federalism issues. Laws from one State do not follow people to another.

Mr. Speaker, more than 75 percent of young women already involve one or both parents in their decision. When a young woman cannot involve a parent, she should be encouraged to involve a trusted adult without the fear that the adult who accompanies her could face incarceration. One study found that half of all young women who did not involve a parent did involve an adult, including 15 percent who involved a step parent or adult relative. If this bill passes, these individuals could be jailed for helping to obtain a legal medical procedure.

H.R. 3682, if enacted, would put a young woman's life at risk should she be unable to involve a parent or guardian. It will increase the chance that she will seek an illegal or self-induced abortion or delay the procedure, making it more dangerous.

Instead of increasing the risks involved in abortion, let us support measures to make abortion less necessary by reducing teen pregnancy, promoting adolescent reproductive health education, and expanding access to confidential health services (including family planning).

Let us not turn our backs on young people and criminalize the assistance of a parent or trusted adult. Young women must not be isolated from a supportive parent or trusted adult and must be encouraged to make open, honest and safe choices.

We must protect young women from coercion by strangers, but not from the support of a caring adult. Mr. Speaker, this bill will put the reproductive health of young people at risk and infringe upon an individual's constitutional right to privacy and reproductive choice.

This bill is in need of clarification to differentiate between the act of a caring adult and the act of an individual deserving criminal persecution.

I urge my colleagues to oppose this bill.

ADDRESSING THE Y2K CHALLENGE

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. LEWIS of California. Mr. Speaker, by now we are well aware of the Y2K problem that poses a threat to virtually every aspect of our daily existence. My good friend and colleague, Mr. HORN, has done an outstanding job of raising awareness within Congress and every federal agency on the need to address this complex challenge. Indeed, every American is potentially affected by the Y2K problem and educating the public is critical to avoiding major disruptions in our daily lives.

Raising awareness is the key to proposing solutions. To that end, I would like to share with you and submit for the record a very fine article that recently appeared in the Seattle Post-Intelligencer. The piece, "Crash 2000," was written by Bruce Chapman, president of the Seattle-based Discovery Institute. The Discovery Institute has recently launched a two-year project on the many diverse public-policy issues connected with Y2K.

The Discovery Institute will host a conference on Y2K and related public policy concerns in Washington, DC on September 24. This conference will focus upon specific issues that need to be considered by Congress, the Executive Branch and other levels of government to minimize the effects of the Y2K transition. Well-known technology author George Gilder will moderate the day-long session which will also feature Congressman HORN and some of the best and brightest minds on the Y2K issue.

[From the Seattle Post-Intelligencer, June 14, 1998]

FOCUS CRASH 2000

LIFE WITH COMPUTERS AT RISK SHOULD Y2K DISEASE PROVE DEADLY

(By Bruce Chapman)

From airport traffic control to tax refunds, from "just-in-time" package deliveries to time-sensitive hospital equipment; from fire and police services to defense commands, products and activities we take for granted could slow or stop.

That's the Year 2000 problem scenario, a disquieting possibility that is nagging increasing numbers of public and private leaders.

In a year and a half, as the new millennium opens, the lives of everyone not residing in some Stone Age redoubt will be affected to an unknown extent by a bizarre glitch in many of the world's computers and software products. Even the minimum likely outcome is worrisome.

Take the disruptions of last year's United Parcel Service strike, when hundreds of businesses failed, combine them with the recent service stoppage on 40 million pagers when the Galaxy 4 satellite broke down, and replicate such effects in other sectors of the U.S. economy and around the world—simultaneously.

Other outcomes could be worse. Nobody knows how bad it could be. They do know that "it" will happen on Jan. 1, 2000. A program to stimulate greater public awareness, understanding and action is needed. Yet a communications gap between the culture of the technology industry and that of the political world is slowing the response to the 2000 problem, or "Y2K," as it is coming to be known.

The individualistic people in the technology industry do not naturally make connections between their world and the realm of everyday public life. They tend to fear the government when they do not scorn it. People in the public sector often have difficulty comprehending the economic and social impacts of technology. To them, tech is just another industry to be taxed, regulated and litigated. But at the start of the new century, a programming foible of years gone by—compounded by repetition—threatens to make obvious the big, unavoidable connections between technology and public policy.

The problem arose from widespread use of a coding technique to save digital space in computers—shortening the designation of years by eliminating the number denoting the century. The date "1998" is merely rendered "98", for example. Even if some people thought of the troubles that might occur when the year 2000 rolled around, in the fast-changing world of high technology, systems were not expected to last long enough to matter.

The unanticipated result as the year 1999 changes into 2000 is that many computers will read "00" to mean "1900." They will have no way to control the resulting calculations appropriately. Whole systems, including personal computers and mainframes, and software products of various kinds, could malfunction, spit out errors erratically, or simply crash. With them would crash the billions of orders and transactions and industrial processes upon which our lives have come to depend.

At potential risk are: critical infrastructure (water, power, telecommunications, transportation); government services at all levels; banking and finance, here and overseas. The very uncertainty about the prospects for these functions could trigger an anticipatory economic contraction well before 2000.

Huge private and public repair efforts already are under way. Some national banks' Y2K bills are running up to $600 million. A Securities and Exchange Commission study released last week estimated that the top Fortune 250 corporations alone expect to spend some $37 billion on the problem.

Many companies' systems are fixed already. But that won't necessarily protect them from failures experienced by their suppliers, or their customers. Nor will it protect them if their computers interact with systems that are not fixed. Analyst Mark R. Anderson, who spots technology trends from his highly wired aerie in the San Juan Islands, sees "networks" as "the greatest Y2K problem. If my computers are fixed, and yours are not, I'm not sure I want to be linked to yours that (Dec. 31, 1999) midnight."

To put the matter in personal terms: Your bank assures you that it is entirely and certifiably compliant. But if that bank starts getting bogus data from malfunctioning computers at other banks—say, from overseas—or finds that it cannot get information at all from federal financial institutions, its own systems could be compromised.

Edward Yardeni, economist with Deutsche Morgan Grenfell in New York, citing the tardiness of private and public entities in confronting the Y2K problem, estimates the chance of a major recession as 60 percent. "The likely recession could be at least as bad as the one during 1973–74, which was caused mostly by a disruption in the supply of oil. Information, stored and manipulated by

computers, is as vital as oil for running modern economies."

A Federal Reserve study a few months ago estimated a repair cost to private business in the United States of about $50 billion and to the economy of only a fractional percent of growth, but those estimates already are probably out of date. A private study by Y2K specialists at the Gartner Group in Palo Alto, Calif., sees a $115 billion dollar domestic tab and a $600 billion cost worldwide.

It is instructive that the head of one vitally affected federal agency, the IRS, does not even dispute the extent of potential danger. Commissioner Charles Rossotti told a Congressional committee this spring, if repairs cannot be made in time (and IRS is far behind, "There could be 90 million taxpayers who won't get their refunds, and 95 percent of the revenue stream of the U.S. could be jeopardized."

"Could be." Nobody knows for sure. A lot can happen in a year and a half.

"It's still unclear how much pain there will be," says Microsoft's Bill Gates.

One reason for uncertainty is that many information systems are not, as it were, technologically transparent. Instructions may be embedded in locations where one does not expect them. Old systems may have idiosyncratic, even whimsical, programs written by someone long gone and in an obsolete program language.

The rickety IRS system, for example, dates from the 1960s. Given the workload in bringing critical systems to a point of Y2K compliance, Gates is among those who propose that "From today forward, 'triage' is the order of the day." In the battlefield, a surgeon applying the triage policy divides casualties by categories of those who are in good enough shape to ignore, those past saving and those who can be saved with prompt action. Triage for information services means deciding which systems are of relatively low priority and can be repaired later, those that are past saving and must be replaced or abandoned, and those needing immediate fixes.

That Gates has anything at all to say in Y2K these days is commendable. Many businessmen are afraid to mention the subject. Business Insurance, a trade journal, reports that "Security is tight for many corporate conversion projects because of the concern that their stock prices might fall when the word got out about how much it will cost to bring their systems into compliance." Even the Securities and Exchange Commission is having a hard time getting information from companies, according to testimony before a Senate hearing last week. But before long, as public awareness grows, enterprises that cannot boast of major efforts to become Y2K compliant could become the ones risking stock owner displeasure. Nothing hurts a stock price like a breakdown in basic corporate functions.

Business leaders also are being warned by their lawyers to keep quiet because of the threat of lawsuits. The Journal of the American Bar Association estimates that there will be a trillion dollars worth of claims as a result of Y2K. Trial lawyers already are holding conferences to examine opportunities for suits against tech companies and others if their systems fail. But again, with time it may become clear that those companies will fare best that are most active in preventing Y2K trouble and trying to help others—including the public.

Actually, the government itself may have contributed to today's punitive legal atmosphere by its aggressive actions on other matters, from monopoly suits against Microsoft and Intel, to efforts to stop telecommunications and cable mergers. The federal government, by keeping such a low profile on Y2K for so long, also has slowed public education on the overall Y2K threat. The government did know about it. Almost two years ago, after receiving a special report from the Congressional Research Service, Sen. Patrick Moynihan, D–N.Y., sent an urgent letter to President Clinton, alerting him to the Year 2000 problem, and warning that it "could have extreme negative economic consequences during your second term." He later publicly termed Y2K a potential "national emergency."

Yet it was only four months ago that the White House appointed John Koskinen, a former Deputy Director of the Office of Management and Budget, to head a new President's Council on Year 2000 Conversion. Koskinen is an experienced crisis manager, but his job is still less that of a policy "czar" than that of a facilitator. He has a small office and three employees.

Of course, by now few large corporations need education from the federal government on the serious of Y2K. But the same cannot be said of small businesses. Surveys show that many of these remain blissfully indifferent. The National Federation of Independent Business and Wells Fargo Bank have discovered that only one in six small businesses has even looked into the subject. Richard Bergeon, president of Systemic Solutions, Inc., in Seattle and co-author (with Toronto consultant Peter deJager) of "Managing 00: Surviving the Year 2000 Computing Crisis," predicts that, given present trends, "as many as 50 percent of small businesses may fail."

Meanwhile, White House special adviser Koskinen has tried to lower expectations of what his office can do to help the economy as a whole. "We have to figure out how we can help people organize themselves. There's no way for me or the federal government to manage this problem." Regarding the government's own functions Koskinen has promised a full report on preparations by early 1999.

But Congress is not about to wait that long. After holding several discouraging hearings this winter and spring, Rep. Steven Horn, R-Calif., a former university president who heads the House Government Reform and Oversight subcommittee on technology, last week graded the federal efforts an "F." He demanded that "The president and his administration must set priorities if the conversion is to be successful . . . Now is the time for the president to designate the Year 2000 problem as a national priority."

It seems likely that pressure will continue to grow on the president, and on Vice President Al Gore, a technology enthusiast, to expand federal readiness efforts. Publisher and possible Republican presidential contender Steve Forbes has been particularly outspoken, terming the situation a "leadership crisis, rather than a technology crisis."

Horn and Forbes have gained credibility from reports issuing lately from the government's independent General Accounting Office and the inspectors general in various departments. The reports cite deficiencies in most departments, indicating that at the present rate of change, a number of major federal functions are unlikely to be Y2K compliant on time.

For example:

Some failures of mission-critical defense systems are "almost certain," reported the GAO, unless the pace of fixes is greatly increased. The Department of Defense has spent $2.9 billion, but lacks key management and oversight controls, the GAO says. If the Defense Message System fails, "it would be difficult to monitor enemy operations or to conduct military engagements . . . Aircraft and other military equipment would be grounded."

The Labor Department already has spent $160 million of the $200 million allocated to it to help states convert computers that handle unemployment insurance. Labor's inspector general told a congressional committee he fears for the department's "benefit payment systems for job corps students and injured coal miners, longshore and harbor workers and federal employees and their families." Only 13 of 61 systems in the Labor Department have been identified as Y2K compliant.

The Education Department is so tardy that it still has no comprehensive Year 2000 plan.

Despite recent improvements, it is uncertain that the Department of Health and Human Services will be able to process some $200 million in Medicare payments or the $170 billion awarded annually in research grants for cancer and other diseases. The problems of HHS, like the IRS, are compounded by computer problems beyond the Y2K threat.

Experts told the Horn Committee that the Federal Aviation Administration is so far behind in Y2K readiness that it may have to ground planes in 2000. However, White House adviser Koskinen is more optimistic, believing that the FAA will have completed its repairs by the end of the year and will have another year for testing.

The Social Security Administration, with 92 percent of its project completed, is in better shape than any other federal agency. The Horn Committee graded it an A+. But, as Internet columnist Victor Porlier notes, the agency has been working on the problem for seven years, yet even it is not finished. What does that say about the prospects of agencies that have barely begun?

Also, how will a fully functional agency such as Social Security persevere in sending out checks and meeting its own payroll in 2000 if a dysfunctional IRS and Treasury Department cannot collect and distribute federal money?

Finally, says Porlier, Social Security's experience, wherein systems had to be tested early and repeatedly, underscores the importance of adequate time for testing and debugging before systems can be certified as truly 2000 compliant.

That time is fast disappearing.

SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1998

SPEECH OF

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1998

Ms. LOFGREN. Mr. Speaker, I am very proud to vigorously support the Securities Litigation Reform Act of 1998. This bill is the culmination of a long, hard effort to enact securities reform.

During the last Congress, we struggled with and finally crafted a law that ensures that those who have genuinely been defrauded have access to courts and to justice, while preventing the misuse of our justice system.

This landmark legislation, the Private Securities Litigation Reform Act, ultimately passed with widespread bipartisan support. I strongly supported this legislation.

We passed this bill in response to the increasingly troubling practice of "strike suits," in which a small group of attorneys frequently took advantage of the legal system to backmail high tech companies for huge settlements, with little or no evidence of wrong doing.

These frivolous strike suits particularly damaged the companies in Silicon Valley. According to one study, 53% of Silicon Valley's top 100 technology companies have been subject to securities fraud claims.

Despite our best efforts last Congress, opponents have sought to sidestep the new federal securities laws. To avoid the new heightened federal standards, a number of securities fraud suits have moved from the Federal to the State courts.

According to a study by Stanford Professors Joseph Grundfest and Michael Perino, 26% of securities litigation activity has shifted to state courts.

Because of this development, executives now advise me they are reluctant to rely on the 1995 Act's safe harbor provisions when making public statements about their companies' prospects. This hurts investors who lose access to valuable information, and it undermines the efficiency of the market.

It is time to close the loopholes. The Securities Litigation Uniform Standards Act of 1998 will finally slam the door on strike suits by establishing Federal court as the exclusive venue for securities class actions.

I urge my colleagues to support this important bill. I would also like to commend my colleagues ANNA ESHOO and RICK WHITE for their hard work in pushing this issue forward.

I pledge to work with my colleagues to move this bill speedily through Conference and into law.

TRIBUTE TO MR. WILLIAM K. TAKAKOSHI

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. MURTHA. Mr. Speaker, I rise today to pay tribute to a dedicated public servant as he retires from his position as Special Assistant to the Under Secretary of the Army after more than 28 years of dedicated service to his country. Mr. William K. Takakoshi is most deserving of our tribute. He has consistently demonstrated the outstanding qualities expected of our finest public servants. I would like to take a moment to highlight Bill's career milestones.

A native of Rockford, Illinois, Bill is a 1970 graduate of the University of Illinois with a B.S. in Industrial Engineering. Upon graduation he was commissioned as a 2nd Lieutenant in the Army Reserve. In 1971, Bill earned a Masters Degree in Industrial Engineering and Business Administration from Purdue University.

Bill entered public service in 1970 as an Industrial Engineer at the Naval Ammunition Depot at Crane, Indiana. He was responsible for the production and industrial engineering for the five main Naval Ammunition Depots.

In 1975, he was assigned as the Resource Branch Head of the Strategic Weapons Facility Pacific. In that capacity he was responsible for planning, acquisition, and management of all the resources required to activate the missile facilities of the first TRIDENT Base.

In 1981, after a tour at the Joint Cruise Missiles Program Office where he was the Deputy Production Manager, he accepted a position with the Army. For the next seven years he served as Deputy for Industrial Resources and Quality and Production for the Assistant Secretary of the Army (Research, Development, and Acquisition). During that time his primary focus was oversight of the Army Ammunition and Industrial Preparedness programs.

Because of his vast experience and knowledge of the acquisition process, he was selected by the House Armed Services Committee as a Legislative Fellow. Bill served on the Acquisition Policy Panel for the Procurement Subcommittee for a complete legislative cycle.

Upon his return to the Department of the Army in 1989 he was made Director, Program Review for the Assistant Secretary of the Army (Research, Development, and Acquisition) and was selected for the Senior Executive Service.

In 1990, because of his vast experience he was handpicked by the Under Secretary of the Army to serve as his Special Assistant. Since that time Bill has been the focal point within the Army for finding positive solutions and resolving difficult issues that cross varied interests and organizations. Bill Takakoshi is truly a "team player". He is always on top of the issues of the day and has the respect and confidence of the OSD and congressional staffs. He is the paramount professional, quiet and unassuming but one who always gets the job accomplished.

Mr. Speaker, it gives me great pleasure to present the credentials of Mr. Takakoshi to the Congress today. It is clear that the Department of Defense is losing a great talent. I would like to wish both Bill and his wife Gay continued success in all their future endeavors.

NUANGOLA CHAPEL HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. KANJORSKI. Mr. Speaker, I rise today to commemorate the 100th Anniversary of the founding of the Nuangola Chapel in Northeastern Pennsylvania. The Chapel will mark its centennial with a service and luncheon on Sunday, July 26. I am proud to have been asked to participate in this event. Late in the nineteenth century, the newly-organized Triangle Lake Association built an uncovered platform in a grove of trees for the purpose of dances and other social activities. On Sundays, the platform was used for services and Sunday School.

In 1890, Nuangola consisted of only about twenty-four cottages, all on the west side of the lake, but it had grown considerably by 1898 when John Reader proposed building a chapel. A meeting was held at the dance platform and a committee was formed to consider the idea.

In the minutes of that meeting the lake was referred to as "Triangular Lake." However, there were three other bodies of water in the country with that name at that time. To avert confusion, the U.S. Postal Service used what was thought to be the original name of the lake—Nuangola—after an Indian maiden thought to have drowned there. The new committee decided to call itself "the Nuangola Chapel Association."

On September 10, 1898, the committee petitioned the court to grant it a charter. The petition was granted and recorded for the purpose of maintaining "a chapel for public worship of Almighty God, evangelistic but nonsectarian." The chapel was built and dedicated in 1904 and it has been used every Sunday during the summertime since 1900.

Mr. Speaker, I am proud to congratulate the fine congregation of the Nuangola Chapel on its Centennial Celebration. I send my very best wishes on this milestone event for continued prosperity in the years to come. I am pleased to have had the opportunity to bring the Nuangola Chapel's proud history to the attention of my colleagues.

THANK YOU, EVIE FOSTER

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. BARCIA. Mr. Speaker, we all have concerns about how to best deal with crime, and are likely to agree that the best solution is one in which the impetus for criminal action has been removed. At no time is this more important than when we are dealing with young offenders. Those skilled individuals who help juveniles turn away from the path of crime are special people, and deserve to be celebrated.

The people of Bay County, my home county, have had the good fortune to have had Evie Foster as the Community Services Coordinator for youthful offenders for the past eight years. She is retiring from the Office of the Bay County Prosecutor after a term of great accomplishment. In that time, she has placed over 1,000 young people in various work sites around the County, helping them learn the value of productive effort. Judge Paul Doner hired Evie to work in the Probate Court as the Coordinator in 1990, and we all thank him for that excellent decision.

It is no surprise to anyone who has had the privilege of knowing Evie Foster that she has been so successful. She started working at the Bay County Juvenile Home nearly twenty-four years ago as a youth development worker. She became Team Leader after five years, supervising other child care workers, and served as Interim Director of the Juvenile Facility until a new Director was hired. She most deservedly was named in 1982 as the Child Care Worker of the Year for the State of Michigan by the Michigan Juvenile Association.

Her care for children extends beyond her professional tasks. She has served a two-year term on the Youth Board Ministry for Immanuel Lutheran Church, two terms on the Compensation Board for the City, and as volunteer coordinator for the annual Christmas Dinner for the residents of the Bay Medical Care Facility and their families.

Evie has three children, Larry, Bob, and Brenda, a daughter-in-law Julia, and several grandchildren, Adam, LaSelle, Robbie, Julia, Vanessa, and Jared. They have learned valuable lessons about the need to support young people from Evie, and we are all better for it.

As Evie Foster leaves the Office of the Bay County Prosecutor to have more free time for golf, fishing, and other matters of significance to her, I ask you, Mr. Speaker, and all of our colleagues to join me in thanking her for the important and vital work she has done, and the example she has set. May her retirement be as satisfying as her years of devotion to her community.

PERSONAL EXPLANATION

HON. CHARLIE NORWOOD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. NORWOOD. Mr. Speaker, on July 21, 1998, I was unavoidably detained during the vote on the Johnson amendment (Roll No. 312) to H.R. 4193—FY 1999 Interior Appropriations Act to restore the National Endowment for the Arts (NEA) funding to its previous level of $98 million. Had I been in attendance, I would have voted "No."

LEGISLATION TO OPEN PARTICIPATION IN PRESIDENTIAL DEBATES

HON. JAMES A. TRAFICANT

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. TRAFICANT. Mr. Speaker, today I am introducing legislation to open participation in presidential debates to all qualified candidates. I urge my colleagues to support this legislation.

My bill amends the Federal Election Campaign Act of 1971 to organizations staging a presidential debate to invite all candidates that meet the following criteria: the candidate must meet all Constitutional requirements for being President (e.g., at least 35 years of age, born in the United States), the candidate must have qualified for the ballot in enough states such that the candidate has a mathematical chance of receiving the minimum number of electoral votes necessary for election, and the candidate must qualify to be eligible for matching payments from the Presidential Election Campaign Fund.

This legislation will ensure that in a presidential election campaign the American people get an opportunity to see and hear from all of the qualified candidates for president. Staging organizations should not be given the subjective authority to bar a qualified candidate from participation in a presidential debate simply because a subjective judgment has been made that the candidate does not have a reasonable chance of winning the election.

The American people should be given the opportunity to decide for themselves whether or not a candidate has a chance to be elected president. So much is at stake in a presidential election. A presidential election isn't just a contest between individual candidates. It is a contest between different ideas, policies and ideologies. At a time when our country is facing many complex problems, the American people should have the opportunity to be exposed to as many ideas, policies and proposals as possible in a presidential election campaign.

My bill will ensure that this happens. It will give the American people an opportunity to hear new and different ideas and proposals on how to address the problems facing our nation. I have confidence that the American people are wise enough to make a sound decision.

Some of the basic principles America was founded on was freedom of speech and freedom of ideas. I was deeply disappointed that in the 1996 presidential campaign, the ideas of qualified candidates for president were not allowed to be heard by the American people during the presidential debates. It is my hope that Congress will pass my legislation and ensure that the un-American practice of silencing qualified for candidates for president is permanently put to a stop.

Once again, I urge my colleagues to support this legislation.

TRIBUTE TO THE LATE ADMIRAL ALAN SHEPARD

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. BROWN of California. Mr. Speaker, it is with a sense of sadness that I note the passing today of Alan Shepard, an authentic American hero. Admiral Shepard will always be remembered for having the "right stuff". He was one of the original seven Mercury astronauts, and he won an enduring place in history by being the first American in space. His 15-minute suborbital flight in the Freedom-7 capsule on top of a Redstone rocket on May 5, 1961 provided a badly needed boost to the American psyche, coming less than a month after the Soviets had launched Yuri Gagarin into orbit. Admiral Shepard's successful mission cleared the way for President Kennedy to announce the goal of landing a man on the moon by the end of the 1960s.

Alan Shepard was the consummate professional as an astronaut. Even after being sidelined for several years by a medical condition, he kept himself trained and fit in case it proved possible to return to flight status. His perseverance was rewarded when he eventually was returned to flight status as the Commander of the Apollo 14 mission to the moon. The Apollo 14 crew made the third successful manned landing on the moon on February 5, 1971, and they restored our confidence in America's lunar exploration program—confidence that had been shaken in the wake of the ill-fated Apollo 13 mission.

Mr. Speaker, the nation's space program has made great progress since those early days in 1961. We have landed 12 human beings on the moon. We have sent probes to every planet in the solar system save one. We have satellites that probe the mysteries of the universe and that help us to better understand our own planet Earth. We also have spacecraft that help us better forecast the weather and communicate around the world. We now send both men and women into space in an almost routine manner, and we are engaged in a cooperative project with 15 other nations to build a space station in Earth orbit. We have indeed come far in space since 1961. However, we should never forget the individuals who have helped bring us to this point. Alan Shepard was one of the most distinguished of those individuals.

I know that I speak for all Members when I say that we send our deepest condolences to his family.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

SPEECH OF

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4193) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1999, and for other purposes:

Ms. PELOSI. Mr. Chairman, I rise in support of the Furse amendment to reduce funding for the federal timber sales program and to reallocate the funds for better use within the U.S. Forest Service.

There is a very basic fact associated with our federal timber sales program: It is intended to produce revenue and it does not. It not only fails to fulfill this promise to the taxpayer, timber sales actually result in added costs to the taxpayer. Why would we engage in such a financial relationship when we know that it is a big loser?

Who pays? Not the private corporations doing the logging. The taxpayer pays. It simply does not make good management sense to conduct a federal program in such a financially inefficient manner. Look at the numbers: According to the General Accounting Office, the Forest Service's federal timber program cost taxpayers almost $1 billion from 1992–94—more than $330 million on average for each year. Last year, the loss was $88.6 million, by Forest Service reports.

The cry for government reform should include reforming the way the U.S. Forest Service loses hundreds of millions of tax dollars in logging and unnecessary logging road construction in our national forests. The proposed elimination of the Purchaser Road Credit Program is a good first step toward bringing an

end to subsidies for the timber companies at the trough of the federal timber program.

The Furse amendment transfers funds from the timber sales program and puts them where all Americans can reap the benefits—in environmental restoration and improved recreational management. In the words of the Chief of the U.S. Forest Service: If we are to redeem our claim to be the world's foremost conservation leader, our job is to maintain and restore ecological and socially important environmental values . . . Values such as wilderness and roadless areas, clean water, protection of rare species, old growth forest, naturalness—these are the reasons most Americans cherish their public lands.

Now is the time to build on that concept and the momentum of eliminating the Purchaser Road Credit Program by eliminating all subsidies for the federal timber program. Let's put an end to this corporate handout. I urge my colleagues to vote in favor of the Furse amendment.

STARR NOW OBJECTS TO AN INVESTIGATION OF HIMSELF

HON. JOHN CONYERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. CONYERS. Mr. Speaker, I rise today to discuss the reported resistance by Independent Counsel Starr to Chief District Court Judge Johnson's decision to begin an investigation of whether Mr. Starr leaked grand jury materials to the press in violation of federal law. Rather than obey that judge's order, Mr. Starr apparently has filed an unusual motion to prevent her order from going into effect until such time as he can be heard before the D.C. Court of Appeals.

The central issue appears to be whether Mr. Starr will be forced to comply with Judge Johnson's order that President Clinton's lawyers be allowed to participate in the questioning of members of the Independent Counsel's office concerning the alleged leaks. We have not yet been informed of exactly why Mr. Starr is so concerned about direct questioning of his staff by the President's lawyers concerning alleged violations of federal law.

Judge Johnson's decision to permit such questioning is, however, fully justified by Mr. Starr's prior misleading statements on the issue of whether his office was the source of leaks. Mr. Starr has previously stated that leaks were "prohibited" in his office and that he had "no reason to suspect" that anyone in his office may have been the source of reports about his investigation. Later, of course, as we all now know, Mr. Starr admitted that his office speaks frequently with reporters, but that these contacts do not fall within his narrow definition of a "leak."

Mr. Starr's resistance to standard truth-seeking measures such as adversarial questioning is blatantly hypocritical in light of his numerous public statements suggesting that the White House and others are improperly obstructing his investigation simply because they ask courts to balance important private and governmental interests against Mr. Starr's apparently boundless interest in new investigative leads. Now that Mr. Starr has apparently found some interests of his own that he believes justify limiting an important part of a proposed criminal investigation, will Mr. Starr now concede that asking a court to evaluate a privilege is an appropriate response to a criminal investigation?

Assuming that Mr. Starr is unwilling to make this concession, will he then ask himself the same question he asked during his recent speech to the bar association in North Carolina? In that memorably inappropriate attack on the President by the Independent Counsel, Mr. Starr self-righteously posed the following question:

> At what point does a lawyer's manipulation of the legal system become an obstruction of the truth?

Witnessing Mr. Starr's own legal manipulations this week, I am forced to ask my own question: What does Mr. Starr have to hide? Mr. Starr should live up to his own rhetoric, stop resisting Judge Johnson's order and allow a credible investigation to proceed into these significant allegations of serious wrongdoing.

TRIBUTE TO DALE VANDER BOEGH

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. WELLER. Mr. Speaker, I rise today to recognize and honor Mr. Dale Vander Boegh as he retires from his post as chief of the Manhattan Volunteer Fire Department in Manhattan, Illinois. Mr. Vander Boegh's outstanding service to his community exceeds 50 years on the volunteer fire department, including 30 years as the chief.

Dale, known as Chubb to his family and friends, has set an example through his dedication to his community and neighbors that few of us can comprehend. For nearly fifty-two years, Dale made himself available at all hours of the day and night to fight a dangerous fire or offer help to anyone in need. Remarkably, Dale even kept the fire department's emergency telephone in his family's home for many years.

By all means, there are many families in Manhattan and throughout Will County who are eternally thankful for Dale's leadership and heroic efforts. One can only imagine the number of lives and properties Dale has saved throughout his service.

Mr. Speaker, it is only right and proper to honor Chief Dale Vander Boegh and his family for the remarkable lifetime commitment they have made to their community and neighbors. Chief Vander Boegh is a fine American and a true hero. I wish he and his wife, Beverly, the best life can offer in their retirement.

SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1998

SPEECH OF

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1998

Mr. FAZIO of California. Mr. Speaker, during the 104th Congress I voted, with a large bipartisan majority of my colleagues, for the Private Securities Litigation Reform Act of 1995 (PSLRA) because I believed it was an important step toward protecting companies against "frivolous" law suits. The extremely litigious environment that existed prior to this legislation had a chilling effect on growth in technologies and did little to curb fraud and abuse.

A new concern has developed, however, which threatens to unravel the changes that we have made. In effect, the standards in the Federal securities laws, as amended by the PSLRA, are being bypassed.

According to a study done last year, Stanford University found that 26 percent of securities class action cases have shifted from Federal to State courts. Trial lawyers have discovered a loophole around the Federal statute through State litigation, where it is much easier to file complaints without substantial cause. This practice is an unprecedented and unanticipated move that stands to harm America's companies, especially the high tech community.

These high technology companies account for 34 percent of all the issuers sued last year. It is ironic that the very companies that have contributed disproportionately to the economic growth of our Nation and have been a great source of wealth for investors are the ones being harassed. They are, in effect, being penalized for success.

The Securities Litigation Uniform Standards Act, H.R. 1689, would amend the Securities Act of 1933 and the Securities Exchange Act of 1934 so that any class action law suit brought in any State court involving a covered security would be heard in a Federal court. Only those suits traditionally filed in Federal courts would be affected by H.R. 1689, while those claims that historically have been pursued in State courts would be left undisturbed. H.R. 1689 is limited to covering nationally traded securities on the New York Stock Exchange, NASDAQ, or the American Stock Exchange. At the same time, the legislation expressly preserves the authority of public State officials to police State securities markets.

It is clear that what is needed are uniform standards for private securities class action litigation to cover nationally marketed securities. I hope that my colleagues will join me once again in support of securities litigation reform. We need to take action to close this loophole and protect our innovative entrepreneurs and companies that have done so much toward this country's economic health.

SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1998

SPEECH OF

HON. JOHN A. BOEHNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1998

Mr. BOEHNER. Mr. Speaker, I want to congratulate Chairman BLILEY, Chairman OXLEY, my friend Mr. WHITE and Ms. ESHOO for their work on this fine piece of legislation, the Securities Litigation Uniform Standards Act.

Nearly 3 years ago we passed the precursor to this bill. Before that, dozens of sue-first, ask-questions-later lawyers had made fortunes by organizing groups of shareholders to sue companies when their stock didn't live up to the shareholders' expectations. If the stock went down, even briefly, the trial lawyers sued the companies and harassed them into settlements. The real winners in these cases were the lawyers, who recovered fees that dwarfed the settlements their individual clients received.

This especially hurt high-tech businesses which were easy targets because their stocks tended to fluctuate more than average. Because we wanted to keep America competitive in this vital market, in 1995 we passed the Securities Litigation Reform Act, overriding President Clinton's veto. That bill protected shareholders' legitimate interests but made it harder for the strike suit lawyers to coerce companies into unfair settlements.

The problem was that in inventing a new mousetrap we had forgotten how smart the mouses were. The strike suit lawyers began filing their suits in state courts, where our bill had little effect.

This bill realizes the intent of the 1995 bill by closing this loophole. Securities law is predominantly federal. This bill would prevent strike suit lawyers from abusing convenient state law by giving company defendants the opportunity to move strike suits filed in state courts to federal courts, where they would have the protection of the 1995 bill.

Mr. Speaker, this superb piece of legislation will protect shareholders, it will protect our growing high-tech sector from needless harassment, and it will protect the high-paying, stable jobs that these industries will create now and in the future. I urge my colleagues to support it.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

SPEECH OF

HON. J.D. HAYWORTH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4193) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1999, and for other purposes:

Mr. HAYWORTH. Mr. Chairman, today we had an important vote regarding federal lands in our country. I believe Chairman REGULA did an excellent job of handling this difficult and controversial appropriations bill. However, one project that was left out of the bill was funding of the new Seba Dalkai school in my congressional district that has been on the Bureau of Indian Affairs (BIA) priority list for several years.

As you may know, Mr. Chairman, Seba Dalkai is located on the Navajo Nation, the largest and most economically-challenged sovereign Indian nation. Education is vitally important for children to achieve their full intellectual and economic potential. A healthy learning environment is central to this goal.

Seba Dalkai has been patiently waiting for new school facilities, while educating their children in substandard conditions. They are presently the highest ranked school on the BIA priority list that has yet to receive funding. Unfortunately, this has been the situation for several years. Seba Dalkai needs and deserves funding. It is my hope that since the new Sac and Fox and Pyramid Lake schools will be completed this year, the House Interior Appropriations Subcommittee will begin funding the new Seba Dalkai school in fiscal year 2000. I will continue to fight for funding for Seba Dalkai, although I am disappointed that the Subcommittee could not begin funding this important project in fiscal year 1999.

COMMUNICATIONS MANAGER JOHN H. BLANK, RETIRING AFTER 33 YEARS OF SERVICE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. STARK. Mr. Speaker, I would like to take this opportunity to pay tribute to Communications Manager John H. Blank. On July 31, 1998, after 33 years of distinguished service, he will be retiring from the police force in Milpitas, California, in California's 13th Congressional District.

Communications Manager Blank began his career serving the Milpitas community in October, 1965. He was sworn in as a police officer on October 1, 1965. He served in the patrol unit until January, 1970 at which time he was appointed as Supervisor of the Traffic Investigation Unit. in 1967, he confounded the Milpitas Police Officer's Association. His concern for the welfare and development of employees of the Department as well as his knowledge and skills in the field of organizational development provided a solid foundation for the Association which continues to serve as an important resource for law enforcement officers today.

While serving in the Milpitas Police Department, John continued his education. He was awarded a B.S. degree from San José University in 1973 after completing the requirements for a double major in Public Administration and Political Science. Concurrent to his service in the Milpitas Police Department, he also served in the California National Guard. He completed his service in 1971, after attaining the rank of Staff Sergeant.

On July 1, 1973, John was promoted to Police Inspector with the responsibility of supervising the Records, Communications and Property functions of the Police Department. Under his supervision, the Department acquired its own dispatching capability and was able to upgrade its services substantially. In April of 1979, as a result of departmental restructuring, John became a Detective Sergeant. His responsibilities included investigating crimes against persons, property crimes, fraud and missing persons.

In 1980, John embarked upon a significant career change—he left service as a sworn employee to become a communications dispatcher. In 1985, he became an acting communications supervisor. In 1986, he became permanent supervisor, and, in 1992, he became Communications Manager. As Communications Manager, he managed the growth of this service by improving the size, staff training, and complexity of the Communications Center.

He oversaw many improvements during his tenure as Manager, including the change from "status tags" to Computer Aided Dispatch, public safety tactical dispatching, and the development of a state of the art Communications Center.

He was a co-founder of an organization called C.O.M.A.—the Communications Operations Managers Association of Santa Clara County. C.O.M.A.'s goals are interagency cooperation, support training, and the furtherance of the public safety communications profession.

John has always been an active member of the community. He has lived in Milpitas for the last 15 years—in a home that he built himself. He has been a long time member of the Walnut Green Homeowners Association, he founded the Milpitas Tennis Association, has been very active in the Y.M.C.A., and has been a member and president of the Milpitas Kiwanis Club. He is also an active member of his church, serving as both a deacon and usher.

John has received numerous awards and commendations throughout his career. He has amassed over forty letter of commendation from citizens, his supervisors, and from a wide variety of governmental agencies. In 1987, he was recognized by the San José-Evergreen Community College District for his assistance in the development and presentation of the Basic Public Safety Dispatcher Development Academy.

Mr. Speaker, Communications Manager John H. Blank will be honored at a celebration dinner on the occasion of his retirement on August 7, 1998. I would like to thank John for his 33 years of dedicated service on behalf of the residents of Milpitas, CA. His professionalism and dedication will be sorely missed. I wish him luck in all of his future endeavors.

CONGRATULATING SCRUGGS, INC.

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. DUNCAN. Mr. Speaker, Scruggs, Inc., a leading Knoxville business, has recently received national recognition as the "1998 Dealer of the Year" by "Foodservice Equipment and Supplies Magazine." Scruggs, Inc. is a 66-year-old, third generation restaurant equipment and design company in Knoxville, TN.

Scruggs, Inc., founded in 1932, by Mr. Carlton Scruggs, now has over 55 employees and sales of over $15 million a year. In a time where many family businesses may be experiencing difficulties, it is wonderful to see this family business doing so well.

The Scruggs family is one of east Tennessee's most respected families. I have known Mr. Jim Scruggs, who recently retired from the company, for many years. Now, the day-to-day operations are managed by his sons, Lee and Andrew.

I congratulate the Scruggs family on this well-deserved honor, and I wish them continued success. I would like to call to the attention of all of my Colleagues and other readers of the CONGRESSIONAL RECORD the article from the "Knoxville News Sentinel" concerning this outstanding award.

[From the Knoxville News Sentinel]

"DEALER OF THE YEAR"; MAGAZINE AWARDS KNOX FAMILY FIRM SCRUGGS INC.

(By Jerry Dean)

Scruggs Inc., a 66-year-old Knoxville company which sells and services food service equipment, has come far since Earnest Carleton Scruggs of Sweetwater first bought such equipment on New York's Bowery for resale in Knoxville in 1932.

Named Foodservice Equipment & Supplies magazine's 1998 "Dealer of the Year" in May, Scruggs was featured in the magazine's 50th anniversary issue, which noted its "record of integrity, innovation and leadership."

"Exemplary customer service expresses the ruling philosophy of this company," said Publisher Sandra A. Smith.

Scruggs Inc., now with 55 employees, operates a 60,000-square-foot warehouse and an 18,000-square-foot showroom at 3011 Industrial Parkway East, northwest of Western and Texas Avenues, east of Interstate 75 in Knoxville.

Lee E. and Andrew D. Scruggs, brothers and latest of three generations to run the business, said 50 years by coincidence is how long their father, James Scruggs, has been associated with Scruggs Inc. Though retired, he remains a design consultant for its customers, including restaurants, soda fountains and grocers in East Tennessee.

"There's nothing magical about the firm's success," Lee Scruggs said. "We merely try to do what we say we'll do. And to look after our customers well."

James Scruggs began the business in 1948 and was joined in 1950 by elder brother E.C. Jr. and younger brother, Pat. James began by drawing floor plans, but after his elder brother's death, James learned sales and administration to assume leadership. In 1961, he helped found Equipment Distributors Inc., a buyers' group that helps all 22 of its area dealer-members prosper.

Scruggs Inc., with $15 million in 1997 sales, maintains a tidy division of labors between brothers Lee, who administers the company, and Andrew, who directs sales. Lee, a UT graduate and former youth minister, joined Scruggs in 1980 as warehouse manager. Andrew, a Texas Christian University graduate, joined the firm in 1979 after working for a restaurant chain. Also working closely with the Scruggses are key employees like Ed Poore, the comptroller.

The firm opened a Tri-Cities sales office-showroom in April and expects it to help boost sales to $25 million. Scruggs also operates a Nashville cash-and carry outlet.

Scruggs Inc. sells and installs such equipment as cook tops, 10-burner ranges, freezers and such "smallware" as glassware and serving utensils. Its 5,000 customers include restaurants, hospitals, nursing homes and schools.

SAVING MEDICARE FOR BABY-BOOMERS IS NOT HOPELESS—DEDICATING THE NEXT DECADE OF FEDERAL SURPLUSES FOR MEDICARE WOULD KEEP HOSPITAL TRUST FUND SOLVENT PAST 2030 WITH NO OTHER CHANGES

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. McDERMOTT. Mr. Speaker, in January, when the Congressional Budget Office (CBO) first estimated that the budget surpluses for the next decade might total $650 billion, many of us asked the Medicare Actuary how long that amount of money—if dedicated to the Medicare Hospital Trust Fund—would keep the Trust Fund solvent. The answer was 2020.

CBO is now estimating that the next decade's surplus will be almost $1 trillion higher. I again asked the Office of the Chief Actuary how long that amount—if saved for Medicare and not given away on tax cuts—would fund the Hospital Trust Fund. The answer is past 2030.[1]

The year 2030 is as far as the National Bipartisan Commission on the Future of Medicare seeks or dares to plan for the future of Medicare. The year 2030 is well into the retirement of the Baby Boom generation and is a point at which the percentage of retirees in our society stabilizes.

Without making any other changes, without any restructuring of the program, without any more provider cuts, without shifting costs to beneficiaries, without raising taxes, we can keep Medicare Part A solvent just by not giving away today's temporary surpluses.

This does not mean to suggest that the Commission should not recommend any changes to the medicare program that makes the program work better for beneficiaries or that ensures greater cost predictability and containment. By making prudent savings on the provider side and saving the surpluses, we could actually improve Medicare and its package of benefits, or we could use some of these resources to also extend the life of the Social Security. The important point is that by just not dribbling away our present surpluses, we can make our future Social Security and Medicare problems much more solvable.

As Congress debates possible ways in which to spend today's budget surpluses, it is important that the Commission recognizes and publicizes this very important message: Saving today's budget surpluses will make it infinitely easier to solve the coming Medicare crisis caused by the retirement of baby-boomers. There is, in fact, no crisis if we saved today's temporary surpluses to solve the future's certain Medicare deficits.

[1] I asked the Office of the Chief Actuary what an additional trillion dollars in budget surpluses would save. They replied that $1.65 trillion dedicated for Part A would save the Trust Fund to 2033. The CBO's latest estimate of surplus between 1998 and 2008 is $1.548 trillion. Surpluses are expected for another year or two after 2008 before the Baby Boomers start retiring.

ISSUES FACING YOUNG PEOPLE TODAY

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. SANDERS. Mr. Speaker, I submit for the RECORD statements by high school students from my home state of Vermont, who were speaking at my recent town meeting on issues facing young people today:

STATEMENT BY NAT WHITE-JOYAL REGARDING MEDICINAL MARIJUANA

Hi. My name is Nat White-Joyal. I want to talk about the legalization of marijuana for medical and homeopathic uses.

I think that it is necessary, for people who suffer from certain diseases where marijuana can be helpful to them, that it be legal. For someone to always be knocking on your door and wondering what that smell is and needing to have that to be comfortable and to sort of have—I don't want to say survival, but to have a more comfortable life.

I know that in several states, California and Arizona, that laws are either to be introduced or have been passed about legalizing medical marijuana. I am also aware of the pressure that these people who grow it and use it receive from the authorities. And I think that it is very important for these people not to have that pressure. I know from people that I know with certain diseases, hepatitis C and AIDS, that they need marijuana to improve their appetite so that they don't starve, so they can actually have some sort of energy. And I think that it needs to be passed, not only in certain states, but in the entire country.

I think it's something that is very important, and if you were to look at actual numbers, it does actually help people more than it hurts people. It is documented that marijuana does kill brain cells, but so does alcohol and cigarettes, and they are both legal, and they really don't provide any use for any other purpose except for taste and addiction.

Now, people would argue that marijuana is only used to—you know, people would only use marijuana to get stoned, but that is really not true. The people who I know who use it use it so that they can go on with their daily lives and, you know, hold down a job, not have to call in sick every other day. I feel it would be very important to have it legalized in Vermont as well, because, I mean, it is a very important crop for Vermont, whether it is legal or not.

STATEMENT BY EWING FOX AND DAMIEN WYZGA REGARDING YOUTH GROUP CENTERS

EWING FOX: This room looks a lot bigger from up here.

Many students have already mentioned the need for a safe teen environment. We think that we have a healthy alternative to some of the ideas that people have come up with so far. I think people have some good ideas, but I know a lot of kids feel that there is a stigmatism around community youth centers, and they're boring. There are too many adults, all you can do is sit on a couch and, you know, watch TV or something, and I think that Burlington's youth needs more than that to stay occupied.

We are modeling a center, a youth group center, that is called Main Street Park after a youth program that I visited in Massachusetts several years ago. It was completely run by students and volunteer parents. They had a snack bar, concessions and vending, which paid for a lot of the cost. It was housed in a public building. There were vending machines that were donated, there was pool playing, and the parents that would stay in an outer room that do the vending and admissions, there was a small admissions fee, and the majority of the center was run by the students. I think that a program similar to that could work in Burlington.

I think we can also address the issue around skateboarders in Burlington. I know I was eating lunch in City Hall park, and I was appalled by watching these skateboarders like, you know, walk up, take a jump, and get off their skate board, tiptoe down the street and walk back. I think that is so ridiculous, that some people have to be reduced to breaking a law to do something that is as simple as riding a skateboard.

I think also, for a center like this to work, we need to have a location. I know there is an empty building on lower Main Street where the old flea market was. It has been like that since I have been here, which isn't very long. And it is useless property right now, it's been sitting there and is pretty ugly, and nobody does anything with it. It is close enough to downtown where it would be, people who are downtown, hanging out, it is a safe option for people, yet it is not so far from the residential areas that it would be impossible to get to.

Our facility would have a movie room, pool tables, a skate park, and vending machines to help pay for these things. The reason for the skate park that I think is a really good idea is we have a lot of skaters in Burlington, and there is no skate parks in Vermont. I have a friend, josh, who was supposed to be here, but could not. He traveled to Montreal, travels like two and a half hours and pays $15 to $20 to go skating to ride a skateboard. And I think that, the town could charge $5, which would help cover maintenance costs and things like that. And we can cut costs also by being indoors. You might think that indoors is more expensive, but with an outdoor facility you have to store all the ramps. You can't just leave them out.

CONGRESSMAN SANDERS: Let me just jump in there. Damien, do you have something you wanted to add to that?

DAMIEN WYZGA: No.

CONGRESSMAN SANDERS: Okay. You are here for company.

EWING FOX: I think this would allow kids to have a safe place to be after school, even in the winter, because it goes all the way through. We also have some safety requirements like helmets and safety gear, and legal waivers.

It will be expensive though, it won't be cheap, and will require the town's support, and Damien has some ideas on how to finance it.

DAMIEN WYZGA: To finance this endeavor, we are going to draw upon the city skate park fund. As far as I know, I think there is about $60,000 in it. Once the center is open, we are going to maintain it with revenue from vending machines, video games, dollar movies, and a small entrance fee. We will also promote local skate shops in Burton. Burton has excelled in community outreach, programs, including its CHILL program, which I was in. This is a program designed to give youth the chance to snowboard.

We believe that, to begin this program, we will require about $100,000 to build the ramps, jumps and half pipes. This would also include the upkeep. We believe we will receive the support from the community at large, and companies like Burton, Original Sin. Cherry Bone, B Side, Snow School, Snow Board Attic, and the American Ski Corporation.

STATEMENT BY ABBY KRASNER REGARDING STUDENT ACTIVISM

ABBY KRASNER: I am presenting the need for government support for student activism and involvement in politics. This issue is of great importance, because we have the lowest voter turnout in any industrialized nation. Since the voting age is 18, the best time to start to engage people in our political system is in high school. Now, few 18-year-olds know enough about policy issues beyond the sex lives of their politicians.

Our involvement ensures a reversal in the trend of low voter turnout. If this generation started to be involved, our voter registration rates would increase as we got older. Soon almost everyone would have a sense of responsibility for the political and social state of our nation. Also, perhaps our idealism can counteract the cynicism of the older people, to put a positive slant on politics. If we become involved, the word "politics" might not just mean a spectator sport in which people are expected only to care about the winning and losing sides; it might become a word that connotes caring about other people and the condition of our society.

My experience shows that getting young people involved is much less difficult than is ordinarily supposed. I am the co-chair in Vermont for an organization called the International Student Activism Alliance, a nationwide group dedicated to helping students find a voice and express their concerns. In this role, I have discovered many students in the state and county who deeply care about the world around them. They simply lack the resources to connect with each other, and therefore often find it difficult to make a difference.

Since the student activism groups that exist have limited funding, they are unable to reach the number of students they would like to. I propose that state and/or national governments support activism through several methods, including funding. This student/congressional town meeting is a good first step. If every state could have a comparable meeting or conference put together by their Congressperson or other elected official, students around the country would have a forum to exchange their ideas.

The goal would be to involve as many students as possible. Local groups of students would meet more frequently to focus on what their involvement means to their community, state and country. The statewide coalition of groups created by the conference or meeting would communicate regularly. Delegates from the state group would come together in a national conference, where they would be able to share their opinions with people from around the country. Their lawmakers would be requested to meet with the group or with delegates privately, to advise them. This would provide a link to the political system, that would encourage the students to attempt to solve their problems through the system. Another way to connect students around the country is through electronic media. Funding from the state could allow for a central web site to be set up, an E-mail mailing list, or a national database that listed the names and issues of socially active youth around the country.

In all these efforts, we need the advice and support of our lawmakers. We are fledgling activists, and are often so unsure we can change anything that we don't attempt to. If every politician were like Bernie and supported youth involvement through involvements like this, the country would be invigorated by young activists. We need financial support to extend the research of organizations; but we also need moral support to disprove the myth of teen apathy to the world.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

SPEECH OF

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4193) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1999, and for other purposes:

Ms. PELOSI. Mr. Chairman, I rise in support of full funding for the National Endowment for the Arts. Federal support is necessary to ensure that broad access to the arts is possible for citizens of all economic backgrounds and all regions of the country. Today, arts agencies in all 50 states and 6 territories receive federal funding through the NEA to support the arts. Prior to the creation of the NEA, few state arts councils awarded grants.

Arts funding in this country rests on the combined support of federal, state, and local public dollars, as well as private donations. Federal dollars are essential in leveraging other support. For example, in FY 1997, $99.5 million in federal dollars was matched with $280 million in state support and $675 million in local funding.

Last week, the House Committee on Appropriations voted 31–27 to provide funding for the NEA. Now, the Republican majority is seeking to undermine the work of the Committee, and set back arts in this country by passing a rule that will allow NEA funding to be zeroed out.

Opponents of the NEA suggest there is little accountability at the agency. However, over the last several years, the NEA has made substantial changes to address Congressional concerns and also make it more responsive to the public.

Recently, six Members of Congress were added to the NEA advisory body, a new NEA

Chairman was unanimously approved by the Senate, and a new grant award program was established to provide for a more equal distribution of arts funds to underserved states. In addition, the NEA also implemented changes in its grant award program to improve accountability by prohibiting the shifting of funds from one project to another.

The NEA has been responsive to concerns raised by Congress and the public. New attempts to cut funding to this agency are without merit. Given that last month the Supreme Court upheld the use by the NEA of "general standards of decency" in awarding grants, the current attacks on the NEA for funding controversial projects are unwarranted.

Over the last three decades, the NEA has substantially increased arts activity in every state in this country. Federal support is needed to ensure that all Americans have an opportunity to discover and enrich their lives by experiencing the arts. I urge my colleagues to support full funding for the NEA.

SECRET SERVICE PRIVILEGE

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today to make a few observations about the Secret Service's position on a "Protective Function Privilege" that should exist between the President of the United States and his security detail.

In his ruling denying the Secret Service's request for a stay last week, Supreme Court Chief Justice William Rehnquist stated "in my view, the [Administration] * * * has not demonstrated that * * * enforcing subpoenas [in this case] * * * would cause irreparable harm". I beg to differ. Not only do I believe that there is irreparable harm here, but I also believe that the Secret Service's legal theory stands on firm footing. Furthermore, this decision may cause the President of the United States to push away his "protective envelope", and as a result, make him more vulnerable to assassination.

In this country, we have a profound respect for certain types of relationships. These important relationships are often protected by the law for several reasons. First, because of their value. Many of these relationships, like the doctor-patient, the attorney-client, the priest-penitent and the spousal privilege, are important not only because they are woven from the very fabric of our society, but also because they represent relationships which are necessary for our social institutions to function effectively. It is a rationale well accepted by our courts, for instance, in the case of United States v. United Shoe Machine Corporation, where the court shared its thoughts on the worth of the attorney-client privilege when it said "the social good derived from the proper performance of the functions of lawyers acting on [behalf of] their clients is believed to outweigh the harm that may come from the suppression of the evidence in specific cases." 89 F. Supp. 347 (D. Mass. 1950).

As another example, we rely on the doctor-patient privilege to protect the privacy of medical patients. Without assurances that a Doctor will discuss the medical condition of his clients with others, a patient would be hesitant to seek necessary medical attention. Our institution of medicine would be shaken to its very foundation as a result, and for that reason, we legally protect communications between a patient and their health care professional.

I do not believe that anyone doubts the importance of the relationship between the President and his protectors. I this day and age, we must remember that these people are responsible for protecting the most powerful person on the face of the planet. I do not think any Member of this Congress can, in good faith, state that this is not as important a relationship as that between an attorney and their client, or a doctor and their patient. We have already mourned the death of enough Presidents and civil rights leaders. Assassinations are cataclysmic events. We must do our best to spare the people of this great country, from tragic events reminiscent of the deaths of Presidents Kennedy and Lincoln.

The second reason that we protect these "special relationships" under the law, is because of their nature. We protect them because of their fragility when exposed to the eye of the unyielding public. We fear the susceptibility of these relationships to the harsh conditions of the public courtroom. For instance, one of the reasons that we so vehemently protect the attorney-client privilege is because we must protect a client from having their attorney testify against them at trial. That is not only commonsensical, but necessary to promote candor between a lawyer and the client seeking protection. The Supreme Court, in the case of *Upjohn* v. *United States,* 449 U.S. 383 (1981) emphasized that point when it declared that the purpose of the attorney-client privilege is "to encourage full and frank communications between attorneys and their clients." This is a long-established cornerstone of the common law, developed as far back as the reign of Elizabeth I, and is inscribed in one of the most authoritative treatises of law currently published in the United States, Wigmore's "Evidence."

The relationship between the President and the Secret Service is equally delicate. The "cover and evacuate" strategy developed by the Secret Service over the last few decades specifically requires that agents remain in extremely close proximity to the President. Lewis Merletti, Director of the Secret Service, in his declaration on behalf of his agency's position on this matter, has concluded, that both the McKinley and the Kennedy assassination attempts could have been averted had the agents stayed within their proscribed proximity of the President.

It is also important to understand the complete level of trust that must exist between the President and his guard. Even Former-President Bush has recently stated "I can assure you that had I felt [the Secret Service] would be compelled to testify as to what they had seen or heard, no matter what the subject, I would not have felt comfortable having them close in." That statement singularly spells out the problem in this case, the President of the United States cannot function effectively, and cannot be safe in his person, if he believes that his actions could later be used against him by someone outside of his close circle of advisors.

Even beyond the issues of trust and confidence, the fact that the President must be accompanied by his escort at all times destroys other privileges he may have, such as the one that should exist between himself and his attorneys. That is because, under our law, a communication is not privileged unless it is confidential in other words, made without other people in attendance. The result is that the President is barred from asserting his attorney-client privilege if the people charged with protecting his life are present when he discusses his legal matters. Therefore, not only must we recognize the "Protective Function Privilege" on its own merits, but also to preserve other privileges already recognized by our legal system.

From my perspective, the "Protective Function Privilege" that has been asserted by the Secret Service in recent times has both qualities necessary for the application of a limited privilege. First, the Secret Service performs a function that is necessary in this day and age. It was not long ago that an agent named Timothy J. McCarthy took a bullet for then-President Ronald Reagan. Was it not for his willingness to perform this important duty, history may very well have turned out differently.

The special relationship that the President must have with the members of his detail also supports the position that the "Protective Function Privilege" exists. The motto of the Secret Service is "Worthy of Trust and Confidence". We cannot undermine that essential message by taking away the President's trust and confidence in his faithful protectors. We cannot tolerate any situation where the President will no longer be able to make confidential negotiations in the presence of the people charged with protecting his life. We cannot afford to create the circumstances where our Commander-in-Chief must ask a member of his own security detail to leave the room while he conducts his business. We cannot give any malcontent the slightest opportunity to kill the President of the United States.

We must protect this relationship as we have others. We must protect it, not only for the good of our politicians, but also for the good of the American people.

TOWARD A RENEWED FRIENDSHIP WITH INDIA

HON. ROD R. BLAGOJEVICH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. BLAGOJEVICH. Mr. Speaker, I rise today to speak about India, particularly the relationship of the United States with that country. Over the course of 3 days this May, India conducted five nuclear weapons tests. In response, United States law brought about the imposition of punitive sanctions on India. Those tests changed the world's political landscape in ways we cannot yet hope to understand. Naturally, the relationship between India and the United States has also been changed, and, like most change, this change has raised many fears. Some fear that the

tests and the resulting sanctions have caused hard feelings that will be difficult to erase. Others fear that India's emergence as a nuclear power makes it difficult for the United States to have anything but an adversarial relationship with India.

These fears are to be expected, but we cannot permit our fears to prevent us from taking the steps we need to take to build a more solid relationship with India. The challenge for America will be wheather we can use this opportunity to redefine the relationship between the United States and India for the 21st Century. Even before these tests, Indo-American relations were in need of a reassessment. A decade ago, the end of the Cold War called for unprecedented change in U.S. foreign policy. Elsewhere, American policy planners responded with new ideas of how to work with other nations, even former adversaries, to build a better world. Yet our relationship with India remained locked in a Cold War mind set, too rigid to respond to new geopolitical realities. This must change.

India is the world's largest democracy. Within our lifetimes, it is expected to become the world's largest country. A strong relationship with India is a benefit to the United States not only geopolitically, but commercially as well. The vastness of its potential wealth is only now being discovered by the world. The people of India have known of that wealth for centuries. That wealth is woven into India's history, land, and culture. But the true source of India's wealth is its people. The people of India share the values of freedom and democracy with the people of our own country. As proud, established democracies, the United States and India have more that unites us than divides us. The United States should make clear that we oppose the proliferation of weapons of mass destruction as the number one threat to global peace and security. But we must also concentrate our efforts on reducing the threats that cause governments to turn to these weapons as a deterrent.

Like many of my colleagues, I am optimistic about the planned meeting between the Prime Ministers of India and Pakistan in Sri Lanka later this month. I am hopeful that this meeting will further reduce tensions in the region by contributing to an atmosphere of dialogue and open minds.

Clearly, tensions in the region have to be solved through bilateral negotiations. Difficult issues like the Kashmir question must not be allowed to lead to further armed conflict. Agreements that call for continued dialogue and peace like the Shimla agreement could provide an ideal framework for this purpose.

With or without nuclear weapons, India is and will be a world power. The question for America is whether we can build a relationship that permits the United States and India to begin the next century as partners. America must acknowledge the reality of a strong, modern India. We must voice our disagreements, but in the context of celebrating our shared values and vision. Close to 1 million Americans of Indian origin live in the United States and contribute greatly to the economic, cultural and technical development of our country. I have full confidence that America can and will embrace this challenge.

TO COMMEMORATE THE CONTRIBUTIONS OF HORACE C. DOWNING

HON. ROBERT C. SCOTT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. SCOTT. Mr. Speaker, I rise today to pay tribute to Horace C. Downing, my good friend and long-term community leader in the Third Congressional District of Virginia.

Mr. Downing was born on February 26, 1917. He has amassed a commendable record of community leadership based on a tradition of leading by example. It began with the example he set as a dedicated family man, who, along with his wife Beryl, raised four children who have given them eight grandchildren.

At the age of 81, Mr. Downing remains active in his community as he has been for all of his adult life, including the period of his service to the greater community while in the US Army from 1949 to 1952. He served during the Korean War with the Quartermaster Battalion and the 24th Infantry Combat Team as a non-commissioned officer.

After leaving active duty in the military Mr. Downing threw himself into the community serving first as a supervisor for the Housing Improvement Program of Norfolk, Virginia where he was quickly promoted to Community Relations Officer as a result of his diligent and effective leadership. While in his position with these Housing programs, he became involved in the most important community service endeavor of his career—his work on behalf of the children of his community. As a founder and past president of a number of youth and civic organizations in the Berkley community, Mr. Downing has more than earned the honor of being known affectionately as the "Mayor of Berkley".

Mr. Downing went on to found or hold membership in thirty-five different organizations. These memberships range from community parent/teacher associations, human resource and business groups, the NAACP and youth groups to city-wide and state-wide organizations.

Mr. Downing demonstrated to the students that surrounded him the value of the concept of life-long learning by continuing his education into his sixties. At a time when students and young people are inundated with negative images and lack role models who show true care for them and the problems they face, he has been a beacon of light for them. While many in our community have written young people off as apathetic and uninvolved, Mr. Downing has founded organizations that promote political and civic responsibility in young people.

Mr. Downing has been honored by the VA Extension Service, Norfolk Public Schools, Norfolk Model City Commission, Virginia Federation of Parent Teachers Associations and other organizations in his community and across the state. So, it is with honor that I call attention to his contributions before the Congress and the nation and I ask that these remarks be made a part of the permanent records of this body. Thank you, Mr. Speaker.

SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1998

SPEECH OF

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1998

Ms. ESHOO. Mr. Speaker, it is with great pride that I rise in support of H.R. 1689, the Securities Litigation Uniform Standards Act of 1998. Over a year ago Representative WHITE and I introduced this legislation. Since then there has been a groundswell of support for this legislation. The Senate approved the companion bill, S. 1260, by a vote of 79–21. The Securities and Exchange Commission and the Clinton Administration have endorsed the legislation. The House bill we are considering today has 232 cosponsors. Today, under Suspension of the Rules, the House will pass this important piece of legislation.

I want to thank you Chairman BLILEY for the open way you have worked to bring this bill to the floor. In the past few months both the majority and minority side have worked to tighten and clean up the bill language before us today. I believe it is a much improved product.

As the primary Democratic sponsor, let me briefly discuss the need for this bill.

In 1995, Congress passed the Private Securities Litigation Reform Act. This law represented a bipartisan attempt to deal with the problem of meritless "strike suits" filed against high-growth companies. In most instances, these cases were settled out of court because companies made the calculation that it was cheaper to pay off the strike suit lawyer than become engaged in a protracted legal fight.

These class actions have had a considerable impact on the high technology industry, especially those in Silicon Valley which I have the privilege to represent. High technology companies account for 34% of all the securities issuers sued last year, and 62% of all cases are filed in California. It's ironic that the very companies that have contributed disproportionately to the economic health of our nation and have been a great source of wealth for investors are the ones being harassed. They are being penalized for success.

The 1995 reforms are now being undermined by a shift to state courts of cases involving nationally traded securities, which prior to 1995 were heard in federal courts. Analysis shows a clear motivation for this shift to state courts. The SEC staff report found that 53% of the cases filed cited claims based on forward-looking statements. Also, as Chairman Levitt pointed out in testimony last year before the House Commerce Committee, 55% of the cases filed at the state level are essentially identical to those brought by the same law firm in federal court.

Migration to state courts is not a minor problem. It represents an undermining of core reforms implemented in the 1995 Reform Act, because the Reform Act relies on uniform application and enforcement of the law to be effective. Without this uniform standard, the law is undermined, the strike suits continue, and companies and investors are held hostage. This is particularly true for two key elements of the 1995 Reform Act: Safe Harbor and Stay of Discovery.

When companies refrain from disclosing information about their projected performance, investors are unable to make informed decisions. Most companies are eager to talk about what they are doing. But the threat of meritless suits places a chill on disclosure. This is because any Wall Street analyst's expectation can cause a company's stock to fluctuate, even if the company is growing at a rate of 20% or 30%. Those filing the strike suit then claim that any forward-looking statement, even if it was clearly an estimate and not a promise of stock performance, is grounds for a civil action.

Companies responded by ceasing to make forward-looking statements. The 1995 Reform Act instituted a safe harbor for companies making forward-looking statements as long as those statements were not false or misleading. However, because of the threat of actions in state courts where there is no safe harbor, this provision still has yet to be implemented. I've received letters from hundreds of business leaders who say they will continue to refrain from making forward looking statements as long as the threat of litigation not covered by safe harbor remains. As a result the most investor and consumer-friendly portion of the 1995 Reform Act is not being used.

The second key element of reform is the stay of discovery pending motions to dismiss. Discovery is often the most costly part of the litigation process. It's especially burdensome when plaintiff lawyers tie up executives' time and request, literally, millions of pages of documents. As long as this threat is present, companies will have a greater incentive to settle early and avoid the cost of discovery than fight—even if the case has no merit. To counter this problem we enacted a stay of discovery in the 1995 Act. This does not prohibit plaintiffs from filing their cases, nor does it prohibit cases that have merit from moving forward. It merely delays the discovery process until a judge can rule on a motion to dismiss.

Because of the shift to state courts, the stay of discovery is not in place. The threat of huge legal costs remains and the incentive to settle meritless cases continues. Even worse, plaintiff lawyers are able to file a case in state courts, go through a process of discovery—basically a fishing expedition—and then take those documents into federal court.

It is this undermining of the federal law that prompted Representative WHITE and I to introduce our bill. I would like to make clear that the bill is not a federal power grab. We are returning to federal courts cases which until the 1995 Reform Act had always been heard in federal courts. It is limited in scope, and only extends to private class action lawsuits involving nationally-traded securities. State regulators and law enforcement officials maintain their full range of options to take both criminal and civil action in state or federal court. It's a targeted approach to a specific problem.

I want to emphasize that this legislation is not premature. In some instances, the impact of certain provisions of the Reform Act is not clear because the courts are just beginning to consider these cases. This may be true for cases involving the pleading standard or lead plaintiff reforms, but in the case of the stay of discovery and safe harbor provisions this concern does not apply. As long as the threat of state court actions remains, the safe harbor reform will never be implemented. Companies will refrain from making forward-looking statements and investors will be denied access to information. In short, there are no cases whose outcomes we can wait for, because there are no cases.

The same is true for the stay of discovery provision. It is the threat of costly discovery that motivates companies to settle. As long as that threat remains at the state court level, we will never know if the stay of discovery will succeed in weeding out meritless cases.

To build a strong base of support and increase the chances for approval, I have worked with supporters of the Uniform Standards legislation and SEC Chairman Levitt to address three specific concerns that he raised. First, the so-called "Delaware Problem." The SEC was concerned that language in our bill would pre-empt, not only cases traditionally filed in federal courts prior to 1995, but also could pre-empt state laws regarding informing stockholders of mergers or other sell orders. These corporate actions are traditionally monitored by state regulators, and in the case of Delaware there is a long standing common law tradition. It was not our intention to undermine this state law, and working with the SEC, the American Bar Association and the Delaware Bar, I believe we have developed effective language to carve-out these cases from our bill.

Second, the definition of Class Action is clarified. We attempted to close a loophole, and the language of H.R. 1689 encompassed a large category of private actions. The SEC asked that the bill be modified to define class action as something closer to the current federal understanding. This language, along with the Delaware language, was added during the Senate consideration and House Commerce Committee mark-up of the Uniform Standards bill.

The third issue is that of recklessness. During the Senate consideration of the S. 1260 the companion bill to H.R. 1689, language was included during the debate and the committee report. This language was inserted to clarify what was intended by the Congress in its passage of the 1995 Reform Act. As part of the House debate Representative COX and I engaged in a colloquy that "Congress, did not in adopting the Reform Act, intend to alter standards of liability under the Exchange Act."

Congress heard testimony from the Securities and Exchange Commission and others regarding the scienter requirement under a possible national standard of litigation for nationally-traded securities. I understand this concern arises out of certain Federal district courts' interpretation of the Private Securities Litigation Reform Act of 1995 (PL 104–67). In that regard I want to emphasize that the clear intent in 1995 and our continuing intent in this legislation is that neither the PSLRA nor H.R. 1689 in any way alters the scienter standard in federal securities fraud suits. It was the intent of Congress, as we expressly stated during the debate on overriding the President's veto, that the PSLRA establish a national uniform standard on pleading requirements by adopting the pleading standard applied by the Second Circuit Court of Appeals. Indeed the express language of the PSLRA itself carefully provides that plaintiffs must "state with particularity facts given rise to a strong inference that the defendant acted with the required state of mind." Neither the PSLRA nor H.R. 1689 makes any attempt to define that state of mind.

As Senator DODD, the primary Democratic sponsor of this bill and the Reform Act, has said, "the recklessness standard has been a good standard over the years and ought not to be tampered with, in my opinion." I couldn't agree more.

Before I conclude I would also like to pay special tribute to subcommittee ranking member THOMAS MANTON. The grace and dignity with which he has conducted himself as a Member of this body is a model for those of us who remain, and he will be sorely missed. During Commerce Committee consideration of H.R. 1689, he included language related to extending SEC's ability to enforce. I support his amendment and pledge to work with him as this bill goes forward to restore his amendment.

Lastly, I would like to thank all those involved in bringing this bill to the floor for a vote today, including Chairman BLILEY, Ranking Member OXLEY, Representative TAUZIN, and Ranking Member MANTON, I would especially like to thank Ranking Member DINGELL and Representative MARKEY, even though they oppose the legislation; the constructive and helpful contributions they made have improved this bill. I would also like to commend my partner, Representative WHITE, for all of his work and attention to this bill.

I thank my colleagues for their support and look forward to this bill becoming law.

THE INTRODUCTION OF THE "WESTERN HEMISPHERE DRUG ELIMINATION ACT"

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1998

Mr. MCCOLLUM. Mr. Speaker, today I am pleased to introduce the "Western Hemisphere Drug Elimination Act."

Everyone involved in fighting to control drug use in America agrees that the demand side is very important. Prevention, education, treatment and law enforcement are all critical elements of a successful anti-narcotics program. But with the streets of our nation flooded with more cocaine and heroin at cheaper prices than at any time in our history no one should expect demand-side efforts to succeed until the supply of drugs coming into our nation from abroad is dramatically reduced.

The $2.3 billion authorization bill being introduced today is designed to provide the resources and the direction to wage a real war on drugs before they get to the borders of the United States. The Administration plan promulgated earlier this year calls for a reduction of illegal narcotics flowing from overseas by 50% in ten years. This is totally inadequate. The plan put forth in our legislation is designed to cut the flow of drugs into our country by 80% within three years. It is the most dramatic, exhaustive, targeted effort ever conceived to stop the drug flow from Latin America.

Where did the plan come from and what does it do? All of the cocaine entering the United States comes from Colombia, Peru, and Bolivia. More than half the heroin entering the United States and virtually all of it in the eastern half comes from Colombia. While some heroin is produced in Mexico, Mexico is principally a transit country with drug lords who have negotiated wholesale purchases from Colombian drug lords and who smuggle the products across the Mexican/U.S. border and operate drug trafficking syndicates throughout much of the country. The key to our plan is to cut the flow of cocaine and heroin not only before it reaches the United States, but before it reaches Mexico. The plan and the specific resources authorized in this bill were developed from a "bottom-up" review involving extensive input from the Department of Defense, State Department, Drug Enforcement Administration and U.S. Intelligence personnel on the ground working in Columbia, Peru, Bolivia, and the transit zone north of there. All the key personnel who work this issue every day in the region believe that with the resources authorized in this bill and the proper leadership and direction from drug-fighting authorities within the Executive Branch, the flow of drugs out of each of the three source countries of Colombia, Peru and Bolivia can be cut by 80% within as little as two years, let alone the three contemplated in this bill. This requires the cooperation of the governments of the three countries, which involved officials are convinced is there for the asking. It requires U.S. cooperation, coordination and support. It does not involve U.S. military intervention, but it does require the Department of Defense to place a higher priority on anti-narcotics efforts so that key equipment, training, and operation and maintenance support that our military alone can provide are made available.

A little over two years ago, President Fujimori of Peru instituted a shoot-down policy for small aircraft leaving Peru with raw coca product to be refined by Colombian drug lords. This was made possible by U.S. manned radar surveillance and intelligence information. The program has been remarkably successful and has resulted in a more than 40% reduction in coca production in Peru in that two year period. Those involved with the Peruvian program are convinced that with greater resources, especially flying time of U.S. radar equipped planes, the flow of coca product from Peru can be virtually eliminated and crop eradication and substitution programs can cut production to a trickle. Cocaine is refined in Bolivia as well as produced. Currently most of the raw product and the refined product are transported over two or three key highways going to and leaving Santa Cruz, Bolivia. With resources in this legislation, the government of Bolivia can choke off this trafficking and extinguish in infancy the air trafficking efforts which are sure to result when the ground transportation has been choked.

In Colombia, the air bridge is critical, too. The refined product from the southern one-third of the country where it is grown and produced must be flown over the mountains to get to the coasts to leave by boat or air or highway transportation on to Mexico or the United States. With the resources in this bill, the Colombian government can halt these air flights just as the Peruvian government has done. Furthermore, with the helicopters provided and other crop eradication enhancements, poppy crops can be totally eradicated and heroin production stopped almost immediately. Resources provided in the bill also cover what it takes to completely eradicate coca production in Colombia and destroy all the cocaine laboratories within the three year timetable envisioned.

To accomplish these objectives requires the acquisition of numerous P–3 aircraft equipped with special radar and the deployment of crews and operational and maintenance supply lines to provide virtually 24 hour around the clock radar coverage of the three countries in question. It also envisages this coverage of the Caribbean, Gulf of Mexico and Eastern Pacific which together with the over-the-horizon-radar (ROTHR) coming online from Puerto Rico will enable the mapping, tracking and identification of all small aircraft in the region. The authorized new Coast Guard vessels and Customs aircraft and vessels will allow chase and interdiction of virtually all vessels and private planes identified as likely drug carrying suspects in the transit zone. This will fill the huge interdiction gap that has existed since interdiction resources in the region were cut by more than ⅔ in 1993. And it will allow for interdiction which does not exist at all today in the eastern Pacific from Colombia to Mexico and the U.S. west coast.

Based on the concept that "strong fences make good neighbors," this strategy is designed to strengthen the counter-narcotics infrastructure in source countries and transit zones from 1999 through 2001. Such infrastructure will require a mix of improved intelligence, personnel, technology and training. The strategy envisions a series of counter-narcotics "fences" drawing on human and technical intelligence capabilities to support drug eradication and interdiction efforts in Bolivia, Peru, Columbia, Central America, the Caribbean, Mexico and the Southwest Border region of the United States.

The breakdown of regional initiatives is as follows:

$430 million—Enhance overhead coverage of source zone countries through dedicated procurement of 10 P–3B airborne early warning aircraft by the U.S. Customs Air Wing (Section 101)

$47 million—Provide operations and maintenance support for 10 P–3B early warning aircraft for fiscal years 2000 and 2001 (Section 101)

$25 million—Provide personnel support for 10 P–3B early warning aircraft for fiscal years 2000 and 2001 (Section 101)

$150 million—Enhance overhead coverage of source zone countries through dedicated procurement of 10 P–3B Slick aircraft by the U.S. Customs Air Wing (Section 101)

$47 million—Provide operations and maintenance support for 10 P–3B Slick aircraft for fiscal years 2000 and 2001 (Section 101)

$25 million—Provide personnel support for 10 P–3B Slick aircraft for fiscal years 2000 and 2001 (Section 101)

$300 million—Establishment of an airbase to support U.S. counter narcotics operations in the southern Caribbean, northern South America and the eastern Pacific; this proposed facility would take over operations currently coordinated by the Howard Air Force Base in Panama (Section 101)

$289 million—Construction of 6 U.S. Coast Guard Medium Endurance Cutters for enhanced maritime coverage of Atlantic/Caribbean and Eastern Pacific transit zones (Section 102)

$40.213 million—Funds to hire DEA special agents and investigative support personnel for overseas assignments (Section 501)

$15 million—Establishment of a Relocatable Over-The Horizon Radar (ROTHR) to provide in-depth radar coverage of eastern Pacific, southern Caribbean and much of South America (Section 103)

$13.4 million—Allocate $2 million for International Law Enforcement Academies in Asia (+$2.4 million for operations and maintenance for fiscal years 2000 and 2001); $3 million for Latin America and the Caribbean (+$2.4 million for operations and maintenance for fiscal years 2000 and 2001); and $1.2 million for Africa (+$2.4 million for operations and maintenance for fiscal years 2000 and 2001) (Section 401)

$9 million—Establishment of Latin/Caribbean regional training center in maritime law enforcement and ports management in San Juan, Puerto Rico with operations and maintenance funding provided through fiscal year 2001. Lead agencies should be the USCG and the Customs Service (Section 401)

$15 million—Establishment of an USCG International Maritime Training and Repair Ship to visit participating Latin and Caribbean nations on a rotating schedule, providing maintenance and law enforcement training, and to perform maintenance on participating nation assets. Will require refitting of a USCG buoy tender (Section 401)

$8.67 million—Funds to support operations and maintenance for 1 USCG PC–170 vessel for counter-drug operations (Section 102)

$18.6 million—Funds for operations and maintenance of 2 reactivated USCG T–AGOS with C41 suite for detection and monitoring (Section 102)

$9.74 million—Funds for acquisition and construction of 2 additional USCG T–AGOS vessels (Section 102)

$30.39 million—Funds for acquisition and construction of 7 USCG 87-foot Maritime Interdiction Patrol Boats (Section 102)

$13.53 million—Funds to support operations and maintenance for 7 USCG 87-foot Maritime Interdiction Patrol Boats (Section 102)

$2.1 million—Funds to purchase FLIR and GPS capability for USCG Blackhawk helicopters (Section 501)

$6.3 million—Funds to support increased HH–65A patrol hours for the USCG through fiscal year 2001 (Section 501)

$2.49 million—Funds to support increased HC–130 patrol hours for the USCG through fiscal year 2001 (Section 501)

$22.44 million—Funds to support increased USCG patrol boat hours and support in the Caribbean and the eastern Pacific through fiscal year 2001 (Section 501)

$12.78 million—Funds to support installation of satellite communications systems on 110-foot USCG patrol boats (Section 501)

$9 million—Funds to support installation of FLIR capability on USCG HU–25 maritime patrol aircraft (Section 501)

$30 million—Funds to support USCG operations and maintenance in the transit zone through fiscal year 2001 (Section 501)

$1.5 million—Funds to support increased USCG law enforcement training in the Caribbean and Central America (Section 501)

$7.61 million—Funds to reactivate 3 USCG HU–25 maritime patrol aircraft and to support operations and maintenance through fiscal year 2001 (Section 501)

$8.272 million—Funds to support DEA's Merlin program (Section 501)

$4.5 million—Funds to support DEA's intercept program (Section 501)

$2.4 million—Funds to support DEA's Narcotics Enforcement Data Retrieval System (Section 501)

$3.515 million—Support for DEA's Caribbean Initiative to purchase aviation and technical equipment (Section 501)

$3 million—To purchase 1 Schweizer observation aircraft and to provide operations and maintenance costs through fiscal year 2001 (Section 101)

$6 million—To purchase 2 Schweizer observation/spray aircraft and to provide operations and maintenance costs through fiscal year 2001 (Section 101)

$12 million—To purchase 1 J–31 observation aircraft and to provide operations and maintenance costs through fiscal year 2001 (Section 101)

$20 million—To fund the provision of commercial unclassified intelligence and imaging data using the passive coherent location system to regional counter-drug police forces through fiscal year 2001 (Section 501)

$30 million—O&M support for 10 US Customs Service Citations to be dedicated to the source and transit zones through fiscal year 2001 (Section 501)

$6 million—Funds to support the consolidation of the Defense Department's Joint Interagency Task Forces at a site in Key West, Florida and to support the consolidated JIATF from fiscal year 1999 through fiscal year 2001 (Section 501)

$0.5 million—Funds to support ONDCP study to evaluate transfer of overseas interdiction and eradication activities from State/INL to the Drug Enforcement Administration (Section 207)

Regional Initiatives Subtotal: $1676.95 million.

In addition, the following are specific country initiatives:

COLOMBIA

FOCUSED OPIUM ERADICATION STRATEGY

$72 million—To fund the purchase of 6 UH–60L Black Hawk helicopters for the Colombian National Police (Section 201)

ENHANCED COCA ERADICATION STRATEGY

$70 million—To fund conversion kits for 50 UH–1H helos (at $1.4 million per kit) for conversion into Superhueys (Section 201)

$18 million—To sustain support of Colombian National Police (CNP) helicopters and fixed wing fleet for eradication purposes through fiscal year 2001 (Section 201)

$6 million—For minigun systems for CNP aircraft through fiscal year 2001 (Section 201)

$2 million—For the purchase of CNP DC–3 transport aircraft (Section 201)

OTHER NEEDS

$15 million—For start-up and operations costs associated with USAID alternative development programs in Guaviare, Putumayo, and Caqueta Departments (Section 301)

$6 million—To fund 5 riverine operations maintenance platforms for the Colombian Army through fiscal year 2001 (Section 201)

$18 million—To fund operations and maintenance for overhead coverage in Colombia through fiscal year 2001 (Section 101)

$1.25 million—For concertina wire and tunneling detection systems at CNP's La Picota prison (Section 201)

Colombia Subtotal: $208.25 million.

BOLIVIA

$7 million—Procurement of 2 mobile X-ray machines with maintenance support along Chapare highway (Section 203)

$15 million—Enhance USAID alternative development programs in Chapare and Yungas Regions (Section 301)

$6 million—To fund operations and maintenance for overhead coverage in Bolivia through fiscal year 2001 (Section 101)

$3 million—Air operations support for Bolivian Red Devils through fiscal year 2001 (Section 203)

$3 million—Riverine operations support for Bolivian Blue Devils through fiscal year 2001 (Section 203)

$3 million—Coca eradication programs through fiscal year 2001 (Section 203)

Bolivia Subtotal: $37 million.

PERU

$150 million—To enhance USAID alternative development program in Ucayali, Apurimac and Huallaga Valley Regions through fiscal year 2001 (Section 301)

$18 million—To fund operations and maintenance for overhead coverage in Peru through fiscal year 2001 (Section 101)

$1.5 million—To support multinational riverine and small boat maintenance training program for Peru, Venezuela, Brazil and Colombia in Iquitos, Peru (Section 202)

$5 million—To establish a third site at Puerto Maldonado to support counter-narcotics airbridge and riverine missions through fiscal year 2001 (Section 202)

Peru Subtotal: $174.5 million.

ECUADOR

$3.0 million—To fund build-up in local Coast Guard and port control in Guayaquil and Esmeraldas with assistance from the Customs Service and the US Coast Guard (Section 402)

$1.5 million—To provide assistance for enhanced precursor chemical control projects (Section 205)

Ecuador Subtotal: $4.5 million.

BRAZIL

$3 million—to enhance support to Brazilian Federal Police Training Center through fiscal year 2001 (Section 402)

Brazil Subtotal: $3.0 million.

VENEZUELA

$3.0 million—To support funding for joint National Guard (GN)/Judicial Technical Police (PTJ) Counterdrug Intelligence Center through fiscal year 2001 (Section 402)

Venezuela Subtotal: $3.0 million.

PANAMA

$3.0 million—Locate surplus USCG/USN assets to strengthen Panamanian Coast Guard (SMN) to adequately patrol Atlantic and Pacific Coasts through fiscal year 2001 (Section 402)

Panama Subtotal: $3.0 million.

HAITI & DOMINICAN REPUBLIC

$3.0 million—Enhance "Frontier Lance" operations and maintenance (now just 2 USCG cutters, 4 Patrol boats, 1 C–130, 2 helos) by positioning additional USCG and USN assets at Barahona, Dominican Republic and Cayes, Haiti (Section 501)

$1.5 million—Fund build-up in local Coast Guard and port control in Haiti and Dominican Republic through fiscal year 2001 (Section 402)

Haiti/Dominican Republic Subtotal: $4.5 million.

CENTRAL AMERICA

$36 million—Fund build-up in local Coast Guard and port control in Belize, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua through fiscal year 2001 (Section 402)

Central America Subtotal: $36.0 million.

MEXICO

FOCUSED OPIUM ERADICATION STRATEGY

$18 million—To purchase 6 Bell 212 (high-altitude capable helos) under Mexican Attorney General to be specifically dedicated for Mexico's opium eradication program in Guerrero, Jalisco and Sinaloa through fiscal year 2001 (Section 204)

ENHANCED RULE OF LAW INITIATIVES

$6 million—To fund exchanges for Mexican judges, prosecutors and police through the US Department of Justice (Section 402)

Mexico Subtotal: $24.0 million.

BAHAMAS AND CUBA

ENHANCED MARITIME END-GAME/GO FAST INITIATIVE

$3.2 million—FLIR + GPS capability for 3 USCG and DEA Blackhawk helicopters (Section 501)

$13.5 million (including $9 million for O&M)—Restoration of aerostat coverage at Georgetown, Exuma, Bahamas (Section 103)

$0.9 million—Establishment of ground-based radar coverage at Guantanamo Bay, Cuba for fiscal years 1999 through 2001 (Section 103)

$3.0 million—Procurement of intelligent acoustic detection buoys in Florida Straits and Bahama Banks and operations and maintenance costs through fiscal year 2001 (Section 501)

$2.1 million—Procurement of nonlethal technology program against GoFast Boat Threat (Section 501)

$0.5 million—Funds to support operations and maintenance costs for 10 10-meter RHIB Interceptor Fastboats (Section 102)

Bahamas and Cuba Subtotal: $23.20 million.

CARIBBEAN AND EASTERN PACIFIC REGIONAL COVERAGE

$100 million—To fund operations and maintenance for overhead coverage in the Caribbean and Eastern Pacific regions through fiscal year 2001 (Section 101)

Caribbean and Eastern Pacific Subtotal: $100 million.

STRATEGY TOTAL: $2297.9 million.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference.

This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, July 23, 1998, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 27

1:00 p.m.
Special on Aging
To hold hearings to examine allegations of neglect in certain California nursing homes and the overall infrastructure that regulates these homes.
SH–216

JULY 28

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of Ritajean Hartung Butterworth, of Washington, and Diane D. Blair, of Arkansas, each to be a Member of the Board of Directors of the Corporation for Public Broadcasting; to be followed by hearings to examine why cable rates continue to increase.
SR–253

Energy and Natural Resources
To hold hearings to examine the March 31, 1998 Government Accounting Office report on the Forest Service, focusing on Alaska region operating costs.
SD–366

10:00 a.m.
Labor and Human Resources
To hold hearings to examine the science of addiction and options for substance abuse treatment.
SD–430

Special on Aging
To continue hearings to examine allegations of neglect in certain California nursing homes and the overall infrastructure that regulates these homes.
SH–216

JULY 29

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold oversight hearings on the Department of Agriculture's progress in consolidating and downsizing its opearations.
SR–332

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR–253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

Judiciary
To hold hearings on S. 1554, to provide for relief from excessive punitive damage awards in cases involving primarily financial loss by establishing rules for proportionality between the amount of punitive damages and the amount of economic loss.
SD–226

Labor and Human Resources
Business meeting, to mark up S. 1380, Charter Schools Expansion Act, and S. 2213, Education Flexibility Amendments of 1998.
SD–430

10:00 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 1405, to provide for improved monetary policy and regulatory reform in financial institution management and activities, to streamline financial regulatory agency actions, and to provide for improved consumer credit disclosure.
SD–538

Governmental Affairs
To hold hearings on S. 2161, to provide Government-wide accounting of regulatory costs and benefits, and S. 1675, to establish a Congressional Office of Regulatory Analysis.
SD–342

2:00 p.m.
Governmental Affairs
International Security, Proliferation and Federal Services Subcommittee
To hold hearings to examine the satellite export licensing process.
SD–342

Judiciary
Immigration Subcommittee
To hold oversight hearings on enforcement activities of the Immigration and Naturalization Service, Department of Justice.
SD–226

JULY 30

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to review a recent concept release by the Commodity Futures Trading Commission on over-the-counter derivatives, and on related proposals by the Treasury Department, the Board of Governors of the Federal Reserve System, and the Securities and Exchange Commission.
SD–106

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to examine international satellite reform.
SR–253

Judiciary
Business meeting, to consider pending calendar business.
SD–226

SEPTEMBER 2

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to examine the impact of United States satellite technology transfer to China.
SR–253

SEPTEMBER 10

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings to examine international satellite reform.
SR–253

OCTOBER 6

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans Affairs on the legislative recommendations of the American Legion.
345 Cannon Building